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NATIONAL BANK OF ETHIOPIA GETS NEW GOVERNOR AND VICE GOVERNOR
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EXTERNAL DEBT AND ECONOMIC GROWTH IN ETHIOPIA:
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BANK AND INSURANCE INSTITUTION OPERATING IN ETHIOPIA

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Banks Name & Address

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Insurance companies Name & address

የኢትዮጵያ መድን ድርጅት Ethiopian Insurance Corporation	Tel Fax	011-5-51 24 00 011-5-51 74 99		አንበሳ ኢንሹራንስ ኩባንያ አ.ማ Lion Insurance Company S.C.	Tel Fax	011-6-18 70 00 011-6-63 29 40 011-6-63 29 36/47
ብሄራዊ የኢትዮጵያ ኢንሹራንስ ኩባንያ አ.ማ National Insurance Company of Ethiopia S.C.	Tel Fax	011-4-66 11 29 011-4-65 06 60		ኢትዮላይፍ ኤንድ ጀነራል ኢንሹራንስ አ.ማ Ethio-Life & General Insurance S.C.	Tel Fax	011-5-54 96 50/52 011-5-54 96 53
አዋሽ ኢንሹራንስ ኩባንያ አ.ማ Awash Insurance Company S.C.	Tel Fax	011-5-57 02 09 011-5-57 02 05 011-5-57 00 01 011-5-57 02 08		ኦሮሚያ ኢንሹራንስ ኩባንያ አ.ማ Oromia Insurance Company S.C.	Tel Fax	011-5-50 31 38 011-5-54 51 31 011-8-95 95 80 011-5-50 31 92
ሕብረት ኢንሹራንስ ኩባንያ አ.ማ United Insurance Company S.C.	Tel Fax	011-4-65 56 56 011-4-65 32 58 011-4-67 19 34		አባይ ኢንሹራንስ አ.ማ Abay Insurance S.C.	Tel Fax	011-5-53 53 00 011-5-53 55 50 011-5-15 76 90
አፍሪካ ኢንሹራንስ ኩባንያ አ.ማ Africa Insurance Company S.C.	Tel Fax	011-6-63 77 16/19 011-6-62 45 79 011-6-63 82 53		ብርሀን ኢንሹራንስ አ.ማ Berhan Insurance S.C.	Tel Fax	011-4-67 44 31 011-4-67 44 23 011-4-66 87 01
ናይል ኢንሹራንስ ኩባንያ አ.ማ Nile Insurance Company S.C.	Tel Fax	011-4-42 60 00 011-4-42 57 54 011-4-42 60 08		ፀሀይ ኢንሹራንስ ኩባንያ አ.ማ Tsehay Insurance S.C.	Tel Fax	011-1-11 97 70 011-1-11 98 27 011-1-11 98 86
ኒያላ ኢንሹራንስ ኩባንያ አ.ማ Nyala Insurance S.C.	Tel Fax	011-6-62 66 67/69 011-6-62 67 07 011-6-62 67 06		ሉሲ ኢንሹራንስ ኩባንያ አ.ማ Lucy Insurance S.C.	Tel Fax	011-4-67 17 84 011-8-96 59 70 011-4 67 18 96
ግሎባል ኢንሹራንስ ኩባንያ አ.ማ Global Insurance Company S.C.	Tel Fax	011-1-56 74 00 011-1-56 04 83 011-1-56 62 00		ቡና ኢንሹራንስ ኩባንያ አ.ማ Bunna Insurance S.C.	Tel Fax	011-1-57 60 54 011-1-11 96 35 011-1-115207
ንብ ኢንሹራንስ ኩባንያ አ.ማ Nib Insurance Company S.C.	Tel Fax	011-5-53 51 29/32 011-5-52 81 93 011-5-52 81 94/96				

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OPINION EXPRESSED IN THE ARTICLE DO NOT NECESSAIRLY REFLECT THE POLICIES AND STRAGIES OF THE NATIONAL BANK OF ETHIOPIA
for resources, please visit the NBE's offcial website
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የኢትዮጵያ ብሔራዊ ባንክ
National Bank of Ethiopia

EXTERNAL DEBT AND ECONOMIC GROWTH IN ETHIOPIA:
EVIDENCES FOR DEBT OVERHANG AND CROWDING OUT EFFECTS

Dear esteemed readers, we are happy to meet you with the 126th issue of Birritu which consists of relevant and timely topics.

In the News and Information section, there are three news under the title "NBE Gets New Governor and Vice Governor", "NBE Confers with the Business Community" and " IMF predicts stronger growth but warns of risks"

The topic selected for research article is "External Debt and Economic Growth in Ethiopia: Evidences for Debt Overhang and Crowding out Effects". The Educational and Informative Article contains an article about the essence and development of World Bank. Finally, on the miscellany section there are quotes about money laundering and short fiction.

Dear readers, your feedbacks and comments are invaluable for enriching the next issue of Birritu. Please keep forwarding your comments and suggestions.

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Dr. Yinager Dessie

Ato Bekalu Zeleke

NATIONAL BANK OF ETHIOPIA GETS NEW GOVERNOR AND VICE GOVERNOR

Elias Salah

Dr. Yinager Dessie has been appointed as Governor of the National Bank of Ethiopia (NBE), as of June 23, 2018, while Ato Bekalu Zeleke was appointed to serve as Vice Governor as of July 8, 2018.

In a letter dispatched from the office of Prime Minister Dr. Yinager replaced the longest serving Governor Ato Teklewold Atnafu, while Ato Bekalu replaced Dr. Yohannes Ayalew.

Prior to his current appointment, Dr. Yinager was Commissioner of the National Planning Commission of Ethiopia. He was also a member of Board of Directors of the National Bank of Ethiopia.

Dr. Yinager served as State Minister of Ministry of foreign Affairs from 2013 to 2015. Besides prior to the Foreign Ministry, he worked in various institutions (Agriculture Development office, Capacity Building Bureau, Finance and Economic Development Bureau) at different positions (Office Head, Vice Bureau Head, Bureau Head).

With regard to academic performance, the Governor has PhD in Economics from University of Natural Resources and life Sciences, Vienna, Austria, MA in Developmental Economics from International Institute of Social Sciences Erasmus University of Rotterdam, the Netherlands, and BA in Economics from Civil Service University, Addis Ababa, Ethiopia.

On the other hand, Ato Bekalu served as president of the Commercial Bank of Ethiopia for more than 10 years. On top of this Ato Bekalu served in various posts at commercial bank of Ethiopia such as Vice President of Finance, Relationship Manager, Credit Monitoring Officer and others.

With regard to academic performance, the Vice Governor has MBA from open university, BA in Accounting from Addis Ababa University and Diploma in Marketing from former Addis Ababa Commercial College.

NBE CONFERS WITH THE BUSINESS COMMUNITY

Elias Salah

The Governor of the National Bank of Ethiopia Dr. Yinager Dessie held discussion with the business community regarding the various problems the business community is facing. The discussion was organized by Ethiopian Chamber of Commerce and Sectoral Association in collaboration with the National Bank of Ethiopia.

The discussion was held on July 19 /2018 at the premises of the National Bank of Ethiopia. Opening the discussion, Governor of the National Bank of Ethiopia said the Ethiopian economy has been growing rapidly for the last 16 years and this amounts to the policy we followed and the strategy we executed.

Following 1992, Ethiopia implemented market led economy and many activities were conducted with regard to the finance sector and due to this, many banks and insurance companies flourished, the governor said. As a result, the sector played critical role for the development of the economy, Dr, Yinager added.

The banking sector for the economy and the economy for the banking sector are mutually inclusive. The development of the banking sector is so far going well and there is good regulatory body which is National Bank, the governor explained.

The Governor also elaborated that the banking sector is stable and in history of the sector no bank was bankrupted. We have to strengthen and continue with this success story, On the other hand the different problem of the business community need to be solved, Dr, Yinager added.

"Hence, this forum is organized to present your problems and openly discuss to come up with tangible solutions. Your are not only expected to forward problems related to National Bank of Ethiopia and the finance sector but you need also to disclose your internal problems with corresponding solutions" the Governor explained.

With this general framework, the governor invited president of the Ethiopian Chamber of Commerce and Sectoral Association Engineer Melaku Azezaw to present the summary of the business community problems and challenges.

Following to the Governors invitation, the president presented various problems and challenges of the business community sector by sector in well organized manner. On top of this, participants have raised different questions and the Governor informed all concerns raised in the meeting will be addressed with the committee organized for such type of reform tasks.

Among many questions raised by the business community, lack of adequate loan, chronic shortage of foreign currency, suppliers credit for companies engaged in import substituting products, unsystematized registration for foreign currency which created a long queue up to a year and above, unfair foreign currency allocation for specific sector are included.

Dr. Yinager gave brief response for the questions and suggestions raised by the business community. On this half day meeting, close to 70 people came from different business sector participated.

IMF PREDICTS STRONGER GROWTH BUT WARNS OF RISKS

The International Monetary Fund has forecast that 2018 will be the strongest year for global growth since 2011.

In its new assessment of the World Economic Outlook, the IMF predicts growth this year and next of 3.9%.

However, it warned that performance could be curtailed by trade barriers.

For the UK, the IMF has made a modest upgrade for growth this year to 1.6%. For next year, the forecast has been slightly reduced, to 1.5%.

The IMF report warned that the current momentum was "not assured".

It lists a number of risks that could lead to weaker performance than its main forecast, including what it calls policies that "harm international trade".

The report refers to "waning support for global integration". It says increased trade barriers - tariffs or other restrictions - could harm sentiment in financial markets, disrupt global supply chains and slow the spread of new technology.

Protectionism also affects consumers by making tradable goods more expensive.

The increased tension in recent months over trade largely reflects President Trump's view that the deficit in US trade - the country imports more than it exports - is a result of poor agreements negotiated by his predecessors and other countries taking advantage of the US.

But IMF chief economist Maurice Obstfeld dismisses the idea that the steps taken by the US can reduce the deficit.

He says the reason for the deficit is that total spending in the US exceeds income. He says that recent tax measures are actually likely to increase the deficit.

The general thrust of this report is relatively upbeat for the near-term future. The forecasts for this year and next have been raised.

The upgrade to global growth for this year to 3.9% potentially makes 2018 the strongest year since 2011, when the economy was rebounding from the financial crisis.

Mr Obstfeld describes the upgrade from 3.7% as "substantial".

Compared with forecasts issued in October 2017, the predictions for this year for the euro-area, Japan and the US have all been raised by half a percentage point or slightly more.

For the UK, the report says that unemployment close to historic lows could add to inflationary pressures, by triggering faster wage growth.

Inflation is already above the government and Bank of England's target of 2%. The IMF says further increases in interest rates are needed to bring price rises back towards that rate.

That said, Mr Obstfeld describes longer-term prospects as "more sobering".

In the developed economies, he says, ageing populations and low growth in productivity (the amount each worker produces) mean they are unlikely to achieve the per capita growth rates they managed before the crisis - and it is per capita growth that drives average living standards.

Among developing countries, he says those that depend on exporting commodities need to diversify their economies.

There are warnings about the risks ahead, lurking dangers that could lead to the global economy falling short of the IMF's forecasts, in addition to the concerns about trade.

Debt levels - private and government - are very high. That could lead to debtors getting into difficulty with repayments as interest rates rise from the post-financial crisis lows.

Source: BBC

EXTERNAL DEBT AND ECONOMIC GROWTH IN ETHIOPIA:

EVIDENCES FOR DEBT OVERHANG AND CROWDING OUT EFFECTS

Mulualem Eshetu

Chief Research Officer
**Domestic Economic Analysis
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The empirical findings provided evidence for debt overhang impact of the external debt accumulation in retarding the economic growth. However, the results suggested the non-crowding out effect of external debt service obligation in impeding output growth. The results also confirmed the positive impacts of domestic investment in promoting economic growth, witnessing the absence of crowding out effect of external debt servicing.

ABSTRACT

This paper attempted to empirically investigate the impact of external debt accumulation on economic growth in Ethiopia to determine whether there exist 'debt overhang' and/or 'crowding out' effects during the period 1981-2016. The methodology used is the Johansen test technique for cointegration and Error Correction Modeling (ECM) mechanism for analysis of short run dynamism. The empirical results indicated the long-run relationship among the variables considered in the empirical investigation. The empirical findings provide evidence for negative impact of external debt accumulation on the economic growth, signifying the existence of debt overhang problem. However, the results indicate the insignificant effect of external debt service on output growth, suggesting the non-crowding out effect of debt service obligation in the short and long run economic growth. The results further showed the significant positive impacts of domestic capital investment and human development on output growth. The positive impact of domestic investment on economic growth signifies the absence of crowding out effect of debt servicing. Therefore, the debt management policy should focus on periodically undertaking a comprehensive debt sustainability analysis for debt relief in view of reducing the level of debt stock and thereby easing the debt overhang problem. Moreover, strengthening the strategies targeting on export diversification and enhancing remittance, while optimizing domestic resource mobilization in more productive venture, could reduce the need for foreign loans.

EXTERNAL DEBT AND ECONOMIC GROWTH IN ETHIOPIA:

EVIDENCES FOR DEBT OVERHANG AND CROWDING OUT EFFECTS

I. INTRODUCTION

The economies of developing countries usually face shortage of domestic saving and foreign exchange needed for financing of their development and other national objectives. The rate of capital formation of these countries is practically low and inadequate to increase productivity and the rate of economic development and hence, improve the standard living of the mass population. As the financial institutions (both capital and money markets) are not well developed, the countries suffer from constant supply of investable funds. Many of these countries resorted to external sources for procuring financial resources to supplement the saving-investment gap and address the question of capital scarcity.

Economic theory suggests that a reasonable level of external debt borrowing of a developing country is likely to enhance its economic growth. However, there has been no consensus on the role of external debt on economic growth. It has both positive and negative aspects. According to traditional neoclassical models, developing countries at initial stages of economic development have limited capital stocks but likely have investment opportunities with high rate of returns; therefore, capital mobility could promote economic growth. As long as these countries utilize the borrowed funds for productive investment and they do not suffer from i) macroeconomic instability; ii) policies that distort economic incentives; and iii) sizeable adverse shocks, the pace of output growth should increase and allow for timely debt repayments. Different experts are also in view of that external debt will have favorable effect on economic growth as it increases the level of capital inflow and boost the pace of economic growth when it is used for growth related expenditures.

On the other hand, when external debt is accumulated beyond a certain limit, it could contract economic growth by hampering investment. Many analysts believe that the poor investment and growth performance of several developing countries (including those in Sub-Saharan Africa) since the onset of the global debt crisis in 1982 can be attributed in part to the disincentive effect of their external debt burden. This phenomenon is often referred to as the "*debt overhang*" problem

hypothesis. The debt overhang hypothesis asserts that if there is a probability that a country's future debt will be more than its repayment ability, then the anticipated cost of debt servicing can depress domestic and foreign investments and thus harm growth. The debt overhang concept implies that when external debt grows sufficiently large, investors lower their expectation of future returns in anticipation of higher and progressively more discretionary taxes to repay the debt obligation so that both domestic and foreign investments would be disheartened which in turn will slow down investment and growth[1].

The adverse implication of external debt on investment and growth has also been explained through the other channel known as "*crowding out*" effect hypothesis. This means if a greater share of external debt disbursements or foreign capital is used for external debt servicing, the remaining amount could be too small to finance domestic investments and thereby, impeding output. In other word, a high debt burden generally implies that a significant portion of new external loan disbursements or export receipts are devoted for external debt service obligation. If options for short term government revenue increases are exhausted, other area of government's spending and productive public investments will be cut to accommodate the debt service obligation. Reducing public investment, if complementary to private investment, can ultimately lead to a lower growth rate[2].

The debt overhang and crowding out effects of external debt have become increasingly significant research topic, given the policy relevance with respect to external debt burden and there have been extensive empirical works that investigated the implication of external debt on economic growth. In fact, these studies are broadly classified in to cross-country or a group of developing countries and country specific analysis. The country

case studies purely applied time series approach in examining the debt overhang and crowding out effects of external debt in developing countries[3].

This paper intends to validate the *debt overhang problem* and *crowding out effect hypothesis* in the case of Ethiopia. Therefore, the main objective of this study is to empirically investigate the impact of external debt on economic growth in Ethiopia to determine whether there exist debt overhang problem and/or crowding out effect. The evidence obtained from empirical investigation will enhance the understanding on external debt accumulation and economic growth nexus in developing countries like Ethiopia.

The rest of the paper is organized and proceeds as follows. The next section presents overview on the development of external debt and economic growth in Ethiopia during 1991/92-2015/16. Section three briefly reviews the related theory and empirical evidences on impact of external debt on economic growth. The methodology to be used and data sources are illustrated in section four. The next section provides the empirical results and interpretation. Section six summarizes the overall findings of the study. The last section draws a few policy remarks.

II. EXTERNAL DEBT AND ECONOMIC GROWTH IN ETHIOPIA (1991/92–2015/16)

2.1. External Debt

Ethiopia, as being a developing country, has relied on external debt for financing of growth enhancing and pro-poor projects that are given priority in the overall development policy and strategy of the country. The available statistics reveal the significant changes of the country's external debt in terms of level of stock and when measured by the conventional debt burden indicators (*external debt stock to GDP ratio and debt service to exports of goods and services ratio*). Table 2.1 below presents the historical development of Ethiopian external debt stock and debt service with measurements of debt burden.

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[1] The "Debt Overhang" and "Crowding Out" effects were first hypothesized by Krugman (1988) and Sachs (1989) and later used in various empirical studies in attempt to investigate the impact of external debt stock on economic growth in different developing countries. Some of these studies are reviewed in section II of this paper.

[2] Section three of this paper discusses the broad rationalization about external debt overhang and crowding out hypotheses.

[3] Section III of this paper discussed the methodology used and the findings of various empirical studies for developing countries.

Table 2.1: External Debt Stock and Debt Service in Ethiopia

Fiscal Years	Total Debt Stock (in million USD)	Debt Stock by Creditors(in million USD)			Total Debt Stock (in % of GDP)	Debt Service (in million USD)	Debt Service ratio in % of exports
		Multilateral	Bilateral	Commercial			
1984/85	1,611.8	631.5	980.3	-	20.6	136.0	24.5
1990/91	3,622.2	1,247.5	2,374.7	-	31.5	379.5	69.9
1991/92	3,164.9	1,280.4	1,884.5	-	25.4	404.5	76.9
1992/93	6,695.1	2,926.6	3,768.7	-	56.8	408.4	53.0
1993/94	4,454.5	2,269.6	2,184.9	-	73.2	317.3	56.9
1994/95	4,436.7	2,339.0	2,097.7	-	66.0	483.1	36.7
1995/96	4,287.6	2,538.3	1,749.3	-	57.6	271.3	34.5
1996/97	4,166.4	2,581.6	1,584.7	-	52.7	411.6	39.8
1997/98	4,056.7	2,571.3	1,485.4	-	50.2	199.2	19.2
1998/99	4,202.6	2,732.2	1,470.4	-	52.1	209.0	22.9
1999/00	5,483.2	2,866.2	2,617.0	-	67.7	273.6	27.8
2000/01	5,555.9	2,973.2	2,582.7	-	68.7	201.8	22.2
2001/02	6,187.1	3,618.0	2,569.0	-	79.4	137.8	14.0
2002/03	6,779.2	4,272.4	2,506.8	-	79.2	160.0	22.3
2003/04	7,200.3	4,679.9	2,520.4	-	74.0	183.8	17.0
2004/05	6,021.2	4,880.8	787.6	353.0	53.9	181.5	11.5
2005/06	6,029.1	4,876.3	797.7	355.1	46.6	209.1	7.6
2006/07	2,300.1	1,188.6	663.9	447.8	11.8	29.8	2.5
2007/08	2,753.6	1,540.5	951.5	275.0	12.3	76.8	5.2
2008/09	4,364.8	2,032.3	1,204.3	1,128.2	13.5	67.6	3.3
2009/10	5,569.8	2,729.1	1,389.7	1,451.0	18.7	94.7	4.7
2010/11	7,318.8	3,480.9	1,724.5	2,113.4	26.3	196.0	8.0
2011/12	8,846.3	4,001.1	2,227.5	2,617.7	26.5	391.4	12.3
2012/13	11,222.7	5,028.5	3,192.3	3,001.9	23.7	648.6	20.8
2013/14	14,008.1	6,154.5	4,505.3	3,348.3	25.5	652.7	19.8
2014/15	18,194.1	6,228.6	2,743.2	9,222.4	28.8	878.2	29.1
2015/16	21,740.4	7,742.0	7,109.0	6,889.3	30.7	968.2	16.7

Source: NBE Annual Statistical Bulletins

The pre 1992 period in Ethiopia witnessed for poor economic growth against the increasing external debt accumulation and debt servicing, compounded with fragile macroeconomic environment. For instance, the external debt stock of the country, which was about *USD 1.6 billion* -equivalent to *20.6 percent* of GDP as at end June 1985, increased continuously by *124.7 percent* and reached *USD 3.62 billion (31.5 percent of GDP)* by end June 1991. As a result, the debt service obligation (amortization and interest repayments) increased more rapidly by *179.5 percent* from *USD 136 million (24.5 percent of exports)* in 1984/85 to *USD 379.5 million,* constituting about *70 percent* of exports in

1990/91.

The Transitional Government of Ethiopia, since 1992, has launched a set of policy reforms and recovery program under the *Structural Adjustment Program (SAP)* aimed at establishing a stable macroeconomic environment, resuming growth, putting the country on a sustainable debt path and addressing the long term structural problems of the country's underdevelopment economy. The reform policies had the encouragement and financial support from both the *World Bank (WB)* and *International Monetary Fund (IMF)*. Moreover, the country has, since December 1993 with the support of the *International Monetary Fund* (*IMF*), adopted a *Debt Management Strategy* with the objectives of

reducing debt service and debt stock to deal with the debt overhang difficulties inherited during the previous regime. The new policy direction under the *Medium-Term Debt Management Strategy* (*2013-2017*) focuses on mobilizing additional financing such as concessional and semi-concessional external loans targeted at accelerating growth and poverty reduction, as well as meeting the *Millennium Development Goals* (*MDGs*) related targets while ensuring debt sustainability of the country.

The level of external debt stock even within this regime continued increasing and jumped by *125 percent* from *USD 3.2 billion* on end June 1992 to *USD 7.2 billion* by end June 2004. The increment in external debt stock was attributed largely to the government's newly contracted loans mainly from multilateral sources, particularly for implementation of the post war social and economic reform program the *Structural Adjustment Program*. For instance, the total debt from multilateral creditors accumulated at about *USD 1.3 billon* by end June 1992 and increased to *USD 4.7 billion (65 percent of the total debt stock)* as at end June 2004. The balance constituted the debt accumulation owed to the bilateral lenders[4]. The debt stock in proportion to GDP also increased from *25.4 percent* to *74 percent* over the period. However, this was accompanied with, though fluctuating, declining trend of the debt servicing obligation from *USD 404.5 million*, representing about *77 percent of exports* to *USD 183.8 million (17 percent of exports)* over the same period due to debt relief.

Ethiopia was one of the countries benefited from external debt reliefs granted under the *Heavily Indebted Poor Countries* (*HIPC*) *Initiative* in 2004 and the *Multilateral Debt Relief Initiative* (*MDRI*) in 2006. The largest debt relief of *USD 4,090.4 million* was obtained in 2006/07 mainly due to *HIPC* and *MDRI* from *International Development Association* (*IDA*), the *International Monetary Fund* (*IMF*) and *African Development Bank* (*AfDB*). Of the debt relief, *USD 3,039.8 million* and *USD 837 million* were granted

from *IDA* and *AfDB/ADB* respectively. The *IMF* also cancelled *USD 164.8 million* debt stock under the *HIPC* and *MDRI* programs (*Ethiopia's Medium Term Debt Management Strategy,* 2013-2017).

As a result, the stock of external debt of the country declined significantly from *USD 7.2 billion* at end June 2004 to the lowest level of *USD 2.3 billion* by end June 2007. The debt owed to the multilateral creditors declined drastically from about *USD 4.7 billion* to *USD 1.2 billion* while the debt stock owed to the bilateral lenders was reduced to about *USD 664 million* from *USD 2.5 billion* over the same period. Equivalently, the total debt stock to GDP ratio declined sharply from *74 percent* to *11.8 percent*, witnessing the reduction of debt service to export ratio from *17 percent* to *2.5 percent* in the same period (*Ethiopia's Medium Term Debt Management Strategy*, *2013-2017*).

However, the total external debt stock of the country has been growing constantly following the benefits of debt reliefs that Ethiopia enjoyed via the *HIPC initiative* and the *MDRI*. The debt stock soared considerably from *USD 2.75 billion* at end June 2008 to as high as *USD 21.7 billion* by end June 2016, basically due to the increase in investment needs of the government for infrastructure development and poverty reduction program. This resulted in the rising of debt stock to GDP ratio from *12.3 percent* to *30.7 percent*. The debt service also increased rapidly from *USD 76.8 million* to *USD 968.2 million* in the same period. The sharp increase in the level of outstanding external debt was primarily driven by major import intensive public enterprises' new borrowings for implementing infrastructure projects including roads and power generation that require huge foreign currency (*African Economic Outlook 2016*).

2.2. Economic Growth[5]

Starting from 1992, the Ethiopian government has introduced a more liberalized market-based economic policy with significant institutional reforms in view of reviving and accelerating the

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[4] The lenders can be categorized in to multilateral, bilateral and commercial banks. Under multilateral creditors, World Bank, International Development Association and African Development Fund are the major ones. The group of official bilateral creditors includes the Paris Club and non-Paris Club creditors.

[5] The analysis on economic growth in Ethiopia is taken from previous own paper (Birritu No. 124, July 2017 of the National Bank of Ethiopia)

country's economic growth. The government adopted a medium term development plan known as "*Agricultural Development-Led Industrialization* (*ADLI*)" strategy in order to stimulate farm output and rural incomes, thereby generating broad-based growth and reducing poverty. The strategy focused on increasing production and productivity of agricultural smallholder through complementary intervention such as promotion of improved agricultural technologies, provision of credit services, development of infrastructure and improvement in primary education and health care services. Moreover, increasing the role of private sector in the economy has been one of the major objectives of the transition towards market based economy since the early 1990s.

The economic performance of the country was improving during the 1990s, relative to the situation in the 1980s (*Table 2.2*). The *real GDP* grew on average by *5 percent* per annum during 1991/92-2000/01 compared to the *2 percent* average growth in the *1980s*. Agricultural output increased slightly from yearly average of *1.4 percent* in the 1980s to *2.6 percent* in the 1991/92-2000/01. Growth in industrial value added averaged at about *6 percent* during 1991/92-2000/01 relative to the *2.4 percent* average growth in the *1980s* while service sector accelerated by *7.1 percent* vis-à-vis *3.6 percent*. However, the overall growth during the 1990s was extremely volatile, experienced both contraction and recession mainly due to variability in weather phenomenon and the war with Eritrean government, which started as a border skirmish and intensified into a full-fledge conflict, which likely resulted in some slowing in non-agricultural activities *(IMF Staff Country Report No. 98/99)*.

The economy started showing sign of recovery since the end of severe drought in 1996/97 that led to *1.5*

percent real GDP decline in 1997/98. The economy rebounded and recorded about *6 percent* growth in 1998/99. Agriculture began a slow recovery from the drought effect and registered *3.8 percent* growth in 198/99. Industrial output increased significantly by *7 percent* relative to the preceding year, while service sector expanded by *6.4 percent* in the same year. However, the pace of the real GDP growth declined marginally to *5.4 percent* in 1999/00, reflecting the significant poor growth of industrial value added and the slower agricultural output growth relative to the previous year.

The economy continued making a steady growth since emerging from the border conflict with Eritrea in 2000. The *real GDP* registered a robust growth of *8.3 percent* in 2000/01 relative to the preceding year. The growth performance was attributed mainly to the sharp increase in agricultural harvest; higher inflows of external aid that helped the country withstand the shortfalls in export earnings and improve macroeconomic environment– narrow fiscal deficit and slow growth of monetary aggregates. The economic growth in 2000/01 was reflected in the main sectors of the economy. Agricultural output increased strongly by *9.6 percent* vis-à-vis its growth in 1999/00 largely supported by favorable weather condition. Similarly, growth in industrial value added improved to *5.2 percent*, largely supported by the growth in agricultural output through increasing supply of raw materials mainly for food processing industries. It also reflects the success of the government's privatization program that brought some hitherto dormant manufacturing and agro-processing industrial establishments into production (*African Economic*

Outlook 2003).

Table 2.2: Real GDP Growth and Sectors' Growth & Contribution to GDP (in percent)

Fiscal Year	Real GDP Growth	Agriculture		Industry		Service	
		Growth	Share in GDP	Growth	Share in GDP	Growth	Share in GDP
1980s Average	1.9	1.4	59.8	2.4	10.0	3.6	30.2
1991/92	-3.7	-2.7	65.9	-8.6	7.6	-6.6	26.5
1992/93	12.0	6.1	62.7	27.1	8.6	20.7	28.7
1993/94	1.7	-3.7	60.2	4.9	9.0	7.6	30.8
1994/95	5.4	3.4	59.2	7.9	9.3	7.6	31.5
1995/96	10.6	14.7	60.9	5.6	8.8	7.6	30.4
1996/97	4.7	3.6	59.9	4.4	8.7	8.6	31.3
1997/98	-1.44	-11.1	55.5	3.7	9.4	7.2	35.0
1998/99	5.9	3.8	54.9	7.0	9.6	6.4	35.5
1999/00	5.4	2.2	54.0	1.4	9.4	7.4	36.7
2000/01	8.3	9.6	55.1	5.2	9.2	5.0	35.8
2001/02	-1.5	-1.9	53.6	8.2	9.8	3.3	36.7
2002/03	-2.2	-10.5	49.4	6.0	10.7	5.5	39.9
2003/04	11.5	16.9	51.6	10.8	10.6	5.9	37.8
2004/05	12.6	13.5	51.9	9.3	10.3	12.4	37.5
2005/06	11.7	10.9	51.5	9.9	10.1	13.7	38.0
2006/07	11.5	9.4	50.5	7.8	9.8	15.3	39.3
2007/08	11.6	7.5	48.8	10.7	9.7	16.1	41.0
2008/09	9.8	6.4	47.3	9.8	9.7	13.8	42.6
2009/10	10.3	7.6	46.1	12.7	9.9	12.9	43.7
2010/11	11.4	9.0	44.7	18.6	10.4	17.0	45.5
2011/12	8.7	4.9	43.1	19.6	11.5	9.6	45.9
2012/13	9.7	7.1	42.0	24.1	12.9	9.0	45.5
2013/14	10.3	5.4	40.2	17.0	13.7	13.0	46.6
2014/15	10.2	6.4	38.8	21.7	15.2	10.2	46.6
2015/16	8.0	2.3	36.7	20.6	16.7	8.7	47.3

Source: Ministry of Finance and Economic Development (MoFED)

However, the Ethiopia's economy was hampered by a series of droughts in the subsequent two years. As a result, the pace of real GDP growth sharply fell to *1.5 percent* in 2001/02 from its robust growth in 2000/01, owing to the drought effect that reduced the agricultural output by about *2 percent*. However, industrial output accelerated by *8.2 percent* in contrast to the slowdown of growth in service sector to *3.3 percent* relative to the preceding year.

The government's focus on broad-based growth and poverty reduction through enhancing growth and transforming the structure of the economy was underscored in its successive blueprints – *Sustainable Development and Poverty Reduction Program* (*SDPRP*), *Plan for Accelerated and Sustained Development to End Poverty* (*PASDEP*) and *Growth*

and Transformation Plan (*GTP I*) –implemented since 2002.

The first medium-term strategy –*Sustainable Development for Poverty Reduction Program (SDPRP)* –was implemented during 2002/03-2004/05. The program aimed at building a more market oriented economy, leading to a rapid development, reducing the dependency on food aid, and allowing the poor to benefit more from economic growth. To this end, the real GDP growth was targeted at *7 percent* while *inflation* was to remain within *single digit range* during the program period.

However, the real GDP contracted by *2.2 percent* in 2002/03 as a result of the drought effect on agricultural output, which deteriorated by *10.5 percent* compared to its poor performance in 2001/02. Indeed, the share of agriculture in GDP shrank to *49.4 percent* in 2002/03 from *53.6 percent*

in the previous year. Even though its pace of growth fell to *6 percent* from *8.2 percent* in 2001/02, the industrial sector's share in GDP improved slightly in 2002/03. In contrast, growth in service sector rose to *5.5 percent* from *3.3 percent* and its share in GDP improved to about *40 percent* from *36.7 percent* in 2001/02.

In 2003/04, the economy made a promising recovery, growing by about *11.5 percent*, largely due to the significant growth of agricultural output (*17 percent*) resulting mainly from favorable weather condition. The industrial value added accelerated by *10.8 percent* in 2003/04, despite its GDP share remained nearly unchanged. Although the real output of service sector grew by about 6 percent in 2003/04, its share in GDP declined to *37.8 percent*. Following the unprecedented high real GDP growth in 2003/04, the Ethiopian economy recorded a more sustainable rapid growth of *12.6 percent* in 2004/05; driven by the growth in agriculture (*13.5 percent*), industry (*9.3 percent*) and services (*12.4 percent*). As a result, the real GDP growth over the *SDPRP* period averaged *7.3 percent*, compared to 7 *percent* average growth target of the program.

The government also launched the second phase of the *SDPRP –Plan for Accelerated and Sustained Development to End Poverty (PASDEP)* –during 2005/06–2009/10 in line with the poverty reduction strategic framework of the country. The real GDP growth target was set at *10 percent on* average during the plan period, while sustaining the growth of agricultural outputs and productivity (*PASDEP, Vol. I*).

The economy maintained the high growth momentum, registering *11.6 percent* average growth in the first three years (2005/06–2007/08) of the *PASDEP* period, driven mainly by sustained and rapid expansion of service activities. Following the *10 percent* increase in 2005/06, growth in industrial sector declined to *7.8 percent* in 2006/07, although it accelerated by *10.7 percent* in 2007/08. In contrast, growth in agricultural output slowed down to *7.5 percent* from *9.4 percent* over the same period. Although the global economic crises in 2008 has had an effect on the Ethiopian economy through

export, remittance and foreign direct investment and food and fuel price hikes, the country withstood the impacts of the crises and maintained a strong growth of *9.8 percent* in 2008/2009. The economy further accelerated by *10.3 percent* in 2009/10, owing to higher growth in agriculture (*7.6 percent*) and industry (*12.7 percent*). Consequently, the economy during the *PASDEP* period registered about *11 percent* average growth, compared to the *10 percent* average growth target. The significance of agriculture in total GDP declined steadily from *51.5 percent* in 2005/06 to *46.1 percent* in 2009/10, while service sector's share in GDP increased from *38 percent* to *43.7 percent*.

The "*Growth and Transformation Plan (GTPI)*" was implemented during *2010/11–2014/15*. Achieving a rapid and sustainable broad base growth through creating conducive macroeconomic environment was the main policy objective of the plan. While containing the *general inflation rate* within the *single digit range*, the *real GDP growth* was set at *11 percent* target in the plan period (*GTP I Vol. I*).

The economy continued on the high-growth trajectory and recorded *11.4 percent* growth in 2010/11. Growth in industrial sector was *18.6 percent*, while that of service sector was *17 percent* and agriculture *9 percent*, indicating the broad base growth of the economy. The significant expansion of mining and, to a lesser extent, manufacturing outputs accounted for the strong growth of industrial sector. Favorable weather conditions in cereal-growing areas, improvement in yields and expansion of cultivated land were the main factors responsible for agricultural output growth (*African Economic Outlook 2012 and 2013*). However, the real GDP growth rate slowed down to *8.7 percent* in 2011/12, in response to slower growth in both agriculture (*about 5 percent*) and service (*9.6 percent*) sectors. The industrial sector remained the main source of the growth in 2011/12, registering *19.6 percent* growth.

In 2012/13, the economy regained the high growth performance, increased by about *9.7 percent* due to the significant growth of industrial value added (*24.1 percent*) and improved agricultural output

(*7.1 percent*). The economy grew further by *10.3 percent* in 2013/14, driven by the expansion of service sector (*13 percent*) mainly in hotels and tourism, financial intermediation, wholesale and retail trade and transport and communications. The industrial sector recorded *17 percent* growth in 2013/14, owing to construction, mining and manufacturing boost. Growth in agricultural output slowed down to *5.4 percent* in the same year. Keeping the growth momentum in 2013/14, the real GDP registered *10.2 percent* growth in 2014/15. Service sector contributed *4.7 percentage points* to the overall growth followed by industry and agriculture, contributing *3* and *2.5 percentage points* respectively.

Over the *GTP I* period, the real GDP growth averaged *10.1 percent*, nearly 1 percentage point shortfall from *11 percent* average growth target of the plan period. This was attributed to *6.6 percent* average growth of agriculture and *10.8 percent* and *20.2 percent* in service and industrial sectors respectively. The importance of agriculture in the economy continued shrinking during the *GTP I* period from *44.4 percent* to *38.5 percent*, implying the increasing share of the other sectors. In fact, the industrial sector gained increasing share in GDP from *10.4 percent* to *15.1 percent* while service sector's share in GDP remained around *45.8 percent* over the *GTP I* period.

The second *Growth and Transformation Plan (GTP II)* has been launched in view of sustaining the rapid and inclusive economic growth achieved in the last twelve years ending 2014/15. The plan, built on the progress and achievements of *GTP I*, is aimed at achieving a double-digit average economic growth rate of *11 percent* per annum during the plan period (2015/16-2019/20) while maintaining a stable and low annual average inflation rate within single digit. However, the pace of growth in real GDP slowed down to *8 percent* in 2015/16 owing to lower agricultural output (*2.3 percent*) and service sector (*8.7 percent*) against higher growth in industry (*20.6 percent*) relative to the preceding year.

All in all, the Ethiopian economy has enjoyed a strong and sustained growth during 2003/04–2015/16, growing on average by *10.6 percent* per annum, basically underpinned by public sector-led development strategy that focused on investing heavily in infrastructure development. The expansion in service and agricultural sectors was playing significant role while manufacturing sector was relatively modest in accelerating the economic growth over the period. Moreover, the economy has experienced noticeable structural changes during this period. The significance of agriculture in GDP declined continuously from *51.6 percent* in 2003/04 to *36.7 percent* in 2015/16. On the other hand, service and industry sectors, which accounted for *37.8* and *10.6 percent* of GDP in 2003/04, constituted *47.3* and *16.7 percent* of GDP in 2015/16 respectively, indicating the increasing role of the sectors in the national economic growth over the period.

III. EXTERNAL DEBT AND ECONOMIC GROWTH NEXUS: THEORY AND EVIDENCES

The literature on external debt and economic growth nexus argues that external debt can potentially help promote higher economic growth when it is used to finance investments. It may enhance economic growth only to a certain point. Once the debt piles up and reaches high levels, it becomes a major destabilizing factor and a serious holdup to long-term economic growth. Owing to the alleged channel from investment towards economic growth, the debate and empirical work on the impact of foreign debt on economic growth has mostly been undertaken through its impact on domestic investment *directly* or *indirectly*. However, the impact of external debt on economic growth may occur through some other channels different than the level of investment. The channels through which a heavy external debt can affect economic growth have been discussed mostly under the *debt overhang, liquidity constraint* and *uncertainty effects*, among others[6].

The impact of external debt on economic growth has largely relied on the debt overhang view. The

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[6] The debt stock variable has generally been used to identify the debt overhang effect, whereas a variable representing debt service payments has been included to control for a possible liquidity constraint / crowding out effect.

'debt overhang' problem is defined as the presence of an existing, 'inherited' debt sufficiently large that creditors do not expect with confidence to be fully repaid. In other words, a country has a debt overhang problem when the expected present value of potential future resource transfers is less than its debt. According to the debt overhang hypothesis, once a country's total debt stock is believed to exceed its repayment ability with some probability in the future, expected debt service will probably be an increasing function of its output level. Consequently, the expected rate of returns from productive investments in such an economy will be anticipated low since a significant portion of any subsequent economic progress will be 'taxed away' by foreign creditors. Hence, investment by domestic and foreign investors will be discouraged, adversely affecting economic growth.

The debt overhang argument is extended by a 'debt Laffer curve'. According to this representation, external borrowing plays a critical role in enhancing economic growth up to a certain level. If the debt stock continues to increase, the impact becomes negative, giving rise to an inverse U-shaped curve[7]. Debt overhang starts after the maximum point, implying a disincentive to invest because potential investors perceive that most of the gains will be taxed away to pay the lender. Hence, any levels to the right of the threshold translate into sluggish economic growth. According to this narrow interpretation of the debt overhang linked to the tax disincentives argument, the alleged implicit tax will have a distortionary effect on investment choices, and hence, reduce economic growth.

The debt overhang argument implies a relationship between a reduction in current debt stock, i.e. future debt service payments, and an increase in current investment. But it is also possible that a reduction in current debt service payments may result in an increase in current investment for any level of

future indebtedness. If there is no debt overhang, the increase in investment level could be achieved by a new loan or a reduction in debt service, debt reduction is not necessary for the increase in current investment. Therefore, two effects of debt should be distinguished, i.e. the implications of debt service for economic growth should also be considered for any given level of external debt.

The external debt service payments can potentially influence economic growth by creating a 'liquidity constraint', which is also captured as a 'crowding out' effect, since limited resources should be distributed among alternative uses, such as consumption and investment, and transfers to pay outstanding debt. According to this view, high debt service payments can directly crowd out investment by preventing a country from devoting resources to productive investment areas. Other things being equal, high public debt service can raise the government's interest bill and the budget deficit, reducing public savings. This, in turn, may crowd out private investment by leading to tax increases and/or by raising interest rates, and hence reducing available funds for private investments. Moreover, a reduction in public investments can also have an indirect effect by leading to a decrease in complementary private investments.

The impact of high debt service payment can also occur as it squeezes the amount of resources available for infrastructure and human capital formation, with further negative effect on growth and development. High debt service can impede imports of intermediate and technological goods, which are critical for production, hence hampering economic growth.

A country facing large debt service payments is likely to have a relatively low productive investment mix. Foreign exchange liquidity constraints can reduce the availability of investment funds and necessitate increased reliance on relatively short-term projects in order to service the debt rather than long-term investments. Furthermore, high debt service may result in substitution away from productive investments requiring expensive imported materials critical to economic growth. Hence,

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[7] The debt Laffer curve was first introduced by Sachs (1989). In the original specification, the curve illustrates the expected debt repayment as a function of the face value of the debt. On the upward-sloping, 'right' side of the curve, an increase in the face value of debt service leads to an increase in repayment, whereas on the 'wrong' side, an increase in the face value of debt service reduces debt repayment. In the later versions the debt Laffer curve is used, for example, to represent the contribution of debt to economic growth.

as a result of the adverse effects on investment mix, debt service payments could reduce output growth directly by diminishing productivity even if debt service payments do not reduce saving and investment levels substantially. The author refers to this effect as the 'direct effect of debt hypothesis' and suggests that both debt stock and debt service may be burdensome and deleterious to economic growth due to investment choices, even the level of investment is not affected.

The other channel through which external debt may lead to sluggish growth concerns the uncertainty about future resource inflows and debt service payments, with their implications for macroeconomic stability. Although this argument is similar to the debt overhang hypothesis, the focus here is not on the disincentives stemming from the possibility that the gains will be taxed away by the creditors, but on the general uncertainty that dominates the economy and distorts investment choices by leading to misallocations and withdrawals.

The level of country risk increases with the level of external indebtedness, leading to limited and expensive borrowing opportunity with a concern for sustainability. The volatility of future inflows rises with the risk of default, rescheduling and arrears, whereas the access to capital markets depends on the perceived sustainability. In these circumstances, the government policies and reforms also depend on conditional lending and rescheduling. Furthermore, high external debt can reduce a government's incentive to carry out important structural and fiscal reforms if it anticipates that foreign creditors will reap most of the benefits. Increasing uncertainty about the government's actions and policies to meet its debt service obligations can also lead to capital flight if the private sector fears a forthcoming devaluation and/or increases in taxes to service the outstanding debt.

The earlier empirical works on the debt-growth relationship focused on the positive aspects of and the need for external borrowing like in the growth-cum-debt view, critical studies considering

the negative implications of external debt for developing economies have been emerged since recently. This is based on the arguments that most of the external resources are not used for economic growth and development of those countries, hence creating additional burden. Moreover, even if they are, the positive impacts can be ruined due to various factors, such as issues stemming from debt servicing processes and uncertainty led by high levels of external debt. Considerable amount of newly borrowed resources are also used in debt servicing. In what follows is a brief touch of the empirical findings of some of these studies due to the relevance of the evidences to the current paper.

Gideon K. M (2012) studied the effect of external public debt on economic growth in *Kenya* to determine whether stock of external debt and debt servicing have any significant impacts on economic growth in *Kenya*. In doing this, the study employed a linear model using time series data for the period *1980–2011* with GDP growth rate as a function of external debt. Foreign direct investment, labor force, capital formation, domestic saving, inflation and external debt service are taken as control variables. The result indicates that external debt stock and debt service exerted negative effects on economic growth; suggesting the debt overhang problem and crowding out effect respectively. Inflation, labor force and domestic saving are found negatively affecting growth, whereas capital formation and foreign direct investment have positive effects on economic growth.

Using time series data for the period *1970-1995*, *Maureen Were (2001)* also examined the structure of *Kenya's* external debt and its implications on economic growth. The empirical results indicated that external debt accumulation has a negative impact on economic growth; confirming the existence of a debt overhang problem. However, debt servicing did not appear in affecting growth adversely. *Edward Njenga (2014)* examined the relationship between external public indebtedness and economic growth in Kenya using time series data from *1970–2010*. The econometric technique of *Ordinary Least Square (OLS)* is employed in the data analysis where capital, labour, interest

payments on external debt, external public debt, debt service payments and inflation are considered as explanatory variables of economic growth. The results indicate that external debt contributed negatively to economic growth while capital formation and labour force have significant positive impacts on the economic growth.

Frimpong and Oteng-Abayie (2006) estimated empirically the impacts of external debt on economic growth in *Ghana* to determine the existence of debt overhang and/or crowding out effects for the period *1970–1999*. *A Vector Error Correction Model (VECM)* was used in estimating the short run impacts. The results indicate that GDP growth is influenced positively by external debt stock and negatively by debt servicing, revealing the presence of crowd out effect. The debt overhang effect is also confirmed through the negative impact of domestic investment on growth.

By employing *Cointegration and Error Correction Modeling (ECM)* techniques, *Izedonmi* and *Ilaboya (2013)* investigated the external debt-growth dynamics in *Nigeria* using time series data covering the period *1980–2010*. The study found significant negative effects of external debt stock and debt service on economic growth; implying the debt overhang and crowding out effects.

Shehu (2013) also examined the contribution of external debt to the economic growth of *Nigeria* in the period *1970–2010* using *Ordinary Least Square (OLS)*. The real gross domestic product is used as a proxy for economic growth while external debt stock, debt service, exports, inflation and exchange rate as explanatory variables. The results indicated a positive and significant impact of external debt stock on economic growth. Using the same methodology, *Garba (2014)* examined whether or not a relationship exists between external debt and economic growth in *Nigeria* during *1981–2012*. However, the result of the *OLS* model showed that external debt has a fairly significant positive effect on the economic growth.

Faraji and Makame (2013) studied the impact of external debt on economic growth in *Tanzania*

in the period of *1990–2010*. The study revealed the significant positive and negative effect of the external debt stock and debt service respectively on GDP growth; suggesting the crowding out effect of debt servicing.

Kormay (2011) examined the effect of external debt on economic growth in *Liberia* in the period *1970–2006* by means of time series analysis. The study applied the *Johansen Likelihood ratio test* for co-integrating relationships among variables and the short run dynamic test. The findings of the study indicated that Liberia has suffered from severe debt overhang problem. Moreover, the result with respect to debt service suggests that Liberia experienced crowding out effect from severe external debt servicing.

Amos Tendai (2015) empirically studied the relationship between external debt and economic growth in *Zimbabwe* during *1980–2013*; employing *Ordinary Least Square (OLS)* regression method. Labour force, capital investment and trade openness are used as control variables. The results showed that external debt and trade openness negatively affected the economic growth while capital investment and labour force related positively on the Zimbabwean economy.

Rifaqat and Usman (2012) analyzed the long run and short run impact of external debt on economic growth in *Pakistan* for the period *1970–2010* using annual time series data. The study used the *extended production function* that measured Gross National Product (GNP) as a function of external debt, gross investment, labour force and education expenditure (proxy for human capital). The results indicated that external debt exerts a significant negative impact on economic growth; confirming the existences of debt overhang problem in both long and short run. However, physical and human capital contributed positively and significantly to growth in both long and short run. *Rashid and Muhammad* (2014) investigated the role of external debt on economic growth in *Pakistan* during *1972–2010*. The study applied Ordinary Least Square (OLS) regression method which incorporated gross domestic product (GDP) as a dependent variable

and external debt, gross domestic saving and gross capital formation as explanatory variables. The statistical findings revealed that external debt stock and gross capital formation had significant positive effects on GDP growth.

Mohammad, Chandra, Prabhakar and Qayyum (2013) analyzed the role of external debt on economic growth of *Indonesia* during *1980–2012* using *Ordinary Least Square (OLS)* method. The finding suggests a negative significant impact of external debt stock on economic growth. The study concluded that external debt is not a blessing but a burden for Indonesia.

Mahmud and Shahida (2012) conducted study to find out the effect of external public debt on economic growth for *Bangladesh* in the period *1974-2010* using *Engle Granger and Error Correction Model* approach. The study probed the external

debt overhang and crowding out effect of the external debt of the country. The results showed the long run significant positive effect of external debt stock and negative effect of external debt service on GDP growth. In the short run, only external debt service has negative effect on economic growth. Thus, the investigation did not find any evidence of debt overhang provided that there is no significant adverse effect of debt stock on GDP growth. But crowding out effect was originated from the fact that there is evidence of adverse effect of debt service payment on economic growth for the period.

Notwithstanding the differences in methodology, majority of these studies found the negative impact of external debt accumulation on economic growth and concluded the existence of debt overhang problem.

IV. METHODOLOGY AND DATA SOURCES

This paper follows the methodology used in the earlier empirical studies for several developing countries on external debt and economic growth where the *standard output growth model*, y = f (k, l), is extended to incorporate external debt variables (*external debt stock and debt service*). This is based on the literature view that posits a reasonable level of external debt could potentially help developing countries in promoting economic growth whereas a high accumulation of external debt has an adverse implication on investment and economic growth. Therefore, the debt-inclusive growth model is specified as follow[8].

$$\ln rgdp_t = \beta_0 + \beta_1 \ln k_t + \beta_2 \ln labf_t + \beta_3 \ln hk_t + \beta_4 \ln exdetgdp_t + \beta_5 \ln exdsxgs_t + \beta_6 \ln cpi_t + \beta_7 \ln opn_t + \varepsilon_t \quad \text{.......} (4.1)$$

$$\ln rgdp_t = \alpha_0 + \alpha_1 \ln k_t + \alpha_2 \ln labf_t + \alpha_3 \ln hk_t + \alpha_4 \ln exdetgdp_t^2 + \alpha_5 \ln exdsxgs_t + \alpha_6 \ln cpi_t + \alpha_7 \ln opn_t + \mu_t \quad \text{....} (4.2)$$

Where lnrgdp = log of real gross domestic product (a proxy for economic growth)

      lnk = log of gross domestic capital investment as a proportion of GDP

      lnlabf = log of labour force

      lnhk = log of human capital development (proxy through secondary school enrolment)

      lnexdetgdp = log of external debt stock to GDP ratio

      lnexdsxgs = log of debt service to export of goods and services ratio (to examine the crowding out effect of external debt servicing due to shift of resources from domestic investment)

      lncpi = log of consumer price index (as an indicator of macroeconomic stability)

      lnopn = log of export plus import of goods to GDP ratio (a proxy to openness of the economy)

      β's and α's = parameters to be estimated

      ε_t and μ_t = residual error terms

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[8] The external debt stock variable entered in Model (4.2) as a quadratic form while the other variables are considered linear in both Model (4.1) and (4.2).

The standard output growth function also consists only of physical capital and labour and does not include human capital. This shortcoming is eliminated through explicitly including human capital in to the specified growth models (4.1) and (4.2). Investment constitutes a key determinant, among others, of economic growth and hence, the ratio of gross capital formation to GDP is taken to be positively related to real GDP. A country with an abundance of human capital is more likely having a greater ability to attract investors, absorb ideas from the rest of world and engage in innovation activities. Secondary school enrolment is used as a proxy variable for human capital.

Other control variables, mainly of *inflation* and *external openness of the country's economy* are included in the growth models (4.1) and (4.2) in order to minimize model specification bias. The level of domestic prices plays a significant role in an economy through providing signals to economic agents. A low, stable or containable and most importantly, predictable level of inflation stimulates investment and boost economic activities. In contrast, a high and rising trend of prices can distort this signaling role and create uncertainty, which reduces the incentives for investment and hence, hinder economic growth. The *degree of external openness*, captured through *the sum of export and import of goods to GDP ratio*, is generally expected positively related to economic growth

as an economy having more international trade links may benefit from transfers of new ideas and technologies from the rest of the world and hence, increase productivity and economic performance.

The empirical investigation employed annual time series data covering the period from *1981 to 2016*. The main sources of the data are *Ministry of Finance and Cooperation (MoFEC), National Bank of Ethiopia (NBE)* and the *World Bank (WB) database*.

V. EMPIRICAL RESULTS AND ANALYSIS

Unit Root Test

Using non stationary time series data in empirical analysis may lead to a high likelihood of spurious regression results for which no inference can be made since the standard statistical tests are invalid. As a result, the conventional econometric regression model necessitates that all the time series variables to be included in a regression model should be stationary and the disturbance term is assumed to have zero mean and constant variance. Therefore, the standard unit root test of *Augmented Dickey Fuller (ADF)* is used to determine the order of the integration of the variables considered in this empirical analysis. The null hypothesis of stationary test is that the time series of a variable has unit root against the alternative of no unit root. The results of *ADF unit root test* are presented below in Table 5.1.

Table 5.1: Unit Root Test Results

Variables	At level		At first difference		Order of Integration
	ADF Stat	Prob.	ADF Stat	Prob.	
lnrgdp	-0.6181	0.9713	-5.5363	0.0004	I(1)
lnk	-1.7320	0.4067	-8.7620	0.0000	I(1)
lnlabf	2.2330	0.9999	-1.4571	0.5420	Not stationary at first difference
lnhk	-0.1475	0.9357	-2.8210	0.0662	I(1)
lnexdetgdp	-1.2860	0.6247	-4.4746	0.0020	I(1)
lnexdsxgs	-1.5595	0.4919	-6.8374	0.0000	I(1)
lncpi	1.2332	0.9977	-5.1125	0.0002	I(1)
lnopn	-0.8596	0.7887	-7.3908	0.0000	I(1)

Source: Own Computation using E-view

The results reported in Table 5.1 indicated that all the series except labour force (lnlabf) exhibit non stationary behavior in level data. In other words, the null hypothesis that the time series has unit root cannot be rejected. However, there is no evidence of unit root when the series are in first difference. This means the hypothesis of no stationary is rejected, implying all the series of the variables except labour force (lnlabf) are stationary in their first difference data.

Conitegration Analysis

The cointegration of two or more variables implies that they exhibit a long run relationship and share a common trend. This also rules out the possibility of the estimated relationships being spurious. Therefore, this study examined whether or not a long run relationship exists among the variables using the Johansen cointegration technique.

Table 5.2 below reported the results of *Johansen cointegration test* based on Trace statistics and Max Eigen value. The null hypothesis of no cointegration is rejected and the alternative hypothesis that at least four cointegrating vectors is accepted in both tests. Therefore, there exists a long run relationship among the non-stationary variables excluding labour force, entering in to the growth model.

Table 5.2: Cointegration Test Results

Hypothesized No. of CE(s)	Eigen value	Trace Statistic	0.05 Critical Value	Prob	Max-Eigen Statistic	0.05 Critical Value	Prob
None *	0.9468	273.61	125.61	0.0000	96.849	46.23	0.0000
At most 1 *	0.9077	176.76	95.753	0.0000	78.63	40.077	0.0000
At most 2 *	0.7220	98.13	69.818	0.0001	42.24	33.87	0.0040
At most 3 *	0.6289	55.88	47.856	0.0074	32.71	27.58	0.0100
At most 4	0.3638	23.16	29.797	0.2379	14.92	21.13	0.2940
At most 5	0.1896	8.23	15.494	0.4402	6.939	14.26	0.4963
At most 6	0.0386	1.29	3.8414	0.2543	1.299	3.84	0.2543

Source: Own Computation Using E-view
Note: Both Trace and Max-Eigen tests indicate 4 cointegratingeqn(s) at the 0.05 level. * denotes rejection of the null hypothesis of no cointegration at the 5 percent level.

The long-run coefficients of the explanatory variables in Models (4.1) and (4.2) are estimated and the results are displayed below in Table 5.3 where the statistical test results such F-test, t-statistic, R-squared, DW statistic and other diagnostic tests indicate that the estimated long run Model (4.2) is found more explanatory than Model (4.1) cointegration regression. Therefore, the empirical analysis relies on the results obtained from cointegration growth Model (4.2).

Table 5.3: Long run Cointegration Results - *Dependent Variable (lnrgdp)*

Model (4.1)					Model (4.2)				
Independent Variables	Coeff	Std. error	t-stat	Prob.	Independent Variables	Coeff	Std. error	t-stat	Prob.
lnrgdp(-1)	0.5833	0.1204	4.8444	0.0001	lnrgdp(-1)	0.4420	0.1097	4.0293	0.0004
lnk	0.0699	0.0406	1.7204	0.0972	lnk	0.0748	0.0344	2.1757	0.0389
lnhk(-1)	0.0878	0.0390	2.2506	0.0331	lnhk(-1)	0.0928	0.0329	2.8222	0.0090
lnexdetgdp(-1)	-0.0457	0.0217	-2.1015	0.0454	$lnexdetgdp_t^2$	-0.0117	0.0029	-4.0765	0.0004
lnexdsxgs(-1)	-0.0089	0.0232	-0.3819	0.7056	lnexdsxgs(-1)	-0.0109	0.0186	-0.5838	0.5644
lncpi(-1)	0.2649	0.0662	4.0008	0.0005	lncpi(-1)	0.3626	0.0631	5.7438	0.0000
lnopn(-1)	0.0753	0.0473	1.5919	0.1235	lnopn(-1)	0.0377	0.0367	1.0278	0.3135
c	2.7575	1.1037	2.4985	0.0191	c	4.2145	1.0199	4.1321	0.0003
R-squared	0.981	Normality: JB		0.661(0.718)	R-squared	0.9964	Normality: JB		0.600(0.73)
Adj R-squared	0.976	Serial Correlation		0.201(0.657)	Adj R-squared	0.9954	Serial Correlation		0.04(0.847)
F-statistic	732.8	Heteroscedasticity		1.901(0.110)	F-statistic	1028.2	Heteroscedasticity		1.38(0.26)
Prob(F-stat)	0.000	Ramsey's RESET		0.388(0.538)	Prob(F-stat)	0.0000	Ramsey's RESET		0.17(0.69)
DW stat	2.163				DW stat	2.0731			

Source: Own Computation Using E-view

Accordingly, the estimated coefficient of external debt stock is negative and statistically significant at 1 percent level. The result suggests the debt overhang effect of the debt stock on output growth. However, the debt service variable is found statistically insignificant at the conventional level of significance, implying the non-existence of crowding out effect of the debt service obligation. The findings also show both domestic investment and human developments are significant in positively influencing economic growth. The result for inflation is also statistically highly significant, implying the positive contribution of domestic inflation development in stimulating output growth.

Error Correction Model (ECM)

The presence of cointegration suggests the existence of a corresponding error correction representation which implies that the changes in the dependent variable are a function of the disequilibrium level in the cointegrating relationship, captured through the error correction term, and the changes in the explanatory variables for analysis of short run dynamism. The error correction term representing the residual series derived from long run cointegrating regression and entered in one period lag as error-correction mechanism in the short run dynamic model. Its estimated coefficient measures the speed of adjustment for short run deviation of the dependent variable due to event of shocks towards the long run equilibrium trend. The Error Correction Model is specified as:

$$\Delta lnrgdp_t = \gamma_0 + \sum_{i=1}\gamma_1\Delta lnrgdp_{t-i} + \sum_{i=0}\gamma_2\Delta lnk_{t-i} + \sum_{i=0}\gamma_3\Delta lnhk_{t-i} + \sum_{i=0}\gamma_4\Delta lnexdetgdp_{t-i} + \sum_{i=0}\gamma_5\Delta lnexdsxgs_{t-i} + \sum_{i=0}\gamma_6\Delta lncpi_{t-i} + \sum_{i=0}\gamma_7\Delta lnopn_{t-i} + \lambda ECT_{t-1} + \varphi_t \text{------------------------------(5.1)}$$

$$\Delta lnrgdp_t = \delta_0 + \sum_{i=1}\delta_1\Delta lnrgdp_{t-i} + \sum_{i=0}\delta_2\Delta lnk_{t-i} + \sum_{i=0}\delta_3\Delta lnhk_{t-i} + \sum_{i=0}\delta_4\Delta lnexdetgs^2_{t-1} + \sum_{i=0}\delta_5\Delta lnexdsxgs_{t-i} + \sum_{i=0}\delta_6\Delta lncpi_{t-i} + \sum_{i=0}\delta_7\Delta lnopn_{t-i} + \eta ECT_{t-1} + \nu_t \text{------------------------------(5.2)}$$

Where Δ is first difference operator, ECT denotes the error correction term and λ and η are coefficients, indicating the speed of adjustment towards the equilibrium trend. The coefficients of error correction terms are expected to be statistically significant with negative sign, depicting how quickly the dependent variable converges to its equilibrium trend. The highly significant error correction term further confirms the existence of a stable long-run relationship. Table 5.4 below reports the estimated Error Correction Models (5.1) and (5.2)[8].

Table 5.4: Short Run Error Correction Model Estimates - *Dependent Variable (Δlnrgdp)*

Error Correction Model (5.1)					Error Correction Model (5.2)				
Independent Variables	*Coefficient*	*Std. error*	*t-statistic*	*Prob.*	*Independent Variables*	*Coeff*	*Std. error*	*t-stat*	*Prob.*
$\Delta lnrgdp_{t-1}$	0.5509	0.1951	2.8231	0.0092	$\Delta lnrgdp_{t-1}$	0.4304	0.1381	3.1166	0.004
Δlnk	0.0962	0.0388	2.4762	0.0204	Δlnk	0.0772	0.0328	2.3524	0.026
$\Delta lnexdetgdp_{t-1}$	-0.0541	0.0294	-1.8397	0.0777	$\Delta lnexdetgdp_t 2$	-0.0127	0.0036	-3.5214	0.001
$\Delta lnexdsxgs_t$	0.0243	0.0212	1.1468	0.2623	$\Delta lnexdsxgs_{t-1}$	0.0062	0.0180	0.3467	0.731
$\Delta lncpi_{t-1}$	0.1507	0.0764	1.9731	0.0596	$\Delta lncpi_{t-1}$	0.3246	0.0638	5.0800	0.000
$\Delta lnopn_{t-1}$	0.0361	0.0687	0.5253	0.6040	$\Delta lnopn_{t-1}$	0.0206	0.0579	0.3545	0.725
ect_{t-1}	-0.8560	0.2956	-2.8960	0.0077	ect_{t-1}	-0.8915	0.2513	-3.5473	0.001
c	0.0203	0.0129	1.5670	0.1297	c	0.0111	0.0116	0.9474	0.352
R-squared	0.5709	*Prob(F-statistic)*		0.0016	*R-squared*	0.6728	*Prob(F-statistic)*		0.0000
Adj R-squared	0.4507	*DW stat*		1.8829	*Adj R-squared*	0.5812	*DW stat*		1.9724
F-statistic	4.7505				*F-statistic*	7.3460			

Source: Own Computation Using E-view

[8] The preferred Error Correction Model (ECM) is obtained using general-to-specific method, which starts by setting the maximum of three lag periods for all independent variables and then successively excluded the most insignificant variable one after the other, until obtaining the most representative ECM that contains statistically significant parameters of the independent variables and error correction term, ECT.

The standard statistical test results derived from the estimated error correction models (5.1) and (5.2) show that the short run dynamic error correction medal estimated based on ECM (5.2) is more significant than estimated ECM (5.1).

The coefficient of error correction term estimated at -0.8915, which is statistically significant at 1 percent level, suggesting that any short run deviation of the real GDP from its long run trend is adjusted by about 89.1 percent within a year. The adjusted R-squared is reported 0.5812, indicating that the variation in all explanatory variables within the estimated error correction model jointly explain over 58 percent of the total systematic changes in the real GDP in a given year. The F-statistic strongly rejects the null hypothesis that the estimated coefficients are jointly equal to zero at 1 percent level of significance, implying the goodness of fit of the model. The Durbin-Watson statistic (1.97) suggests that the residual series are free from serial autocorrelation problem.

The empirical results show that external debt stock is negative and statistically significant at 1 percent level, suggesting debt overhang effect of the debt stock on output growth. However, the debt service variable is found insignificant at the conventional levels of significance. The result with respect to debt service suggests the absence of crowding out effect of the debt service obligation. Therefore, the results of both long run cointegration regression and short run error correction dynamic models support the debt overhang problem of the external debt stock and the non-existence of crowding out effect of the debt service obligation.

The estimated coefficient of capital investment is positive and statistically significant at 5 percent level, implying the important role of domestic capital investment in promoting the economic growth. The findings also illustrate the significance of inflation development in economic growth. The positive and significant result of investment on economic growth also signifies that inflation was not the disincentive factor for expansion of domestic investment.

VI. Conclusion

The debt overhang hypothesis asserts that if there is a probability that a country's future debt will be more than its repayment ability, then the anticipated cost of debt servicing can depress domestic and foreign investments which consequently slow down the rate of economic growth as investors lower their expectation of future returns in anticipation of an increasingly higher discretionary taxes in order to repay the debt accumulation. The crowding out effect hypothesis argues if a greater share of external debt or foreign capital of a country is used for external debt servicing, limited amount of fund would be available for investment financing and ultimately retards economic growth.

This paper investigated the debt overhang problem of external debt stock and/or crowding out effect of debt service on economic growth in Ethiopia during 1981-2016. The Johansen cointegration test technique is employed in examining the long run relationship among the variables entered in to the empirical investigation while the Error Correction Modeling (ECM) mechanism is used for analysis of short run dynamism. The empirical results indicate the long-run relationship among economic growth, external debt stock, debt servicing gross domestic capital investment, human capital, domestic inflation and the degree of openness of the country. The empirical findings further provided evidence for debt overhang problem of the external debt accumulation. However, the results suggested the non-crowding out effect debt service obligation in impeding output growth. Moreover, the results confirmed the positive impacts of domestic capital investment and human development in promoting economic growth. The positive impact of investment on economic growth could also be witness for the absence of crowding out effect of external debt servicing. The statistical finding with respect to inflation also suggested the positive contribution of inflation development to output growth.

VII. Recommendations

The empirical findings suggested the existence of debt overhang problem external debt stock and the non-crowding out effect of debt service obligation. Therefore, the debt management authorities should periodically undertake a comprehensive debt sustainability analysis in support of the debt relief policy in view of reducing the level of debt stock and easing the debt overhang problem. Moreover, strengthening the strategies targeting on export diversification and boosting remittances, while optimizing domestic resource mobilization in more productive ventures, could reduce the need for foreign loans.

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SOME POINTS ABOUT
WORLD BANK

The World Bank is an international financial institution that provides loans to countries of the world for capital projects. It comprises two institutions: the International Bank for Reconstruction and Development (IBRD), and the International Development Association (IDA). The World Bank is a component of the World Bank Group.

The World Bank's stated goal is the reduction of poverty which its Articles of Agreement define as commitments to the promotion of foreign investment and international trade and to the facilitation of capital investment.

History

The World Bank was created at the 1944 Bretton Woods Conference along with the International Monetary Fund (IMF). The president of the World Bank is, traditionally, an American. The World Bank and the IMF are both based in Washington, D.C., and work closely with each other. The Gold Room at the Mount Washington Hotel where the International Monetary Fund and World Bank were established.

Although many countries were represented at the Bretton Woods Conference, the United States and United Kingdom were the most powerful in attendance and dominated the negotiations. [9]:52–54 The intention behind the founding of the World Bank was to provide temporary loans to low-income countries which were unable to obtain loans commercially. The Bank may also make loans and demand policy reforms from recipients.

1944–1974

Before 1974, the reconstruction and development loans provided by the World Bank were relatively small. The Bank's staffs were aware of the need to instill confidence in the bank. Fiscal conservatism ruled, and loan applications had to meet strict criteria.

The first country to receive a World Bank loan was France. The Bank's president at the time, John McCloy, chose France over two other applicants, Poland and Chile. The loan was for US$250 million, half the amount requested, and it came with strict conditions. France had to agree to produce a balanced budget and give priority of debt repayment to the World Bank over other governments. World Bank staff closely monitored the use of the funds to ensure that the French government met the conditions. In addition, before the loan was approved, the United States State Department told the French government that its members associated with the Communist Party would first have to be removed. The French government complied and removed the Communist coalition government - the so-called tripartite. Within hours, the loan to France was approved.

When the Marshall Plan went into effect in 1947, many European countries began receiving aid from other sources. Faced with this competition, the World Bank shifted its focus to non-European countries. Until 1968, its loans were earmarked for the construction of infrastructure works, such as seaports, highway systems, and power plants that would generate enough income to enable a borrower country to repay the loan. In 1960, the International Development Association was formed (as opposed to a UN fund named SUNFED), providing soft loans to developing countries.

1974–1980

From 1974 to 1980 the bank concentrated on meeting the basic needs of people in the developing world. The size and number of loans to borrowers was greatly increased as loan targets expanded from infrastructure into social services and other sectors.

These changes can be attributed to Robert McNamara, who was appointed to the presidency

in 1968 by Lyndon B. Johnson. McNamara implored bank treasurer Eugene Rotberg to seek out new sources of capital outside of the northern banks that had been the primary sources of funding. Rotberg used the global bond market to increase the capital available to the bank.[12] One consequence of the period of poverty alleviation lending was the rapid rise of third world debt. From 1976 to 1980 developing world debt rose at an average annual rate of 20%.[13][14]

In 1980 the World Bank Administrative Tribunal was established to decide on disputes between the World Bank Group and its staff where allegation of non-observance of contracts of employment or terms of appointment had not been honored.

1980–1989

In 1980 McNamara was succeeded by US President Jimmy Carter's nominee, Alden W. Clausen. Clausen replaced many members of McNamara's staff and crafted a different mission emphasis. His 1982 decision to replace the bank's Chief Economist, Hollis B. Chenery, with Anne Krueger was an example of this new focus. Krueger was known for her criticism of development funding and for describing Third World governments as "rent-seeking states."

During the 1980s the bank emphasized lending to service Third-World debt, and structural adjustment policies designed to streamline the economies of developing nations. UNICEF reported in the late 1980s that the structural adjustment programs of the World Bank had been responsible for "reduced health, nutritional and educational levels for tens of millions of children in Asia, Latin America, and Africa".

1989–present

Beginning in 1989, in response to harsh criticism from many groups, the bank began including environmental groups and NGOs in its loans to mitigate the past effects of its development policies that had prompted the criticism. It also formed an implementing agency, in accordance with the Montreal Protocols, to stop ozone-depletion damage to the Earth's atmosphere by phasing out the use of 95% of ozone-depleting chemicals, with a target date of 2015. Since then, in accordance with its so-called "Six Strategic Themes", the bank has put various additional policies into effect to preserve the environment while promoting development. For example, in 1991 the bank announced that to protect against deforestation, especially in the Amazon, it would not finance any commercial logging or infrastructure projects that harm the environment.

In order to promote global public goods, the World Bank tries to control communicable disease such as malaria, delivering vaccines to several parts of the world and joining combat forces. In 2000 the bank announced a "war on AIDS" and in 2011 the Bank joined the Stop Tuberculosis Partnership.

Traditionally, based on a tacit understanding between the United States and Europe, the president of the World Bank has always been selected from candidates nominated by the United States. In 2012, for the first time, two non-US citizens were nominated.

On 23 March 2012, U.S. President Barack Obama announced that the United States would nominate Jim Yong Kim as the next president of the Bank. Jim Yong Kim was elected on 27 April 2012.

What World Bank Do

The World Bank Group has set two goals for the world to achieve by 2030:

- End extreme poverty by decreasing the percentage of people living on less than $1.90 a day to no more than 3%

- Promote shared prosperity by fostering the income growth of the bottom 40% for every country

The World Bank is a vital source of financial and technical assistance to developing countries around the world. The bank is not a bank in the ordinary sense but a unique partnership to reduce poverty and support development. The World Bank Group comprises five institutions managed by their member countries.

Established in 1944, the World Bank Group is headquartered in Washington, D.C. With have more than 10,000 employees in more than 120 offices worldwide.

Source: http://www.worldbank.org/en/about/what-we-do / https://en.wikipedia.org/wiki/World_Bank

BEST QUOTES
ON ANTI MONEY LAUNDERING

Money laundering, according to INVESTOPEDIA, is the process of creating the appearance that large amounts of money obtained from criminal activity, such as drug trafficking or terrorist activity, originated from a legitimate source. The money from the illicit activity is considered dirty, and the process "launders" the money to make it look clean. Because of the clandestine nature of money-laundering, it is difficult to estimate the total amount of money that goes through the laundry cycle. The estimated amount of money laundered globally in one year is 2 - 5% of global GDP, or $800 billion - $2 trillion in current US dollars. Here follows best quotable quotes on Anti-money Laundering.

"More and more countries have adopted legislation to criminalize terrorist financing and build and strengthen regulatory systems to counter funding flows to terrorists. The focus and guidance of the Financial Action Task Force (FATF) has expanded to include the spectrum of methods to fund terrorism. Just as terrorist groups are innovating and diversifying, the international community must stay ahead of the curve to combat money-laundering and the financing of terrorism."

Ban Ki-moon
United Nations Secretary-General (2007-2016)
former 'Secretary-General's remarks to Security Council meeting of Finance Ministers on Countering the Financing of Terrorism', New York, 17 December 2015

"Money laundering is giving oxygen to organized crime."

Enrique Peña Nieto,
President of Mexico, in June 2012

Terrorists are linked to money laundering, dirty money, drug dealing, arms trafficking. We have to ask ourselves, where do terrorists get their weapons from? Where do they get their communication technology from? Where do they get their financing from? These are some of the aspects where I think the entire international community needs to come together and put a complete stop to access to these three key aspects by the terrorists.

Narendra Modi
Indian Prime Minister

Corruption, money laundering, and tax evasion are global problems, not just challenges for developing countries.

Sri Mulyani Indrawati
Indonesian Economist,

"Money laundering is a very sophisticated crime and we must be equally sophisticated."

Janet Reno, while serving as Attorney General of the United States from 1993 to 2001

"Drug traffickers benefit from the paramilitary skills, the access to weapons and links to other clandestine groups that terrorists can provide. Terrorists, for their part, gain a source of revenue and expertise in money laundering from drug traffickers."

John Ashcroft,
Attorney and politician, and US Attorney General from 2001 to 2005

<< ወንድሜ ወንድም ዓለም... ልጄ እባክህ ተቸግሬ ነው የማስቸግርህ በእኔ የደረሰው አይድረስብህ.. ስለአቡጬ ስለ እለተ ቀናቸው ብለህ አትጨክንብኝ›› የሟል የልማና ድምፅ ከማነበው ጋዜጣ ላይ ዓይኔን እንዳነሳ አደረገኝ:: የአዛውንቱ አሳዛኝ ገፀታ በፊታቸው ላይ ይነበባል:: ሳንቲም ልሰጣቸው ወደ ኪሴ ስገባ የታክሲው ወያላ እርመናጨቀ ወደ ኋላ ገፈተራቸው::

<< ቆይ ... አትግፋቸው ይህን ሳንቲም ሥጥልኝ›› ስለው ወያላው ሳንቲሙን እየሰጣቸው

<< አቦ እባክህ እሳቸው አንድ ቀን ሚልቶላቸው አያውቅም ሁሌ እጄዬ ማለት ነው ሥራቸው...›› ብሎ የታክሲውን በር ዘጋበቸው::

እሳቸው ግን በመጡ በተከፈተችው የታክሲ መስኮት ስር << ከማጣት ያድነህ ... ትልቅ ቦታ ደርሰ ... ያሰብከው ይሳካልህ...›› እያሉ ሲመርቁኝ የተከራየሁበትን ጊቢ ዘልቄ የገባ ለማኝ በሚያሰማው የልማና ድምፅ በሰመመን እንቅልፍ ታክሲ ተራ ያሮፉሁትን ትዕይንት በገሃድ ከቴ በር ላይ መሆኑን ጠቆመኝ:: ከእንቅልፍ በመቀስቀሴ በሕልሜ እንዳየሁት ለማኝ አልራራሁለትም:: << እግረአብሔር ይሰጥልኝ›› አልኩኝ: እንዲሄዱልኝና ተመልሼ ለመተኛት::

<< እባክህ ልጄ እሀል የቀመስኩት ከትላንት በስቲያ ነው: : እራቡ ቢጠናብኝ ነው እቤት በራብ ከምሞት ብዬ ወደዚህ የመጣሁት... እረ ... አትጨክንብኝ...››

<< አባቴ እግዚአብሔር ይስጥልኝ ነው የምሎት›› ስላቸው

<< ምን አደርጋለሁ ከጨከንክብኝ... ›› ብላው ጉዞ ሲጀምሩ የድምፁ ደካማነት ክፉኛ አስጨነቀኝና ከመቀመጫዬ ተነስቼ ሳይርቁ በሯን ከፈትኩና አቤ ትንሽ ቆየት ብላው ይምጡ ሠራተኛዬ ስትመጣ በደንብ ይበላሉ: ለአሁኑ ይኸን ይቀምሷት ብዬ ከራፌ የተረፈ ፓስታ አንድ ዳቦ ሰጠኋቸው:: የሰጠኋቸውን ምግብ ቀመሙና የላበሲት አሯ ልብሳቸውና የያዙትን አቁፋፋ እያስተካከሉ ጉዟቸውን ቀጠሉ ...

መንገድ ላይ ልማና : ታክሲ ላይ ልማና: ስሙን ቀየር መሯሪያ ቤት እርዳታ ሁሎም ቦታ ልማና! በከተማ ውስጥ ልማና እየተስፋፋ በመምጣቱ እልባት ለማስገኘት በተጠራው ስብሰባ ላይ ወይም በተከሄደው ወርክሾፕ ላይ ፕሮፌሰር እንትን: ዶክተር እንትን ከሃገር ውስጥ: አሁንም ዶክተር እንትን <<ፕሮፌሰር እንትን ከውጬ ሃገር ጥናታዊ ፅሁፎቻቸውን አቀረቡ... ባቀረቢቸው ጥናታዊ ፅሁፎች ላይ ተሰበሳቢዎች ወይም ተሳታፊዎች ሰፊ ውይይት አድርገዋል:: ይህም በሰደር ለአምስት ቀን የቀየው የልማና ቅነሳ ስብሰባ በዘረው ዕለት ተጠቃል::›› የሟል ዜና በፒዝሁል በራዲዮ: በቴሌቪዥን: በጋዜጣ በተደጋጋሚ ይዘገባል: ይሠራጫል:: ግን ይኸው የልማና ስልት እራሱ ከጮማ ጋር እየቀያየረ ስልቱን በማሻሻል አድጎ በሃገሪቱ ካሎት ሠራተኞች እና ተማሪዎች የበለጠውን ቁጥር የያዘ አስመስሎታል:: ህፃንም፤... ወጣቱም፤... አዛውንቱም፤... አረጋዊውም፤... አካል ጉዳተኛም...

ጤነኛው... ማሀራቱ... ድርጅቱ ሁሎም መለመን መለመን ... ምን ይሻላል?

ምን አለበት በወርክሾፕ ስም የሚያጣሩትን ገንዘብ የተወሰነ ለማጆቻን ከልማና ሕይወት ቢያወጡበት? አለያም በከተማው የሚገኙትን ለማጆች ሰብስበው ስለ ልማና አስከፊነት፣ ... ሥራ እንዴት መፍጠር እንደሚቻል ቢያስተምሩበት? እያልኩ... ከአለጋዬ ቼፍ ላይ ተቀምጬ ከራሴ ጋር መሟገት ጀመርኩ:: ወዲያው << ምን አገባኝ የራሴ ሲያሮባት የሰው ታማሳለች›› ይላ ያገረ ሰው አልኩኝና ቸግሬ ሁሎ የኋላ ሰው እንደሆነ በመቀጠር ራሴን ከአብረተሰቡ ቸግር ውስጥ ነጋ ለማውጣት <<የሌሎች ኃላፊነት ነው፤ ደግሞም የመንግሥት›› ብዬ ሃሳቡን ከራሴ ላይ አንስቼ ወረወርኩት:: ሁሉንም ነገር መንግስት ላይ መለጠፍ አዲ የራሴ ተጠያቂነት የመሽ ዘዴ በመሆኑ::

ራዲዮንን ስከፍት ድምፁን በጣም የምወደው ጋዜጠኛ << ለማሽነፍ ሩጥ ... የድል ባለቤት ለመሆን ራስህን አዘጋጅ ለሕይወትህ ግብ ሩጥ ለውጤት ለመብቃት ግን ራስህን ከኤድስ ጠብቅ...›› ሲል ከራዲዮን ውስጥ አስተጋባ:: <<ይህም ሌላው ቸግር፤ አውጣኝ ማለት ከዚህ ነው›› እያልኩ ቢጃማዬን አውልቄ፣ ለእሁድ ውሎ የሚስማማኝን ልብስ ለብሼ በመጡ ተኪጤ የወንደላቡ ቤትን በር ዘግቼ ወዴት እንደምሄድ ባለውቀውም እግሬ ከማዳዝ ወደ ኋላ አላለም::

ለምእራፍ ደውላት እሁዱን አብረን እንድናሳልፍ ብፈልግም ሰሞኑን በትንሽ ነገር ስለተጋጨን አኩርፋለች:: እኔም ንዴቴና ኩርፊያዋ እስኪለቃት ለመደወል ፈራሁኝ::

ምዕራፍ ከብዙ አጓጉል ፀባዮች የመለሰችኝ ጥሩ ፀባይ ያለትና ደመግቡ ውጣት ናት:: በአመለካከቴ ለሰዎች ቅን ስትሆን ለእምነቴ እና ለቤተሰቦ ትልቅ ቦታ ትሰጣለች::

ስለምዕራፍ እያሰላሰልኩ ታክሲ አስቁሜ ተሳፈርኩኝ:: በታክሲው ውስጥ የሚሰማው ለስለሳ የሙዚቃ የፍቅር ዜማ መልስ ወደ ምዕራፍ ወሰደኝ:: የምእራፍ ቅንነት፣ ግልፅነት እና ታማኝነት ለዲ ያለኝን ፍቅር ቢያናክሩትም አንዳንድ ጊዜ የምታሳየው ኩርፊያዎች ትግስት ያስጨርሱል::

ምዕራፍ በሥራ አጋጣሚ ተገናኝተን ለመጀመሪያ ጊዜ የፍቅር ጥያቄ ሳቀርብላት <<አይ የዘመኑ ወንዶች ትገርማላችሁ...›› የሚል መልስ በተደጋጋሚ እየሰጠችኝ እንቢታዋን ብታስከትልም የኋላ የኋላ እሺታዋን አልነገረችኝም:: እንደዚሁም ወጣት ቤቶች መኪኪልና ከባአላችን የወጡ አለባበሶች አለመውደዷ ለፍቅ ተገቢ አድርጎኛል::

እኔ ከመተዋወቅ በፊት የቀረብኩትን እንስቶች ሀስት ወይም ከዚያ በላይ መኖሪያ ቤት ወስጀአቸው አብያያቸው ከአደርኩ በኋላ ስለሚሰለቹኝ ያስጠሉኝ ነበር:: ነገር ግን ከምዕራፍ ጋር ሁለት ዓመት ሙሉ በፍቅር ስንቆይ እቤት ብወስዳተም አብረን ማደር ቀርቶ ከአስራ ሁለት ሰዓት በኋላ አምስ+ን አናውቅም:: ምክሮቿ አርቆ አስተዋይነቷ እና ሩህሩህነቷ የቀጠር ስዓታችን

<div style="text-align:center; font-size:2em;">ናርዶስ ቆየኝ!</div>

<div style="text-align:center;">ታሪኩ ስንታየሁ
(ከአንበሳ አውቶብስ ድርጅት)</div>

ደርሶ እስከማገኛት ከምንም በላይ ይናፍቀኛል። አንድ ቀን ቶፕ ቪው ተቀምጠን አዲስ አበባን ቁልቁል እየተመለከትን ስንዝናና ዓይን ዓይኗን ትክ ብዬ ተመልክቼ ሳታስበው ከንፍፅን ግጥም አድርጌ በከንፈሬ ስስማት ደንግጣ እንድ መሸሽ ካላች በላ «ምን ነካህ ናርዶስ የሚያየን ሰው ምን ይላል? ስትል «ምን ይላል? ሁሉም የሚያደርጉውን ነው ያደረግነው » ስላት እንደማገር ብላ « «ቢሆንም ለሁሉም ቦታ አለው ደግሞም በአንድ ጊዜ ከባቢሀል መውጣቱ ይከብዳል።» ብላ ትክ ብላ ተመለከተችኝ፤ እናም እንደማፈር ብላ መሬት መሬቱን መመልከት ስትችምር፤

« ምዕራፌ ምን አለበት ዛሬ አንኪ ሰበብ ፈጥረሽ እኔ ቤት ብናድር? » የሚል ጥያቄ አቀረብኩላት። ፊቷ ወዲያው ተለዋወጠ :«አለደርገውም! ... አለደርገውም ማንን ነው ማታልለው ራሴን? አለደርገውም ... ደግሞም ከዚህ በፊት ነግሬሀለሁ ወንዶች የሚያስተሉኝ ከጋብቻ በፊት ጃረ እንዲያውም ማንነታችውን በደንብ ሳያረጋግጡ ዘለው የአልሪ ግብዝ ሲቀርቡልኝ ነው። የተለያዩ ወንዶችን ት/ቤት ሳለሁ፤ በሥራ ዓለምም ከገባሁ በላ በአጋጣሚ ስተዋወቃቸው ቶሎ ብላው እንዲህ ዓይነት ጥያቄ ስለሚቀርቡልኝ ወንዶች በሙሉ ቦጀምላው ጠላቻቸው ነበር... አንተ ግን ምን እንዳስነካኸኝ ባለውቅም የወንዶች ጥላፔን ሰርፅ ቀርብኩሁ » ብላ ጣቶቿ መደባበስ ጀመረች።

«ምዕራፌ ይቅርታ የዚህን ያህል ስሜትሽን ይጎዳዋል ብዬ አለሰብኩም » ስለት ውብ ጥርሷን እያሳየችኝ «ደግሞም ድንግልናዬን..» እንደማፈር ብላ «በወግ በምዕረግ እንደሀገራችን ወግና ባህል ብራምበር... ምናምን ተብላ ነው» አለችኝ።

የእሷን ድንግልና በረሰዋ አንደበት እንደሰማሁ በበነጋታው አንድ ሆስፒታል ሄጀ ደም ከሰጠሁ በላ የማቀውንም የማላውቀውንም ታቦት እየተሳልኩ ዳጎሟኛ እንደማይመደኛ ማልኩ ተገዝትኩ። ውጤቱ ነጋ መሆኑን ሲረረጋግጥልኝ እሲ ለኔ ታማኝ እንደሆነች እኔም ለሲ ታማኝ እንደምሆን ለእራሴ ቃል ገባሁ። «ጋሬ መቸረሻ እዚህ ነው» የሚለው የወያለው ድምፅ በሙሉቀን ሙኪ ከተጋጠኩበት የትዝታ ጉዞ አበነነኝ፤ ሒሳቤን ከፍዬ ወረድኩ።

በታው ብሔራዊ ቲያትር ነው። እዚሁ አካባቢ ትንሽ ቆይቼ ትያትር ለመመልከት ወስኔ አንድ ካፌ ገባሁ። ደረጃውን ወጥቼ በሦስኛ ወንበር ወደ ተከበበችው ጠረጴዛ አቅናሁና አንዱን ወንበር ስቤ ተቀመጥኩ። አስተናጋጅ የምግብ ሜኑ ሊሠጠኝ እጆን ሲዘረጋ ለዛኛና ኮካ አምጣልኝ አልኩት። አስተናጋጅ ያዘዝኩትን አምጥቶልኝ ስማገብ ሁለት ሴቶች ደረጃውን ሲወጡ ቀና ስል ከአንዲ ጋር ዓይን ለዓይን ተጋጨኩ። አፈር ጎንበስ አልኩና ደግሜ ቀና ስል አሁንም ዓይን ለዓይን ተጋጨ። እየወሩ እኔ ወዳለሁበት መቀመጫ መጡ። አንዲ ወንበሩን ሳብ አድርጋ «ሰው አለው?» ስትል ጠየቀችኝ «እሬ የለውም» አልኩት፤ በመቀጠልም ጥፋ ፈገግታ እያሳየችኝ መቀመጥ ይቻላል?» አለችኝ እኔም ‹እሬ ይቻላል ምን ችግር አለው? አልኩ ለፈገግታቃ ምላሽ እኔም ፈገግ ብዬ። በለመነጸድ መነጸርን አውልቃ ለሰለማታ እጀን ዘረጋችልኝ፤ ፊቷ ለኔ አዲስ ባይሆንም የት እንደማውቃት ግራ እየገባኝ ለአጸፋው እጀን ዘረጋሁላት።

« ምነው እረሳኸኝ መሰል? ባልሳሳት ስምህ ናርዶስ አይደለም?› ስትል ጠየቀችኝ እኔም« ነኝ ግን የት እንደማውቅሽ ነው ግራ የገባኝ?› ጥያቄውን በጥያቄ መለስኩኝ።

‹ደብረዘይት ነዋ! የስታስቲክስ ባለሙያዎች ባዘጋጀት ስብሰባ ላይ ተሳታሪ ነበርኩኝ። በዚያን ወቅት ከቀረቡት ጥናታዊ ጽሑፎች የአንት እንዲያውም አንደኛ ነበር የወጣው፤ አይደል? ስትልኝ በአውንታ ራሴን እየነቀነቀሁ ማዳመጥ ቀጠልኩኝ። «እናም በተዘጋጀው የኃልማት የእራት ግብዣ ላይ ሁለተኛ የወጣችው ሐርሜላ አለስተዋወቅኝም? እና ሐርሜላ እኔ ከሃይስኩል ጀምሮ ጓደኞቼ ነኝ። እሷ ግን አሁንም ከወርቀት ጋር አለተላቀቀችም እንደውም ሰሞኑን ለ-ኤፍ-ዲ ወደ ጀርመን ለመሄድ በዝግጅት ላይ ነኝ ብላኛለች። ብላ ፈገግ አለች።

«አሁን አስታወስኩሽ። መነጽርሽ ነው ትንሽ ግራ ያጋባኝ» አልኩትና ከምግቡ አንደ ጉርስኩና «ሐርሜላን በጣም ነው የማደነቃት በጣም ጠንካራ ሴት ናት፤ ነፃ የትምህርት ዕድል እንዳገኘችም ነግራኛለች» አልኩትና «የሚበላ፤ የሚጠጣ ምን ይምጣላችሁ» ስል ጠየቅኳቸው።

«ቆይ እንደሪሳለን ትንሽ እንረፍ፤ እረ አንተ ያዘዝከውን ብላ፤ በወሬ ያዝከሁ» ስትል» «አይ ምንም አይደለም» ብዬ በማንኪያ ያነሳሁትን ጉርስኩ፤ ቀጠለችና « እሲ ደግሞ ጓደኛዬ ናት፤ መሬት ትበላለች፤ እጇን ለሰለምታ ዘርግታ «ናርዶስ» አልኩት እኔም ዓይኗን እያስሰለመቻት « መሠረት» አለችኝ፤ እኔ እና እንጀማ ቀድመን ነው በአይናችን የተግባባነው አልኳት በውስጤ፤ አስተናጋጁን ጠርቼው እንዲታዘዘ ነገርኩት። የታዘዘው ምግብ መጥቶላትች እየተመገቡ ብዙ ጨዋታዎች ተጨዋወትን፤ « ይገርምሃል ቲያትር ለማየት መጠና ሰዓት ገና በመሆኑ ሰዓት እስኪደርስ ሻይ ቡና ለማለት ነበር ወደዚህ ጉራ ያልነው፤ ያጋጠሚ ነገር አንተን አገኘን» አለችኝ ባለመነጸር። እኔም ትያትር ለማየት ነው ወደዚህ አካባቢ የመጣሁት» መሰረት ተጨወቶ እንጀ ምነው ዝም አለሽ» አልኩኝ» እሲ እጨወታለሁ በእናንተ መሃል ጣልቃ ላለመግባት ነው፡፡ » ስትል መለሰች።

የተጠቀምንበትን ሒሳብ ከፍለን ተያይዘን ወደ ቲያትር ሰልፍ አማራን ተራ ደርሰን ትኬት ለመቁረጥ ስል ባለመነጸር «ይህማ አይሆንም፤ ይህን እኔ ነኝ የምከፍለው» ብላ የመቆ ብር ኖት አወጣች፤ የሁለታን መገባበዝ የማትመለከተው መሠረት «በቃ አንዳችሁ እኔጋ እንዳችሁ እሬጋ ክፈሉ» ብላ አሳቀችን፤ ባለመነጸርም ሳቋን ዋጥ አድርጋ « አራዴዬ የሚከፈለው እዚህ ጋር ብቻ ነው» ብላ መቆ ብሯን ለትኬቱ ቆራጪ ሰጠቻት።

የቲያትር ቤቱ አዳራሽ ውስጥ ገብተን እኔ ከሁለቱ መሃል ተቀመጥኩ። ስሚ ቢጦፋኛም መጠየቅ ስላስፈራኝ እንዲሚያውቀ ሰው ዝም አልኩኝ። ቲያትሩ እስኪጀምር ባለመጽራ የያዘችውን ዘዴይል ሞኒተር ጋዜጣ ማንበብ በመጀመር ከመሠረት ጋር መጨዋወት ጀመርን። ቀርቤያት ሳዋራት የዓይኗ ውበት መጀመሪያ ካየሁት አምሮና ደምቆ ታየኝ የዓይንን ውበት እየጠጣሁ ሳዋራት የቃጫ ድምፅ ተሰምቶ መብራቱ ጠፋ። በቲያትሩ አጋማሽ ላይ ባለመነጸር « ቲያትር ማየት ትወዳለህ? ማለቴ ታዘወትራለህ?» ስትል ጠየቀችኝ

« ሳይበዛ አልፎ አልፎ አያለሁ» ምን ዓይነት ቲያትሮችን ትወዳለህ?» « ኮሜዲ ነክ ቲያትሮችን በጣም እወዳለሁ» «ስለዚህ ይህ ቲያትር ወደከዋለ ማለት ነዋ?» « አዎ ወድጄዋለሁ» ወሬአችንን ከመድረኩ የሚሰማው ድምፅ አቋረጠው።

ቲያትሩ አበቅቶ ተመልካቾች ለመውጣት ሲነሱ « ትንሽ እንቆይ ሰው ሲቃለል እንውጣለን» አልኩቸው። መሠረትም የእኔን ሃሳብ በመደፍ « እኔም መጋፋት ያስጠላኛል።» ስትል መለሰች : ሰው ወጥቶ ሲያልቅ ተነስተን መዳዝ ጀመርን። ከቲያትር ቤቱ

እንደወጣን ወደ ባላ መነጽር ዞር ብዬ ‹‹ የምትሄዱበት ከሌላ ለምን ሻይ ቡና እያጠጣን ትንሽ አንጫወትም?›› የሚል ጥያቄ ሳቀርብ በጣም ደስ ይላኛል፤ የምንኄድት የለንም፤ ግን የትነው የምንጠጣው? የሚል ጥያቄ አቀረበችልኝ፡

‹‹ ኢትዮጵያ ሆቴል አይሻለንም እኡ ይቀርበናል፡›› ስል መሠረት ‹‹ ይሻላል ሩቅ ከምንኄድ እዚህ አካባቢ መጫወት ምቹ ነው፡›› ብላ ሀሳቧን ደገፈችው፡ ባላ መነጽርም ‹‹ እናንተ ከተስማማችሁ እኔም እስማማለሁ፡ ምን አደረጋሁ መጫ ድምጽ በድምጽ የመሻር አቅም የለኝ›› ብላ አሳቀችን፡

‹‹ ግን መኪናዬ ቲያትር ቤቱ ጊቢ ውስጥ ስላቆምኩት እስካመጣት እዚህ ጠብቁኝ ›› ስትል

‹‹ ለምን እዚያው ሆቴሉ ውስጥ አንጠብቅሽም?›› ‹‹ ትችላለችሁ›› ብላ እሷ ወደ መኪናዋ ስትሄድ እኔ እና መሠረት እየተጫዋወትን ጉዚያችንን ወደ ሆቴሉ አቀናን፡ ከመሠረት ጋር አብረን የቆየንበት ሰዓት እየጨመረ መሄዱ ከጫዋታ ለጋ ጋር ተደምሮ ለሷ ያለኝን ፍላጎት ጫመረ በውስጤ ዞር ከእጇ መውጣት እንደሌለበት ለእራሴ ቃለ ገባሁ፡ ሆቴል ውስጥ ገብተን ከተቀመጥን በኃላ ‹‹ ምነው ሶሳ ቆየች›› ስትል ጠየቀችኝ? ‹‹ምን አልባት መኪናዋን ማቆሚያ ቦታ አጥታ ይሆናል›› አልኩት፡ በውስጤም ለመጠየቅ የረፈሁትን ስሜን በአጋጣሚ በማወቅ ደስታ ተሰማኝ፡ ወዲያው ሶሳ ጥቁሩን መነጽርን በእጇ ይዛ እኛ ወደተቀመጥንበት ወንበር መጣች፡ አረማመዱ የወንድ ልጅን ቀልብ የሚስብ ነው፡

‹‹ይቅርታ ቆየሁ አይደለም? መኪና ማቆሚያ ቦታ ስላጣሁ ነው፡ ፡ ›

‹‹ ምንም አይደለም›› አልኩትና እንድትቀመጥ ወንበሩን ስቤ አስቀመጥኳት፡ አስተናጋ ‹‹ ምን ልታዘዝ?›› ስትል ሶሳ ‹‹ለእኔ ቢራ አምጪልኝ›› በመቀጠል መሠረት ለእኔም ቢራ አለች፡ እኔስ ለምን ከናንተ እለያለሁ ለሶስታችንም ቢራ አምጪልን›› አልኩት፡

ኢትዮጵያ ሆቴል ውስጥ ራታችንን በለተነ መጠጣችን ከቢራ ወደ ውስኪ በማዘር ተያያዝነው፡ ሶዱት እየገፋ በዓይ ቁጥር ሞቅታችን ጫመረ፡ የእኛና የመሠረትም አቀራረብ እየጫመረ መጣ፡ ዛሬ የተዋወቅን ሳይሆን የረጅም ጊዜ ትውውቅ ያለን ይመስላል፡

‹‹ ለምን እቤታችሁ ስልክ ደውላችሁ ዛሬ አንዱ ጫፈራ ቤት ገብተን ስንጫፈር አናደርም?›› የሚል ጥያቄ አቀረብኩላቸው፡ ሶስናም ትንሽ ካቅማማች በኃላ የመሠረትን አለመቃወም አይታ በኃሴ ተስማማች፡ ሞባይሏን አውጥታ ቁጥሮቿን መነካካት ጫመረች፡ በተደጋጋሚ ቁጥሮቹን ከሞከረች በኃላ ‹‹የእኛ ቤት ስልክ ይጠራል፡ የሚያነሳው የለም፤ ችግር ሳይኖረው አይቀርም›› ብላ የመሠረትን ቤት ስልክ ደወለች በኃላ ሞባይሏን ለመሠረት ሰጠች፡ መሠረትም በስልክ እንቷ ካስቀሮት በኃላ ያሉ የሉት ምክንያቶችን ደርድራ ከሶሳ ጋር ማዶን ነገረቻቸው፡ ሶስናም በድግሚ ስልኳን ሞከረች ሊሆንለት አልቻለም፡

‹‹ በቃ ትንሽ ሰዓት አብሪያችሁ ቆይቼ መሄድ እችላለሁ፡ ደግሞም መኪና ስለያዝኩ አልቸገርም ›› አለች፡

ያለብን ሂሳብ ከፍለን አምባሰደር ፊልም ቤት አጠገብ ወደሚገኘው ሾዋ ናይት ክለብ ሄድን፡ በሶስና መኪና ተጓዝን፡ እስከ ምሽት ስድስት ሰዓት ሶሳ አብራን ከቆየች በኃላ መልካም ሌሊት ተመኝታን ወደ ቤቷ አመራች፡ እኔ እና መሠረት

ለተጫማሪ አንድ ሰዓት ከጫፍርን በኃላ ተያይዘን ወጣን፡

በጫፈራ ቤቱ በር ላይ ከተደረደሩት ትንንሽ ታክሲዎች ውስጥ አንዱን ተከናትረን በቅርብ ወደሚገኝ መኝታ ቤት እንዲወስደን ለሹፌሩ ስንነግረው ሾፌሩም ጥሱ መኝታ ቤት እንደሚወስደን ከገለጸልን በኃላ የሚናውን ሞተር አስነስቶ ከነፈ፡ ከአምስት ደቂቃ የጉዞ ቆይታ በኃላ አይቼው ወደማላውቀው ትልቅ የተጠጋለ ጊቢ ውስጥ ይዞን ገባና የመኝታ ክፍል ኃላፊውን አገናኛን፡ ‹‹መልካም ሌሊት›› ብሎን ተሰናበተን ሄደ፡ አልጋ ክፍላም በሚያምረው መኝታ ቤት መጠኛ ገለፃ ካደረገልን በኃላ የመኝታ ቤቱን ቁልፍ አስረክቦን ወጣ፡ መሠረትም በተከላተፊ፡ በስካር አንደበት ‹‹በጣም የሚያምር መኝታ ቤት ነው›› ብላ በጀርባዋ አልጋው ላይ ተዘረረች፡

ከእንስቶች ጋር የነበረኝን የአልጋ ላይ ጫዋታ ለረጅም ጊዜ አቁርጬ ዛሬ ከመሠረት ጋር እንደገና በመጀመሬ የተለየ እርካታ ያገኘሁ መሰለኝ፡

ከጠዋቱ አሥራሁለት ሰዓት ተኩል ላይ ከመኝታዬ ተነስቼ ከመሠረት ጋር በድጋሚ እንደምንገናኝ ከተነጋገርን በኃላ የቤት ስልኳ ተቀብያት የእነን የመሠሪያ ቤት ስልክ ሰጥቻት ስሚ ተሰናብቻት ወጣሁ፡

አልጋ የያዝንበት ቤት ከማሞሪያ ቤቴ የሚርቅ በመሆኑ ቀጥታ ወደ መሠሪያ ቤት በሚያደርሰኝ ታክሲ ተሳፍሬ ወደ መሠሪያ ቤት አመራሁ፡ ቀርሶን በለቼ ወደ ቢሮዬ ገባሁ፡ ሥራዬን ለመጀመር ኮምፒዩተሬን ማብራት ስጀምር ስልክ አቃጫለ፡

ሶሳ መኪናዋን በስካር መንፈስ ስትነዳ ሌሊት ከፀናው መሰመር ውጣ ከኤሌትክ ምሰሶ ጋር በመጋጨቱ ክፉኛ አደጋ ደርሶባት የእለቱ ተረኛ ፖሊሶች ወደ ጥቁር አንበሳ ሆስፒታል ወስደዋት ማስተኛታቸውንና ደም በብዛት እንዲሚስፈለጋት መሠረት በስልክ ስትገልፀልኝ ፤ የልቤ ምት ከወትሮው በተለየ በጣም መምታት ጀመረች፡ እንደምንም እራሴን አረጋግቼ ‹‹ መሠረት አሁን የት ሆነሽ ነው የምትደውይው›› አልኩት፡ ‹‹እዚህ ጥቁር አንበሳ ሆስፒታ ሆኜ ነው... ለዘበኞቹ ሌሊት በመኪና አደጋ ተጎድታ የገባቸውን ለመርዳት ነው ካልካቸው ያስገቡሃል፡ እኔም እንደዚ ስላቸው ነው ያስገቡኝ›› አለች፡

‹‹ መሠረት ለመሆኑ ማነው የነገረሽ ለአንቺ?›› ስል ጠየኳት በተቆራረጠ ድምጽ ‹‹ እ... ጠዋት አንተ እንደተለየኸኝ ወዲያው ወደ ቤት ነበር የሄድኩት፡ እቤት ስገባ የሶስና ቤተሰቦች ሶስናን ፍለጋ ለሊቱን ሙሉ ደጋግሙው መደወላቸውን ሲነግሩኝ ስልክ ወደ እኔ ሶሳ ቤት ስደውል ሠራተኛዋ አደጋ ደርሶባት ሆስፒታል እንደገባች ነገረችኝ... አሁን ሃኪሞቹ ደም በአስቸኳይ ያስፈልጋታል ቶሎ አምጡ ብለዋል እባክህ ቶሎ ድረስ›› ብላ ስልኳን ዘጋችው፡ ፡ መሠሪያ ቤቴ ለሆስፒታሉ ቅርብ በመሆኑ በፍጥነት ሶስና የተኛችበት ክፍል ደረስኩ፡ በሩ ላይ ወፍራም አንዲ ሴትዮ እናትዋ መሰሉኝ ሴት ወገባቸውን አስረው እየተንሰራደዱ ያለቅሳሉ፡ መሠረት ወደ እኔ መጣችና፡ ናርዶስ እኳ ግባ ደም ስጥ›› ብላ እጄን ይዛ ደም ወደ ሚሰጥበት ክፍል ወሰደችኝ፡

‹‹ አንኪና ግባ ከእኔ ናሙና ወስደው እንጠራሻለን ብለውኛል፡ ›› ብላ ወደ ኃላ ተመለሰች፡ በሩን አንኪኮት ስገባ በሙሉ ፈገግታ ነጩ ገዋን የለበሱች ነርስ ተቀበለችኝ ‹‹ለሶስና ደም ለመስጠት ፈልገህ ነው?›› ስትለኝ የገጌን ፈገግ ብዬ ‹‹ አዎ ...›› አልኩት ‹‹ ግራ እጅህን አምጣ›› ብላ የግራ አጄን ሽሚዝ ስብሰበ

ደም ለማውሰድ ሲሪንጅ አመቻቾችና ‹‹ ምነው ወንድ በጥይት ይመታ የለ ለመርፌው እንደዚህ የተንጠጠቀጥከው…›› ብላ ፈገግ አለች። ‹‹ ‹‹አይ መርፌ ስለሚያስፈራኝ ነው›› ብያት ልብሴን አስተካክዬ ወጣሁ። ሶስና የተ� ቸባ ክፍል አካባቢ የተሰበሰበው ሰው ቁጥሩ ጨምሯል። ከሰዎቹ መካከል መሀረት ፈንጠር ብላ ወጥታ ‹‹ናርዶስ ሰጠህ?›› ስትል ጠየቀችኝ። ‹‹ አዎ ትንሽ ቆይተን እንጠራሃለን ብለውኛል›› የሚል መልስ ሰጥቼ ወደ ተሰበሰቡት ሰዎች መራመድ ስጀምር ምስራቅ ከሰዎቹ መሀል ብቅ አለች። ዓይኔን ለማመን አቃተኝ የሰራሁት ስራ ሁሉ በግንባር ላይ ተጽፎ የምታነበው መሰለኝ።

እንደምን እራሴን ተቆጣጥሮኽና ‹‹ምዕራፍ ከየት መጣሽ?›› አልኳት። ‹‹ አንተ ራስህ ከየት መጣህ?›› ስትል ጥያቄዬን በጥያቄ መለሰችልኝ።

‹‹ አይ ሶስና በሥራ አጋጣሚ የተዋወቋት ልጅ ናት። የደረሰባትን አደጋ አንድ የመሥሪያ ቤታችን የሥራ ባልደረባ ስትትግረኝ ነው ስሮጦ የመጣሁት። እዚህም ከመጣ በኋላ ደም ,እንደሚስፈልጋት ሲነገረኝ ለመስጠት ነው›› ምን እንደምነግራት ለእ�’ም ግልፅ ባይሆንልኝም የመጣልኝን ብቻ ነበር የምነግራት። እሷም ‹‹ ሶስና እኮ እኛ መሥሪያ ቤት አሁን በቅርብ የተቀጠረች ልጅ ናት። እንዲት ተግባቢ መሰለችህ ዘና ያለዎትሮ ስ ረፍድ ጊዜ እቤቱ ስደውል ሠራተኛው ሁኑታዉ የነገረችኝ እና ወደዚህ የመጣሁት›› አለችኝ።

ንግግራችን አንዴ እኑን አንዴ ምዕራፍን እየተመለከተች መሀረት ስታዳምጥ የደም ናሙና ከሰጠንበት ክፍል አንድ ነርስ ወጥታ መሀረትን ጠራቻት።

እኔም በዝምታ ተውጬ ከምዕራፍ ጋር እንደቆምኩኝ ነርሲ በድ ጋሚ ወጥታ‹‹ አቶ ናርዶስ… አቶ ናርዶስ›› ብላ ስትጥራ‹‹

አቤት… አቤት›› ብዬ ተከትያት ወደ ክፍሉ ገባሁ።

የደሙን ውጤት እተመለከተች‹‹ አቶ ናርዶስ የኦነት የደም ዓይነት ከተገዳቸው ቤት ደም ጋር የሚጠጣም ባለመሆኑ አንተ መለገስ አትችልም ሌላ ሰው ፈልግላት›› አለችኝ። ወዲያው ወጥቼ ለምዕራፍ ሁኔታውን አስረዳጓት ‹‹ታዲያ ምን ቸግር አለው! እኔ መስጠት የምችል ከሆነ እሰጣለሁ›› ብላኝ ተያይዘን ወደ ነርሷ ሄድን ነሪሪም‹‹ ሰው ተገኛ?›› ስትለኝ በአዎንታ እራሴን ነቀነኩኝ‹‹በል አንተ ውጪ ቆይ›› አለችኝ።

መሀረት እኔ የነበርኩበት ክፍል ገብታለች ግን የለችም። ወደት ሄዳ ይሆን ስል ራሴን ጠየቁ ምን አልባት ፈት ለፊት በሩ ተዘግቷ የታያኝ ክፍል ውስጥ ደም እየሰጠች ይሆናል ብዬ በርጄም ተነፈስኩ። መሀረትና ምዕራፍ ተከታትለው ወጡ የመሀረት ፈት በእንባ እርሷል። ‹‹ ‹‹መሀረት ምን ሆነሽ? ምን ተፈጠረ? ስላት ‹‹ ናርዶስ ተውኝ… እኮከህ ተወኝ የእኔ መጫረሻ አለማየም፤ እሷ …›› ልትናገር ያሰበችውን ሳትጨርስ በሲቃ ተዋጠች። እንደምንም አበጥቤ ላዋራት ሞከርኩኝ ምዕራፍ ምክንያቱ ባይገባጣም ታብብላት ገባች። ‹‹ መሰረት ምን ሆነሽ አንቺም መለገስ አትችይም ተባልሽ›› አልኳት። ‹‹አዎ… አዎ… አትችይም አሉኝ፤ በደምሽ ውስጥ HIV ቫይረስ ተገኝቷል ብላው ዶክተሩ ነገሩኝ›› ብላ እርታዋን ስታቀልጠው ሶስናን ሊጠይቁ የመጡ በሙሉ ግልብጥ ብላው ወደየ መጡ። እኔ በሰዎቹ መሀል አይሆንም!… ሊሆን አይችልም! አይደረገም!… እያልኩ ደረጃውን እተደነደረደርኩ በሩጫ መሽ ጀመርኩኝ ወዴት እንደምሽ ባለውቀውም? ምዕራፍ በእኳ እተከተለችኝ‹‹ ናርዶስ… ቆየኝ ምን ሆነሃል?›› እያለች ትከተለኛለች። ፎቁን ጨርሼ ከጊቢው ወጥቼ በሩጫ የቸርቼዉ ጎዳናን ስያያዝ ‹‹ ናርዶስ ቆየኝ›› የሚለው የምዕራፍ ድምፅ እየደከመና እየራቀ መጣ…

ምንጭ:- ብሪቱ መፅሔት ቁጥር 81

CAPITAL GOODS FINANCE COMPANIES

No	Name Of Company	Address	Phone	Fax
1	Waliya Capital Goods Finance Business S.Co	Bahirdar	058-2206780	
2	Oromia Capital Goods Finance Business S.Co	Addis Ababa	0115-571159	251-0115571152
3	Addis Capital Goods Finance Business S.Co	Addis Ababa	0111-567026	251-0111573124
4	Debub Capital Goods Finance Business S.Co	Hawasa	0462208091	251-0462202052
5	Kaza Capital Goods Finance Business S.Co	Mekelle	0344409306	251-0344406099

Capital Goods Finance Bussiness Licensing and Supervision Team

Information on Micro Finance Institutions

NBE MFI No.	Name of Institutions	Telephone No.	Fax No.
001	Amhara Credit and Saving Institution S. Co.	058-2201652 / 0918340256	251-058 – 2201733
002	Dedebit Credit and Saving Institution S.C.	034-4409306 / 0914702214	251-034-4406099 251-034-2400208
003	Oromia Credit and Saving Institution S.Co.	0115571158/18/33/ 0911771023 (GM)	251- 011- 1571152
004	Omo Micro Finance Institution S. Co.	096619611 GM 046-2202053/ 0462207384	251-046 – 220-20-52
005	Gasha Micro Financing S. Co.	0118952389/90/91 0911240437	
006	Vision Fund Microfinance Institution S. Co.	0116463569 0911211823 (GM)	251-011 – 6293346
007	Sidama Micro Finance Institution S.Co.	046-2200850 / 0462206151 0916836687 (GM)	251-046 – 2204704
008	Africa Village Financial Services S. Co.	0116532052 / 0113204732 0911296401 (GM) 0913113446	
009	Buusaa Gonofaa Micro Financing S. Co.	0114162491 0911223679 (GM) / 0912017087 (FM))	251-011 – 4162501
010	Poverty Eradication & Community Empowerment Micro Financing Institution S. Co.	0116678059 / 0911219506 (GM)	251-011 - 4654088
011	Addis Credit and Saving Institution S. Co.	0111572720 011111512/13 0911406174 (GM)	251-011 – 1573124
012	Meklit Micro Finance Institution S. Co.	0113484152 / 0113482183 0911318625 (GM)	251-011 – 5504941
013	ESHET Micro Finance Institution S.Co.	0113206451/52 0911677434 GM)	251-011 – 3206452
014	Wasasa Micro Finance Institution S.Co.	0911-67-38-22 / 0113384133	251-0113679024
015	Benishangul-Gumuz Micro Financing S.Co.	057-7750666 / 057-7752042 0911951484 Gm	251-057 – 7751734 251-057 - 7750060
016	Kendil Micro Finance Institution S. Co.	046 1105952 / 3831 / 5663	251-046-11015
017	Metemamen Micro Financing Institution S. Co.	6615398/6635801/0913460432(GM)	251-011 – 6186140
018	Dire Micro Finance Institution S. Co.	0251129702/1127072/1119246/47 0911353890 (GM)	251-025 – 1120246
019	Aggar Micro Finance S.Co.	6183382/3104 0911689457 (GM)	251-011 - 6183383
020	Letta Micro Finance Institution S. Co.	0911658497 (GM) / 0911169263 (Finance GM) 0911418280 (Aster)	
021	Harbu Micro Financing Institution S. Co.	0116185510 / 0911512633 (GM)	251-011 - 6630294
022	Digaf Micro Credit Provider S. Co.	0112787390/2782252/0910-27-52-34 0911936785 (GM)	
023	Harar Micro Microfinance Institution S. Co.	025-6663745/025-6664078/0912401911	251-025 - 6661628
024	Lefayeda Credit and Saving S.Co.	0116296976 / 0118237179	
025	Tesfa Micro Finance Institution S. Co.	0115526205 / 0911831882	251-011 - 5512763
026	Gambella Micro Financing S. Co.	0475511250/0475512252 / 0917823153	0475511271 / 0475512390
027	Dynamic Micro Finance S. Co. (Approved 23/03/09)	01155491585540390 / 0915766908(GM)	
028	Somali Micro finance Institution S.Co.	0257752122257-756976/77 0915768505 (GM)	0257780462
029	Specialized Financial and Promotional Institution S. Co.	0116622780 0911625576	251-011 - 6614804
030	Lideta Micro Finance Institution S.C.	0914788554 0344450064/32	0344452829 /0344450383
031	Nisir Micro Finance Institution S.Co.	0115500700/701 /0912364092 0911059722 / 0911875165	305/1250
032	Adaday Micro finance Institution S.Co.	0342405095/69 /0914749064	0342405217
033	Rays Micro Finance Institution S.Co.	0913386180	496/1110
034	Afar Microfinance Institution	0913399644	0336660748
035	Kershi Micro Finance Institution S.Co.	0118 721106/02	
036	Debo Micro Finance Institution S.Co.	0911758872	

የኢትዮጵያ ብሔራዊ ባንክ
National Bank of Ethiopia