

# Economic Education: A Requirement For Building A Free Market Economy And A Liberal Democracy In Ethiopia

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## ABSTRACT

*This essay presents the case for a national campaign of economic literacy in Ethiopia. It argues that given the lack of opportunities for exposure to a properly functioning market economy or for formal training in economic principles, Ethiopians tend to be predisposed to accepting and/or seeking guidance from government regulators as though that is the natural or only way to proceed in their business and personal choices. This state of affairs is a key reason for the state of abject poverty Ethiopians have had to live in for generations. The paper proposes a two track program of economic education to free the creative talents of the people of Ethiopia from the shackles of regulation. Such a program, it is argued, is a necessary although not a sufficient condition for the Ethiopian economy to bust loose from its prolonged state of paralysis. Economic education which helps let citizens be free from bureaucratic regimens to dream and to take calculated risk in the pursuit of their economic and financial ambitions will also make significant contributions towards expanding the scope for personal freedoms in other dimensions of life in Ethiopian.*

*A wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government...—Thomas Jefferson*

## INTRODUCTION

There is now near universal realization that a liberal democracy cannot fulfill its promised virtues of personal liberty and prosperity in the absence of free markets any more than a free market system can achieve these ideals in the absence of democratic institutions. The centuries-old debate concluded sometime during the second half of the twentieth century with a resounding consensus that there are critical linkages between the ways a people govern themselves and how they organize their economic affairs. It is now commonly understood that democratic governance and market based economic systems must be orchestrated so as to complement and accentuate each other. When a country does not enjoy a governance structure that requires those who assume state power to be fully accountable to the electorate and a free market structure with an appropriately delineated and limited role for government, neither the citizenry's aspirations for prosperity nor for personal liberty could be realized. There is mounting evidence that the adverse effects of less than democratic governance extends beyond restrictions on personal liberties and impacts a people's ability to advance their aspirations for improved economic wellbeing. Similarly, when markets are not allowed to properly function, the authority which infringes on the operation of free markets also circumscribes the rights of citizens to live as free people and enjoy basic human and democratic rights including the freedom of choice.

A complex set of circumstances have precluded this well established consensus from reaching Ethiopia's borders even at this late date. As the records of successive governments make evident, there is no realization in government circles that improperly aligned governance systems and economic arrangements counteract each other. In Ethiopia, it seems that even the citizenry which so frequently fights the intrusion of government on its personal liberties is quite unaware of just how little government is required for the proper functioning of the economy.

One wonders why these nearly universal concepts are viewed as alien notions among so many Ethiopians. For an answer, one must look first into the central role that government had assumed for itself in the economic life of the nation for more than a century. From Tewodros to Meles, the modern history of Ethiopia is one which has been marked by the self-assigned and strident posture of successive governments who proclaim themselves to be the agents of Ethiopian modernization and progress. In recent decades, the consequences of these centralist tendencies have been aggravated by the misuse of the educational system for the propagation of a series of political and economic philosophies which are inimical to both the concepts of democratic governance and to free markets. For over thirty years now, the main task assigned to the country's primary and secondary school system as well as to most of tertiary education has been the indoctrination of Ethiopian youth in the ideologies of governments in power.

First it was the Dergue which co-opted the educational system for the purpose of indoctrination. In the course of launching its socialist revolution, the Dergue sought to harness every conceivable medium which could facilitate the campaign to exorcize the traditional world view of the Ethiopian people and to reeducate the population with the alien doctrine of Marxism-Leninism. Once the regime discovered that schools, technical institutes as well as colleges and universities to be very effective vehicles for the reeducation of the population, it assigned the task of indoctrination of young people to be the primary objective of the teaching learning process.

The misappropriation of the schoolhouse for political indoctrination did not end when the current regime defeated and replaced the Dergue. The EPRDF too came to office with a variant of socialist ideology that was in many respects even less familiar to the Ethiopian public. Consequently, the EPRDF needed to find an effective vehicle for propagating its world view among the Ethiopian public. It is no wonder then that, much like its predecessor, the EPRDF placed heavy emphasis on political education in the teaching and learning process that goes on in every schoolhouse.

As a consequence of these social experiments, no child schooled in the Ethiopian public school system over the last 30 plus years has had an opportunity to study either the principles of the free market, to observe and experience a properly functioning free market system or even to witness our traditional economic arrangements at work. Every literate Ethiopian under age 45 has thus been taught that democratic centralism is the natural order and that all important decisions either must originate from or must be approved by a government body. This, of course, is the antithesis of free market economic principles. The present and near term prospects of the country are thus impacted by these built-in biases against private economic initiative and independent thought and action.

Removing these biases will require a carefully designed program of economic education directed at adults who make countless decisions every day on the bases of faulty understandings. Even more importantly, the indoctrination of Ethiopian children with faulty economic ideas would need to be brought to a halt. In its place, economic education which introduces each pupil with the principles and institutions of a market economy needs to be offered as part of the curriculum in both the K-12 system and in tertiary settings. .

The paper explores two interrelated concerns. First, it will examine alternative approaches for bridging the gap in the economic understanding of the current stock of Ethiopian workers, managers, consumers, entrepreneurs and political leaders. The desired outcome of such a program of remediation would be to effectively bridge, in the shortest time possible, the knowledge gap of the economically active population of Ethiopia. For a market economy to take hold and grow in Ethiopia, this gap has to be mitigated. The document then proceeds to examining the challenges of meeting the economic education needs of among the next generation of Ethiopian. The paper will propose a strategy for teacher preparation and curriculum realignment which would be supportive of the goal of affording every Ethiopian student at every level with opportunities to learn the basic principles and the key institutions of the market economy. In both of these areas, there is much Ethiopia can learn from the experiences of those east European countries who have made successful transitions to market systems after much longer encounters with socialism.

## **FURTHER ON THE GENESIS AND MANIFESTATIONS OF THE PROBLEM**

The gap in economic literacy among the adult population is so widespread and so glaring one does not need to conduct a survey which meets all of the niceties of testing for validity following established sampling techniques to attest to its mere presence. The lack of familiarity of the adult population with the basic tenets of the free market shows up in all sorts of settings and contexts. In personal family conversations, in profession dialogue, in business dealings and of course in any dealing with the government, one or both parties to the exchange nearly always exhibit serious misunderstandings of the key tenets of the market economy.

One of the areas where people seem to have the greatest amount of difficulty is in understanding what should be the proper role of government in private investment decisions and in all sorts of transactions between consenting private parties. At times, the confusion arises from a correct interpretation of the realities on the ground. But, it is often a result of a deeply ingrained belief that government has the right, the duty and/or the capacity to review and optimally direct the economic activities of private citizens. Far too frequently, citizens tend to impulsively seek guidance from government to determine whether private transactions they are negotiating are permissible. Folks are often unsure whether the modalities of an exchange must comply with some proscribed standard for it to be permissible and to receive the blessing of government. When contemplating the start up a new venture, be it for profit or even when seeking to help build the capacities of communities to provide for them-selves, Ethiopians reflexively seek the permission of government.

The genesis of this parochial impulse can be traced to the consensus reached in the late 19<sup>th</sup> and early 20<sup>th</sup> century regarding the strategy for the modernization of Ethiopia. Having agreed on the need for Ethiopia to modernize and follow in the footsteps of Europe, the brain thrust of the royal courts concluded that the government must be the main modernizing force in Ethiopia. The logic of that strategy in pursuit of the noble aspiration to modernize was rather obvious. The most enlightened Ethiopians of the period were drawn to the royal courts by a variety of considerations. Some were propelled by the altruistic desire to do good – share their wisdom with those who have the responsibility of looking out for the nation. Others were responding to market forces, drawn to the centers of power where their talents would be better rewarded. As the center of Ethiopian power became stronger and as the reach of that power expanded, the assembled talent grew both in its numbers and influence. This collection of thinkers gradually came to the conclusion, and subsequently convinced successive royal courts, that it was the duty of the court to champion the modernization of the country. It is such thinking that led to the establishment of the first schools, the first medical centers, the earliest economic enterprises in the “modern sector” under the aegis of the royal courts. Indeed, it is this line of reasoning which planted the seeds to the school of thought that the government has a mandate to exercise oversight authority over the economic affairs of all citizens.

More than a century of add-ons and refinements later, this idealistic precept evolved into a doctrine that is now broadly shared among Ethiopians. That doctrine holds that that which is not explicitly permitted by government for citizens to engage in must lie in the domain of the disallowed. Government officials and private citizens thus always assume that one must secure a government permit for everything. Unfortunately, this view of the role of government and the resulting parochial relationship between citizens and their governments has been noted to stifle initiative and creativity, retard innovation, block economic growth and perpetuate poverty wherever it has been practiced.

The revolution of the 1970s, which was the first significant effort to change the power balance in the modern era, actually ended up strengthening the hand of government many fold. The latitude for private initiative in all aspects of life but especially in the economic sphere was radically reduced in absolute terms. In the Peoples Democratic Republic of Ethiopia and during the decade long run up to its formal inauguration in 1985, the economy depended on the whims of state actors for practically everything. For seventeen years, the pursuit of private interest was not just officially frowned upon, often it was legally unallowable. So, Ethiopia traded-in the old tradition of looking to government for guidance in economic matters for a new economic control regime which set aside nearly all significant lines of business exclusively for collective undertaking.

The guerilla forces which overthrew the Mengistu regime and established the EPDRF government initially raised the hopes of many Ethiopians that they would loosen the state's grip on the economy. Early on, it appeared that the EPDRF was taking tentative steps towards opening up of the economy for private activity. Yet today, the economic and business environment continues to be dominated by political actors. The state continues to own land and all sorts of commercial enterprises, some significant in scope and others in the class of the petty-trade. Much of what is not owned by government is operated by party owned enterprises. What is more, little has changed in the attitudes of either the bureaucrats who exercise control over the economy or in the expectations of the population regarding the relationship between the state and the citizenry in the economic life of the country.

Today, as in the bad old days of the Dergue, every private business initiative requires permits. It matters little whether the undertaking is a for profit private business, a not-for-profit charitable undertaking, or a community initiated mutual undertaking. The permitting process is not just a matter of determining whether an activity is or is not allowed under duly promulgated legislation or regulation. Instead, the challenge of the would be business owner amounts to convincing a bureaucrat that the project is economically viable, that the entrepreneur has the financial and intellectual muscle to ensure success and the site selected, the marketing plan, the financing scheme, the human resource requirements and all sorts of managerial minutiae are to the liking of the bureaucrat. In effect, in today's Ethiopia, would be entrepreneurs are not allowed to try and fail in business. The state and its agents must be convinced that the enterprise promotes some undefined or undefinable objective of the state and that it is guaranteed to succeed before it is permitted to commence operation. What is even more troubling, the average citizen, with the exception of those who have had the personal misfortunes of having their life dreams snuffed by a bureaucrat's whim, sees nothing wrong in this state of affairs.

#### **THE LEGACY OF RIGID CONTROL OF THE ECONOMY**

The most immediate consequences of a rigorously regimented and strictly enforced system of government controls over the economy include little or no savings or private investment, slow or no expansion of the economy, stagnating or declining standards of living, high and growing rate of unemployment, and falling aspirations and rising hopelessness among the population, specially the young. By creating artificial shortages and substantial economic rent for those who find a way to secure permits, excessive regulation breeds corruption, a cancer which, if left unchecked, can grow and destroy an economy.

There had been no documented instances anywhere in the world where a society which must cower under a vigorous economic control regime such as that practiced in Ethiopia over the last three decades, avoided the litany of misfortunes enumerated above. No one who is familiar with the economic policy environment in Ethiopia is thus surprised at the state of the Ethiopian economy or with the conditions of absolute deprivation the Ethiopian people live under.

The reader is invited to examine the dismal record of the socialist experiment in Eastern Europe and the former Soviet Union. These countries enjoyed many of the favorable cultural, scientific and technological attributes of their neighbors in Western Europe. Several of them had developed significant industrial bases before and/or during their socialist experiments. Nearly all were populated with highly skilled labor. Yet, in spite of these significant endowments, these societies wallowed in poverty and hopelessness for decades under highly regimented socialist orders. The disparities in the standard of living and quality of life between the east and west of Germany before its reunion and the continued prevalence of widespread hunger in North Korea while their brethren in South Korea built one of the most successful economies in Asia bear witness to what happens when citizens are denied the opportunity to make economic decisions unencumbered by onerous controls.

Although less obvious, it is often the case that a government which infringes on citizens' right to freely prosecute their economic interests by limiting their freedom of choice in the market place, also infringes on the citizen's aspiration for free choice in other dimensions of life. A system which defers to state authority the circumstances under which citizens may pursue their livelihood cannot afford that citizen a say in how that government may be constituted or how it might conduct itself once in place. Indeed the conditions required for a free market economy to flourish are also the conditions that are required for the realization of the ideals of a liberal

democracy such as freedom of speech, freedom of association, equal protection under the law and the right to chose and dismiss one's government.

Some point to the recent near simultaneous turn of the economic fortunes of the peoples of India and China as evidence that the linkages between democratic governance, economic freedoms and prosperity are at best very weak and at worst none existent. For decades India struggled with severe poverty while enjoying one of the most durable democratic systems in the third world. China on the other hand is enjoying a period of unprecedented growth and a transformation of its economy under the tutelage of the communist party. Don't these developments contradict the presumed linkages between good governance and improved economic performance that are alluded to in this essay and elsewhere?

On the contrary, the experiences of China and India actually provide further credence to the multilayered and complex linkages between: (a) economic liberalization and faster growth, (b) economic liberalization and the opening up of political space for alternative opinions and (c) increased economic prosperity and the desire for expanded personal freedoms. The Indian experience is a wonderful case study of the pitfalls of well intentioned socialist interventionism in the economy even when exercised in the context of democratic governance structure. The failure of the Indian economy prior to the 1990s is proof positive that economic choices made even by democratically elected representatives of the people are a poor substitute for the right of the citizen to directly exercise his free choice rather than through the intermediation of his representatives. It took the economic reforms of the early 1990s which removed the heavy hand of government from overseeing the economy for the Indian economic miracle to unfold.

The apparent contradictions in the Chinese experience are also easily explained. The expansion of the Chinese economy began with the first tentative moves to liberalize Chinese agriculture in the late 1970s and early 1980s. When Chinese peasants were for the first time allowed to produce vegetables and to raise chickens and pigs in their backyards for their personal accounts, China saw unprecedented growth in the incomes of farm families, in agricultural productivity and in food production. Subsequently, the experiment was extended to selected non-agricultural activities to mollify the large and impoverished urban population.

However, the most significant change in the Chinese economy did not come until the mid 1980s. It was then that large parts of the country were opened to foreign private investment which was afforded operational latitudes comparable to but often even more advantageous than any that enjoyed by business anywhere else in the world. Subsequently, manufacturing, information technology and retail services were opened not just to foreign private investment but also to domestic private investment. The result has been the unprecedented expansion for the Chinese economy.

After two and a half decades of sustained growth, Chinese per capita incomes have increased nearly 8 fold and China is now comfortably a middle income country. What is more, Chinese citizens now enjoy personal liberties which were once unimaginable.

From Eastern Europe to China, the legacy of centralized control of the economy is poverty and repression. It took the opening up of its economy to market forces for China with a billion plus people to assume its rightful place on the world stage. The recipe for the takeoff of the Indian economy called for heavy dose of liberalization. It took the removal of the socialist economic and political regimen for the citizens of Russia and Eastern Europe to join their cousins in the first world. The requirements for the emergence of Ethiopia from under the double burdens of economic deprivation and lack of personal liberty are the same as those we noted in Easter Europe, Russia, India and China.

#### **THE NEAR TERM SOLUTION: BRIDGING THE KNOWLEDGE GAP OF THE ADULT POPULATION**

Granted that Ethiopia today does not suffer just from a knowledge gap, nonetheless, should the opportune political conditions ever arise, the long march towards prosperity and personal freedoms must begin with a program to bridge the gap in the population's economic understanding. Over the years, many countries have tried a number of approaches to remediating the critical gap. To have a chance for success, in the development of a plan for Ethiopia,

one must begin with the recognition that the needs of the economically active adult population are quite different from that of the school age population. The instruction of the school age population in economics is best presented as an integral part of the primary, secondary and tertiary school curriculums. Only such a systemic approach will ensure that future generations of Ethiopians have the opportunity to study and gain full familiarity with market principles by the time they join the workforce and are expected to make personal and professional decisions as business leaders, government officials, consumers, voters and workers.

Most of today's adult population was raised without the benefit of formal instruction in the principles of a market economy or the sustained informal experiences which one gains by virtue of growing, living, working and participating in a market economy. This segment of the population requires a quick start program to remediate the most critical gaps in its economic understanding in the shortest time possible. Such a program will be directed at those who make decisions in all segments of the economy as private or public sector policy makers and managers. But there is also a need to provide opportunities to gain some degree of economic literacy to those Ethiopians who implement and/or live under these policies and decisions and to the general population which makes countless economic and financial decisions everyday.

There are important lessons to be learned from the successful educational programs implemented in some East European countries and in the states of the former Soviet Union after the fall of the Berlin Wall. Following the breakup of the Soviet empire, countries such as Poland and the Czech Republic in Eastern Europe as well as the Baltic states of Lithuania and Estonia implemented radical economic reforms. These reform programs were complemented with extensive programs of education for their adult populations who had lived their entire lives in stringently planned economies. Many multilateral organizations as well as national institutions from the U.S. and Western Europe played important roles in support of various aspects of the reform efforts in these countries. One key player which supported the economic education programs in each of these countries was the National Council on Economic Education (NCEE), an independent U.S. organization made up of a network of state-level councils and university based centers of economic education. The extensive work of the NCEE network on the design and implementation of quick-start training programs can be accessed by Ethiopia.

The very first hurdle which must be overcome is the lack of advocates for such a program. As of now, neither the education community nor even the chamber of commerce have pressed for a program of economic education. On the other hand, there is an understandable resistance on the part of government against an effort which, among other things, aims to introduce the public with the virtues of affording government a more limited role in the management of the economy. Some fifteen years ago, during the transition in the aforementioned East European countries and states of the former Soviet Union, the most influential voices advocating for a massive effort of economic education came from multilateral institutions such as the World Bank, the IMF, the OECD and some agencies of the United Nations. Given the current economic and political realities of Ethiopia, these institutions are also likely to be the most effective advocates for such a program in the corridors of Ethiopian state power. Regrettably, there are no assurances that these institutions are willing to invest the political capital needed to be in the forefront of this challenge. NGOs and private educational institutions too can play catalytic roles in advocacy, program definition and the initial implementation phases of such a program as was the case in the transitional economies. In all eventuality though, the only party which can spearhead a broad based and sustainable program of economic education is the network of government colleges and universities. Only state colleges and universities have the kind of manpower with the capacity to design and implement such a program. Only state colleges and universities have the credibility and good standing across the all segments of society, a critical requirement for gaining the trust and confidence of the public. Only state colleges and universities have the means to form partnerships with the international educational institutions with the wherewithal to provide critical technical assistance in the launch of the reform program as happened during the transition of the states of the former Soviet Union.

What should the program content be? As indicated earlier, one of the most obvious deficiencies is the public's exaggerated perception of the desirability and capacity of the government to regulate and direct private economic activity. As such, a big part of the training program must focus on highlighting the nature and benefits of a competitive market place on the one hand and the common pitfalls associated with public choice. Only when decision makers understand the circumstances which lead to market and government failure and fully appreciate the

consequences of such failure, can they make appropriate choices about the proper role of government in the economy. Thus the catch up program of economic education for working adults must introduce important concepts such as opportunity cost and demonstrate the use of key decision tools such as cost benefit analysis.

When properly used as tools for influencing private and public decisions, incentives, both positive and negative, can lead to a more efficient allocation of resources when compared to bureaucratically defined system of rules which rigidly delineate what is or is not permissible. The introduction of the concept of property rights, including the exposition of the contribution of well defined and protected property rights towards speeding the pace of innovation, investment and economic growth will feature prominently in the quick-start training program.

An important consideration in the design of the program and in the selection of the appropriate method of delivery is the knowledge that the training would be targeted at the diverse universe we collectively call working adults. Some in this universe are managers and policy makers serving in public and private institutions, in commercial and not-for-profit settings. They are responsible for making economic and business decisions that impact the lives of many of their compatriots. Others are ordinary workers and consumers who go out every day and work hard at whatever they do trying to provide a better life for their families. Their decisions impact primarily their families and themselves. Both groups have a shared need for an improved understanding of economic principles and processes so that they can make better decisions, optimal decisions.

Ethiopian families need a program of economic education which will equip them with the skills necessary to properly understand and evaluate the choices they make in their daily lives, to make better decisions in their economic and financial dealing and to make informed decisions in their civic lives. A program of massive public education such as this can rely on a variety of delivery technologies to reach large segments of the population at a reasonable cost. Delivery through radio and TV broadcasts simplifies the logistical complexity and reduces to a more manageable proposition the task of reaching millions of people living in all corners of the country. The optimum arrangement would be the use of dedicated public education channels on radio and TV, continuously broadcasting and repeating lessons to allow citizens to tune in at their convenience.

It was already alluded to earlier that the needs of Ethiopian managers and policy makers differ in significant ways from the educational needs of the general public. These leaders require more rigorous understanding of the workings of a market economy. As such this group needs targeted instruction on the role of positive and negative incentives in increasing the productivity and competitiveness of business ventures. What is also required is detailed instruction on the specific circumstances where public policy may be gainfully employed to correct the failure of the market. Perhaps the most important lesson required by key decision makers today is a lesson on the potential for even the very well crafted and well intentioned government regulation to stifle the efficient operation of the economy. More than anything else, this segment of society needs to understand and to buy into the logic of Adam Smith's "invisible hand" – that individuals who are motivated by the pursuit of their private interests would conduct their affairs in a way that would advance the interests of society. Public officials must understand that the entrepreneur represents the creative soul of the economy which must be set free if Ethiopia is to escape the ravages of poverty and hunger.

With that in mind, this component of the program is best delivered using the workshop format where specific topics can be explored in relatively small group settings with facilitators leading groups in discovering the virtues of the market economy. The objective is to dispel the notion that a bureaucrat sitting at his desk in a regulatory agency, no matter how well educated and well intentioned he might be, cannot anticipate the needs of society as well as the individual members of society acting in their own behalf can. It is the misplaced trust in the ability and willingness of bureaucrats to do what is "right for the country" that often gets in the way of the individual citizens of that country as they strive to do what is right for them.

While the greater danger in Ethiopia today lies in the over regulation of private activity, there is a well established economic principle which stipulates that there are circumstances, rare though they are, where the market solution may be less desirable than that which could be achieved with public action. As such, the lessons presented to this group of people would introduce the concept of market failure and show participants techniques for identifying,

measuring and correcting it. The principles of public choice and its place in the market economy would be form a part of such lessons.

## **ECONOMIC EDUCATION FOR THE SCHOOL AGE POPULATION**

In the long-run, the goal of this exercise is to bring about a reassessment and realignment of the widely held view of the population regarding the proper role of government in the economy. Such a transformation would constitute a sea change in the established cultural and attitudinal points of reference. As outlined earlier, for a variety of historical and cultural reasons, Ethiopians tend to be predisposed to trusting the capacity and willingness of government to do good for the economy. The kind of fundamental change sought here requires systematic and broad based intervention, one which starts early in the development of each chilled but is sustained and reinforcement over an extended period.

It is this thinking that led to the argument here that this component of the program of economic education be delivered as an integral part of the curriculum for K-12 instruction, in the teacher education programs and as well as making it a required part of university matriculation. It is only then that we can be assured that a large swath of the population will have the opportunity for a systematic and rigorous study of economic principles. This approach will also have the added advantage of making this key knowledge available to all who participate in the national educational process under comparable settings.

The starting point for such an effort is the development and approval of a “national content standard” for economic and financial education. As reported earlier, there is a great deal of work done both in the development of appropriate standards and grade level instructional materials both in the transitional economies of Eastern Europe and in the states of the former Soviet Union. The National Council on Economic Education in the United States has a wealth of experience which it often shares with economies in transition around the world. The NCEE is only now beginning to look towards Africa. One suspects that the NCEE could be rather easily persuaded to develop a collaborative program in Ethiopia assisting whoever assumes the lead in curriculum reform and delivery.

Once the curriculum (content standard) is agreed to, whether in Russia or in Nebraska, the NCEE delivery format is essentially one of “training the trainer”. The NCEE, its state level councils and/or university based centers of economic education organize a series of training seminars to help train a sufficient number of teachers both in the content and in the instructional methods. Graduates would then replicate the workshop and seminar series around the country until a critical mass of competent trainers graduate.

Trainers who may be university service faculty, state officers of education, employees of national ministries of education, and/or staff of non-governmental organizations, would then organize in-service training for teachers either during the school year or during school breaks. There must be built-in incentives to attract teachers to these seminars even when they are offered without cost. A curriculum change requiring students to take (and teachers to teach) either stand alone course(s) in economics or economics concepts integrated into more traditional courses such as social studies, history or mathematics would provide the incentive for adequate numbers of teachers to participate in the training program. If economics knowledge is tested and minimum standards of proficiency are established for advancement to the next grade level, then the incentive will have an even greater significance.

Reforming the teacher education programs offered to would be teachers across the country so as to include instruction in economic and financial principles would help economics to become a more “normal” school subject and not an add-on for the PE teacher to take up in his spare time. Here too, the first order of business is the affirmation of the content standards which must form the common body of economics knowledge. All of the students in teacher training institutes would then have opportunities to take broad based survey courses that prepare them to teach in the lower grades and to handle economic principles which might be integrated in other courses. Some can have opportunities to take additional courses that would allow them to teach stand alone junior high school and high school courses in economics and personal finance. University graduates from Economics departments with short seminars on teaching methods would be well qualified to offer the course(s) as part of the regular programs in the teacher training colleges and institutes.



## CONCLUSION

The record is clear. Ethiopia is awash with regulators and regulations. Citizens who plan to initiate a new venture or launch a new project under an existing venture reflexively try to get permits from some government agency or other, even when they don't know that any permits are required. The safe maxim for the bureaucrat to follow seems to be: when in doubt regulate. The parallel mantra for the entrepreneur is when in doubt, ask for permission. A few years ago, this author was asked by the principal of the rural elementary school he attended to build a small library. Having agreed to pay for the library in exchange for the right to name the library for a well respected community elder, we proceeded to secure all of the necessary permits. The building design had to be approved by the Woreda Administration, the Sub-Region Education Office Head, by the Region Education Head and by the Ministry of Education. The naming rights had to be negotiated and approved by each of these offices except for the Ministry. At each stop, new demands were made regarding building style and/or size. Also demanded were provisions for new furnishings and books for the library as a precondition of accepting the donated building.

While this anecdote does not pertain to a purely commercial proposition, it serves to highlight the incredible appetite of government agencies to interfere and block the initiatives of private citizens. It also points to the likelihood of an even more intrusive interference if the initiative held any potential for financial reward to the principals. Had that been the case, there is reason to anticipate that well intentioned bureaucrats who only wish to protect the national interest from profit seeking self interested entrepreneurs and/or from rent seeking corrupt officials would have reasons to scrutinize the proposal even more rigorously, leading to even longer delays.

A program of economic education which succeeds in familiarizing the virtues on the market system to the Ethiopian public will help free every citizen to pursue his dreams to the best of his abilities. An educational program which transforms and corrects the public's misperceptions about the proper role of government in the economy will also recast the relationship between Ethiopians and their government in a fundamental way. Participatory government and a liberal democracy require the kind of change which comes only with a better understanding of what government can and cannot do in the economy.

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**NOTES**