

## STATUS, CHALLENGES AND PROSPECTS OF THE ETHIOPIAN DEVELOPMENTAL STATE

**ADDIS Ababa, Ethiopia**

*Lecturer, Department of Public Management, Kotebe Metropolitan University.*

*Email: [belayneh.bogale@kmu.edu.et](mailto:belayneh.bogale@kmu.edu.et)*

### ABSTRACT

This paper offers a critical review of the status, challenges and prospects of democratic governance in Ethiopian developmental state. The review attempts to identify some of ambiguities regarding developmental states, and its implications on democratic governance so as to come up with conceptual clarity. It also examines the key manifestations of successful developmental states by comparing them with the actual reality in the Ethiopia and the challenges and prospects of building democratic governance. On top of this, both analytical and policy issues are discussed in reference to the issue under inquiry. To this end, a simple desk review method has been utilized. Accordingly, the review has identified the defining features of successful developmental states vis a vis the Ethiopian scenario. It also stresses the importance of taking seriously the autonomy and capacity of the bureaucracy to meet the aspirations. Moreover, instead of the never ending debate on democratic governance Vs development which is found to be a “false choice” and a sequencing fallacy, future scholarship on this field, should be based on a more rigorous conceptual clarity and harmony on how to install democratic governance without compromising development. The review argues that in order to properly make use of the constitutional, policy and legal prospects in the Ethiopian development state, it is imperative to ending hiding behind development and to striving for genuine reform characterized by reconciliation and shared vision.

**KEY WORDS:** Bureaucracy, developmental State, democratic governance , and legitimacy

### 1. INTRODUCTION

Nowadays the terms "democratic governance" is being increasingly used in development and policy literature. Bad governance is being increasingly regarded as one of the root causes of all evil within our societies. Major donors and international financial institutions are basing their development assistance on the condition that reforms that ensure "democratic governance" are carried out (UN, nd). On top of this, the concept of democratic governance has been highly recognized as prerequisite for a successful nation building and socio-economic progress. The idea of democratic governance has received increasing attention in Africa over the last three decades. The importance of the concept for African development is related with two major issues. Firstly, it is related with the need to create the basic extra economic conditions that are valuable for the growth of African Economy, like, effective public administration, independent and functioning judiciary, transparent financial system and accountability. Secondly, the concept of good governance is related with the common developmental challenges of Africa as accountability, rule of law, freedom of expression and association, legitimate and inclusive governments(WB, 1994). Improving these can be considered as a very big move towards African renewal.

According to Government reports, Ethiopia has achieved encouraging development results, maintaining an economic growth rate of 11 % over last consecutive years. The international community has also recognized the growth, though there is no much agreement on the rate (statistics). It has also been reported that the country has come to enjoy the fastest improvement in the Human Development Index among Least Developed Countries. The country has set for itself a challenging goal of creating a Democratic Developmental state and building a green economy (UNDP, 2012) with ambition of becoming a middle income state by 2025. Ethiopia has recently launched a set of comprehensive development plan, called the Growth and Transformation Plan (GTP) I and II. The first phase of the plan, which lasted for five years from 2010/11 to

2014/15, has come to a conclusion, leading to the kick-off of the second phase as of 2015/16 budget year (FEDRE, 2016). The idea of developmental state calls for such coordinated development plans that identify the development priorities of the country and the respective roles of each sector, so as to achieve the national goals. The interest in constructing a developmental state while also deepening democratic governance, as stimulating as it is to those who value a democratic developmental state, is not without its challenges. Indeed, it poses a set of challenges. It evokes the question as to whether pressing the democratic governance agenda impedes or facilitates development. The issues of whether there is a relationship of priority, or primacy, between development and democracy are raised. These issues raise difficult questions and long debate among development scholars. These same questions are raised in different forms in different contexts and they lead to smaller, local, and context-specific issues that need to be raised and discussed (Marwala, 2006). Hence, there has to be continuous rhetoric and discourse among the academic community and practitioners in the field so as to attain the expected level of conceptual clarity. To this end, the author strongly believes that, this review will serve to provoke thoughts and to stimulate discussions. In line with this, the objective are to come up with conceptual clarity of developmental state; contrast the characteristics of successful developmental states with the Ethiopian experience; and to discuss the challenges and prospects of democratic governance in Ethiopia.

## 2. MATERIALS AND METHODS

By way of comprehensive desk review, the paper attempts to point out the status, challenges and prospects of democratic governance under the Ethiopian developmental state model, examining national legal, strategic and policy documents (such as the Growth and Transformation Plan I and II and different programs), and various publications and prior studies in the area. Hence, the reviewer looked in to literature on developmental state in general and the Ethiopian state in particular.

## 3. DISCUSSION AND FINDING

### 3.1 Conceptualizing developmental state

The conception of a developmental state is not utterly new to the literature in politics, development studies and economics. While the term has been used to refer to state-led economic planning as experienced in the countries of East Asia and some other countries who won the label since the 1970s, serious attempt at conceptualizing it is said to have begun with the work of Chalmers Johnson in the 1980s (Johnson, 1991). In the context of Ethiopia, the term is increasingly being used and becoming the center of political discourses. A developmental state is a state where government is closely involved in the macro- and micro-economic planning in order to grow the economy. It has generally been observed that successful developmental states are able to advance their economies much faster than regulatory states that use regulations to manage the economy. As an example, it took the USA approximately 50 years to double its economy while it took China, which is a developmental state, approximately 10 years to double its economy (Marwala, 2006). A developmental state is often defined in terms of its ideological orientation (i.e. promoting the ideal and agenda of developmentalism) and its institutional arrangements (i.e., its institutional capacity to formulate and implement its policies and programs) whereby the state has to build efficient and effective institutions to achieve its developmental goals. Standard descriptions also maintain that a developmental state is a state with instincts to resist external demands (e.g. Multinational corporations) and internal resistance (from groups twisted on transient political gains or short-term profits, i.e., local political and business elites) (UNECA, 2011).

An economic report on Africa holds that a developmental state is “one that has the capacity to deploy its authority, credibility and legitimacy in a binding manner to design and implement development policies and programs for promoting transformation and growth, as well as for expanding human capabilities” (AU, 2011). Ideally, therefore a developmental state needs to be a persuasive state with the competence to mobilize people and resources around its development plan. In other words a democratic developmental state requires shared vision and national consensus as preconditions for success. Peter Evans refers to it as a state with institutional design meant to advance transformative role of the state “rather than constraining the state,” a state with the capacity to formulate and implement its development goals in an authoritative and binding fashion (Evans, 1995) resulting in improved economic performance. The developmental state is also seen as autonomous/independent state, with a decidedly interventionist bent on seeking to monitor and control the economy. In this sense, it can even be viewed as a model of capitalism that nonetheless differs from a minimalist state or other species of interventionist states such as the regulatory state and the welfare state (UNDP, 2012). The late prime minister of FDRE, Zenawi, contrasted developmental state with weak states (that easily bow to the pressure mounted on them by the business or political elite) or predatory states (that tends to be extractive and exploitative of public resources for private purposes). (Zenawi, nd). A developmental state is, therefore, a state that is and seeks to be a strong player in the economy of a nation with a view to enhancing economic development. It is a state “that promotes macroeconomic stability and establishes an institutional framework that provides law and order, effective administration of justice and peaceful resolution of conflicts.” (Mkandawire, nd, 59).

### 3.2 Characteristics of a developmental state (*in ethiopian context*)

In order to understand the concept of a developmental state, it is recommended to highlight some of the characteristics of the model in successful developmental states of South and East Asian states. By doing so the article will conceptualize the

agenda to the reality in Ethiopia. Developmental states generally put strong emphasis on technical education and the development of numeracy and computer skills within the population. This technically oriented education is strategically used to capacitate government structures particularly the bureaucracy. What emerges out of this strategy is that the political and bureaucratic layers are populated by educated people who have sufficient tools of analysis to be able to take leadership initiatives, based on sound scientific basis (Marwala, 2006). In Ethiopia, review of policy and strategic documents shows sufficient evidence substantiating the critical role of education in the overall development endeavors. The Education and Training Policy (ETP) gives a definition of education that is strongly rooted in the purpose and role it plays in the human life in general. Similarly, the HEP sets objectives for higher education that include “promote and enhance research focusing on knowledge and technology transfer consistent with the country's priority needs” (FDRE, 2009). This objective not only emphasizes the importance of technology transfer, it also implies the identification of priority areas for the country. Similarly adequate policy focus has been given for TVET providers and related institutions which are said to be strengthened to become “centers for technology capabilities’ accumulation and transfer” (Ibid, 55). However, the ever increasing number of graduate unemployment and the deteriorating quality of education is becoming a cause of concern in the country.

The other characteristic of a developmental state is the essentiality of development-orientated political leadership bound together by a powerful economic and political ideology focused on development (Mark, 2003). Circumstances which give rise to a development-oriented political leadership can be quite diverse. According to Waldner, this leadership grows out of a political context characterized by absence of pressure which gives these leaders scope to provide institutions conducive to economic development (Walder, 1999). Other analysts suggest that a development-oriented leadership evolves from of a clear consensus within the governing elites, both administrative and political, over the scope and direction of development (Linda, 2000). The final factor is the interests of political survival and legitimacy push political elites towards a developmental orientation (Robert, 1990). However, given the relatively polarized politics and the heterogeneity (multicultural society) of Ethiopia where the quest for right of nations, nationalities and people is the center of political discourse, giving rise to development-oriented political leadership with lesser pressures is quite difficult. The experience of East Asian countries also suggests clear consensus and shared vision with different elites as an instrument to build development oriented leadership. It is also claimed that the leaders in East Asian developmental states were relatively uncorrupted and non-predatory, but looking at the reality in Ethiopia, part of the political leadership is being accused of rent seeking and predatory bandit behavior which is a bottle neck to create development oriented leadership.

Compared to other developing regions the autonomy, capability and effectiveness of the permanent executive in the East Asian developmental states are terrific. This is traced back to the presence of bureaucracy in the Weberian tradition which prioritizes meritocratic recruitment, provides promotion incentives, shows rationality and guarantees high levels of prestige and legitimacy to bureaucratic officials (Meynes and Musamba, 2010). Moreover, the bureaucracy was able to exhibit such uncommon levels of autonomy and effectiveness when they were obviously free from unproductive interference from the political leadership. As a result, decision-makers and technocrats were able to effectively formulate economic policy, and employ innovation in public service delivery (Alice, 1989). As the developmental state has subscribed to the view that state should play an active role in promoting economic development, this requires autonomous, capable and effective bureaucracy. Nonetheless, the Ethiopian public sector lacks these key manifestations of a developmental bureaucracy. There are also evidences of recruitment and promotion based on political patronage in some key public agencies. In words of Mebratu (2015):

“.....the civil service in Ethiopia today is actually being re- politicized. Thus, understanding of Ethiopian efforts to adopt reforms—in the context of developmental paradigm—provides key perspectives and experiences to end hiding behind development if there is actual need to transform civil service institutions and save them from being simple cogwheels that conclusively carry out the wishes of politicians.” A production-oriented private sector has been at the center of the rapid building of a successful developmental state in East Asia. Based on long-term institutionalized alliances among political power, financial and industrial capital, these state-private sector partnerships were crafted on the principle of reciprocity, such as connecting subsidies to performance, and acted as an incentive for productivity (Robert, 2000). Nonetheless, the reality on the ground witnesses that, the larger segment of Ethiopian business has short term investments that are seeking for short term fortunes and “hot money”. This makes short term profit, a significant factor in the investment decision making process.

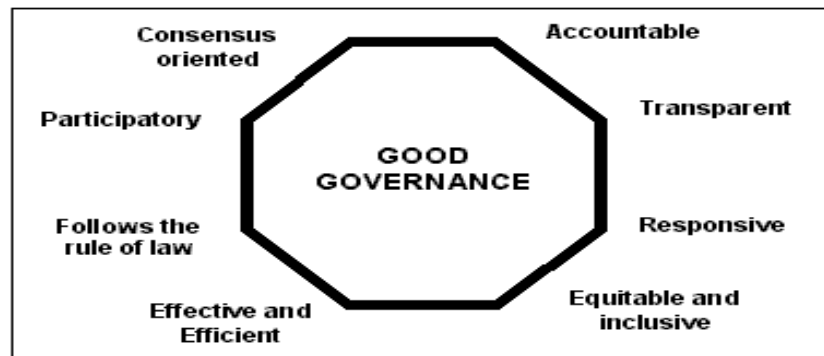
The other characteristic of developmental state is the existence of performance oriented governance. Developmental states are found to enjoy support because they are associated with promoting rapid economic growth and providing economic benefits to both the ruling elites and the general public. Developmental states generally believe that they will attain state legitimacy through delivery of services to citizens rather than through the ballot (Marwala (2006). In Ethiopia, state legitimacy is achieved through the ballot however the main shortcoming is that the society has not reached an equilibrium stage where the feedback mechanism between voting pattern and service delivering reinforce each other. Moreover, there has been criticism on the Ethiopian government related with election frauds and laws that narrowed the political arena. Critiques often also accuse the regime (till recently) for having room only to weak, fragile and puppet political oppositions.

Generally, developmental states tend to manifest the following traits: economic nationalism, focus on foreign technology transfer, large government bureaucracy, corporatism (alliance between state, labor, and industry), skepticism about

neoliberalism and the ‘Washington Consensus’, prioritization of economic growth over political reform, legitimacy and performance, and emphasis on technical education. Some of the 20th century developmental states have used the above mentioned traits to transform their economies, to be globally competitive, to achieve remarkable economic growth rates, to reduce poverty and inequality in their societies, to create jobs, and to advance human capabilities (UNDP, 2012).

### 3.3 Democratic governance in a developmental state

By governance we mean the manner in which power is exercised by governments in the management of a country's social and economic resources. “Good” governance is the exercise of power by various levels of government that is effective, honest, equitable, transparent and accountable (Johanson, 1991). Democratic governance has 8 major characteristics (Johnason, 1991). It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.



*Characteristics of Good governance<sup>1</sup>*

#### 3.3.1 Challenges of democratic governance in ethiopia

The challenges of good governance in a developmental state are many and varied. Creating an inclusive responsive state with efficient and effective institutions and accountable and transparent government that is based on rule of law while making the government the leader of the economy is not something one can do without a challenge. Accordingly, the summary of the most critical challenges of building democratic governance in the Ethiopian developmental state are listed here under.

- a) Harmonizing the ethno- linguistic based federal system and the quest of nations, nationalities and peoples with the need to install shared vision and reconciliation which is one of the preconditions in building democratic developmental state;
- b) Overcoming the historical legacy of feudalism, authoritarianism and inequality;
- c) Forming a capable state with an efficient bureaucracy, meritocratic public service system, and stemming the staff turnover, the lack of skill, etc) (Mebratu, 2015);
- d) Dismantling and fighting corruption and rent seeking behavior which is deep-rooting the current system;
- e) Living under a constitutional democracy with the heavy burden of protecting and enforcing human rights by harmonizing the relation between collective and individual, civil/political and economic/socio- cultural, rights and widening the political arena;
- f) Confronting the external elements that have the role of makers and breakers of developmental state (Asayehegn, nd). These challenges need to be met as the country seek to build a democratic developmental state in contexts such as that of Ethiopia. They remain to be challenges in spite of the fact that, owing to the collapse of the ‘Washington Consensus’ and the emergence of new global players, their toll might not be that large (UNDP, 2012).
- g) The challenges of democratically mobilizing people and resources for the developmentalist project and winning popular trust.

Moreover, institutional capacity building of the public sector should be stressed here. Currently public institutions are strongly influenced by the ruling elite. From the point of view of equal representation, the higher positions in many governmental departments are assigned according to an ethnic-based quota system. Willingly or unwillingly the bureaucrats are expected to operate in conformance with their ethnic affiliation rather than in pursuit of the goals of their organization. Because of this, instead of transparency, the desire to fulfill the wishes of the political agenda introduces the temptation for corruption that has become endemic in the functioning of the Ethiopian bureaucracy. Therefore, if the Ethiopian government

<sup>1</sup> -Adopted from UNDP, 2012



desires to use the state as a very important medium to tackle the chronic developmental problems (beyond empty promises and short term political advantages to sustain power), it needs to improve the capability of its public administration sector and keep the permanent executive/ the bureaucracy's politically neutral.

### 3.3.2 Prospects of democratic governance in Ethiopia

The sharp focus of the Ethiopian government on economic development and the clarity of goals (eradication of poverty and becoming a middle-income country by 2025) manifest the ideological orientation of the government towards developmentalism. Though the capacity of institutions (capacity of the executive, availability and strength of the central planning, the quality of public enterprises to control the commanding heights, availability of national consensus and shared vision, etc-is a point to be further explored), Ethiopia declared itself as a democratic developmental state. Hence this clear prescription of the governments' stand and commitment can be considered as a prospect. The current Ethiopian state has also set its vision on building a democratic state, a system of good governance and social justice based on the blessing and full participation of citizens. This commitment is clearly expressed in the countries higher level policies and national strategic plans. For instance, the vision of the Growth and Transformation Plan (GTP), is: "to become a country where democratic rule, good governance and social justice reign, upon the involvement and free will of its peoples, and once extricating itself from poverty to reach the level of middle-income economy as of 2020- 2023" (FEDRE, 2010). Similarly on the same document under the vision of the economic sector sub heading, building an economy which has a modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy, sustaining economic development and securing social justice and increasing per capital income of the citizens so as to reach the level of those in middle-income countries are noted as visions (Ibid). Besides ideological orientation and national policies and strategies the constitution (the supreme law of the land) itself can be seen as a prospect to build democratic governance. To directly quote the preamble of FDE constitution:

"We, the Nations, Nationalities and Peoples of Ethiopia: Strongly committed, in full and free exercise of our right to self-determination, to building a political community founded on the rule of law and capable of ensuring a lasting peace, guaranteeing a democratic order, and advancing our economic and social development; Firmly convinced that the fulfillment of this objective requires full respect of individual and people's fundamental freedoms and rights, to live together on the basis of equality and without any sexual, religious or cultural discrimination;...." (FEDRE, 1995, Preamble)

The explicit recognition of the whole range of human rights set in international human rights conventions in what constitutes one-third of the corpus of the constitution shows the country's commitment, at least in principle, to democratic values. Therefore, from this, it is possible to deduce that there is a fertile constitutional, policy and strategic ground to sow democratic governance. Hence what matters now is proper implementation!

## 4. CONCLUSION

In this desk review, an attempt is made to explore the issues, the challenges, and the prospects of democratic governance in a developmental state by reflecting on the case of Ethiopia. Now a days it is common to witness a never ending debate on democratic governance and development which is found to be a "false choice" and a sequencing fallacy. It was also noted that Ethiopia has declared itself as a developmental state thereby bringing more emphasis to its developmentalist ideology. However, when we compare the characteristics of successful developmental states in East Asia with the reality in Ethiopia, much should be done specially on autonomy and implementation capacity of the bureaucracy and the dispute b/n shared vision (national consensus) and the quest for nations, nationalities and people's self-determination. Moreover, the explicit ideological orientation, policy and strategic commitments and constitutional guardianship of democratic governance (though the implementation is often questioned) are the important prospects to install democratic governance without compromising development.

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