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## In defense of Ethiopia’s adoption of “Democratic Developmental State”– Issues and Challenges

FESSEHA MULU and BIZUAYEHU DABA

### Abstract

Under the leadership of the late Prime Minister of the Federal Democratic Republic of Ethiopia (FDRE), Meles Zenawi, who was credited as the architect of Ethiopia’s renaissance, and the ruling Ethiopia’s People Revolutionary Democratic Front (EPRDF) adopted a political and economic ideology called “Democratic Developmental State.” As a result, the country has sustainably experienced significant economic growth in the past decade. However, some writers, opposition politicians, and scholars have criticized the Ethiopian government from the perspective of neo-liberalism as if the government intends to oppress its people and weaken opposition in the name of this new manifesto in order to remain in power. In addition, they have doubted the development stated by the government and the relevance of the adopted ideology to the national structure and bureaucracy. Thus, this desk research aims to defend the adoption of the democratic developmental state ideology in Ethiopia’s political and economic arena by taking its relevance and some of the success stories experienced since its adoption over two other dominant ideologies of “neoliberalism” and “developmental state.” The paper intends to identify some of the challenges that hinder the ideology in not having met its objectives.

**Keywords:** democratic developmental state, democratization, developmental state, EPRDF, fastest growing economies.



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## Introduction

### *Understanding Ethiopia's Democratic Developmental State and its basic features*

Developmental state as a political and economic ideology has become an alternative to the “least developed countries” (LDC), with various countries having since experienced substantial social and economic development, of which Ethiopia is a good example. The country is one of the fastest growing economies in the world, growing at a double-digit rate over the past decade (Gebretensae, 2015). However, Ethiopia, unlike some other countries, didn't just adopt the “East Asian Mode”; rather, the country adopted a hybrid of two ideologies yet the “Asian Tiger Model” prevails (i.e. “Democracy” from the West + “Developmental State” from the East = “Democratic Developmental State”). This makes Ethiopia peculiar to other developmental states (Daba & Mulu, 2017). For the East Asian Tigers, what matters is not democracy, but economic development. However, to Ethiopia, both democracy and economic development matter, as one without the other is impossible. As the late Prime Minister of the Federal Democratic Republic of Ethiopia, Meles Zenawi, noted in an interview with one of the government sponsored medias, Ethiopian Television, in 2010:

Democracy is the founding block of the country's existence. In its absence, the country would end up in civil war, and the substance of the state as a state would be jeopardized. Thus, democracy is non-negotiable. However, realizing democracy is not an end in itself. These days, our greatest enemy is poverty, not any other. And, poverty could be reduced, and if possible eliminated, so long as we adopt a good policy that organizes its people to work. Neo-liberalism has been delivered to poor countries like Ethiopia as if there is no other way to development, and we adopted it. But, it failed to help us and our people tackle poverty. And, now we look for another ideology from the East, 'Development State.' This new ideology works in our context. [Though, the utmost priority of a developmental state is to realize economic development] Democracy is also vital to our existence. Thus, we are a Democratic Developmental State. (translation by the researcher)

From the above quote one can understand that adopting neoliberalism or developmental state is a dead end. For Meles, both were seen as irrelevant. It has been proven that neoliberalism never helped a developing country to lift its people out of poverty. For Meles and his colleagues, as he stressed at the World Leaders Forum organized by Columbia University (2010), “neo-liberalism is an exploitative system that benefits only the rich western countries. And, is therefore, dead! It is finished!” And, ignoring democracy and just adopting developmental state ideology for economic ends is still a suicide. Rather, a mix of these two ideologies is relevant to Ethiopia.

However, Meles admitted to members of the Federal Democratic Republic of Ethiopia's House of People's Representative that “naturally, Developmental state needs a given party or a government to stay in power for a long period of time to realize economic objectives” (Capital, 2017). In this regard, Meles's claim seems to contradict one of the fundamental elements of the constitution stated under Article 9 (3) of the 1995 Constitution of the Federal Democratic Republic of Ethiopia: “It is prohibited to assume state power in any

manner other than that provided under the Constitution.” Nonetheless, the government used to argue that so long as citizens are free to establish opposition political parties with the freedom to express their opinions peacefully and legally through ways such as peaceful demonstration, the mass media and other outlets to recruit members, and elections are held in a democratic manner, to conclude that the ruling party intends to remain in power unconstitutionally is illogical and invalid. Even the former USA president appreciates the government, and acknowledged the government calling it the “Democratically elected government” in his visit to Ethiopia as the first serving USA president in 2015.

However, as Article 1 and Article 47 of the 1995 Constitution of the Federal Democratic Republic of Ethiopia clearly stipulate, the country is the sum total of regional states coming together to form a central government. In Chapter 5 of the same constitution, power is divided to each unit (Article 51, Article 52). However, the adoption of this new ideology has an effect on the autonomy of regional states (Daba & Mulu, 2017). For the fact that the central government has a strong executive power, the regional governments are expected to build strong and efficient bureaucracy full of technocrats who execute orders from the central executive. Thus, the executive is strong while the legislative is weak, which is why scholars like Amsden (1989), Ashton, Green, James, and Sung (1999), Johnson (1982), and Wade (1990) called the developmental state the “default autocratic system.” In this way, if the structure of the state seems to be unitary rather than federal, state governments would be under the clear shadow of the central government (Amsden, 1989; Ashton et al., 1999; Johnson, 1982; Wade, 1990). Further, Alemayehu (2009) and Amsden (1989) asserted that before the adoption of the democratic state ideology, the country had other assignments such as establishing a merit-based bureaucracy free from rent, seeking effective and efficient execution capabilities. Above all, Jebena (2015) stated that the government had to work hard in creating a national consensus, which is the founding element of the developmental state, after adopting the ideology; but this has been missed in Ethiopia’s political context.

There is one clear and bold reality that no one can deny, that is Ethiopia is one of the fastest growing economies attracting foreign direct investment in billions of US Dollars per year over the past decade, and the country has begun to rewrite its history of “poverty, hunger, civil war” to its former glory, “renaissance.” Thus, “Ethiopia is rising again!” (Kratt, 2010). Today, the country is known for its large mega-projects such the Grand Renaissance Hydroelectric Power Plant, Ethio-Djibouti railway, Addis Ababa Light Railway, and the Gig Gel Gibe III Hydroelectric Power Plant. The headlines have now changed regarding Ethiopia. Furthermore, the country has developed a capacity to deal with natural calamities such as poverty on its own rather than just looking for foreign aid, and its infrastructures are helping its people who have fallen on hard times. The Ethio-Djibouti railway is a good example. It is now used to deliver food-aid to the poor during the deadliest drought in the history of the country within a century that affected more than 10 million in 2015-2016 (Belayneh, 2017).

In addition, latest figures from the IMF show that Ethiopia has overtaken Kenya to be the biggest economy in the East African region with a Gross Domestic Product (GDP) of US\$78 billion (Shaban, 2017). In terms of attracting Foreign Direct Investment (FDI), Ethiopia has experienced significant progress. For instance, as written on AddisababaOnline (Tekle, 2016), in the budget year 2016, Ethiopia attracted US\$2.2 billion in investments beyond the expected amount, ranking the country at the top of the list of East African countries in

attracting FDI. All these figures show that there is enough space for the private sector in the Ethiopian economy.

In the financial market of Ethiopia, there are two dominant actors playing their own respective roles, unlike the western neo-liberalists. Both the government and the private sector are cooperative to each other. According to neo-liberalism, it is the private sector that has the autonomy and the freedom to actively participate in the market. The government is expected to, if at all possible not to be involved, make little intervention in the market (Daba & Mulu, 2017). In Meles's term, as Bonda (2011) wrote, the role of the government in the market in neo-liberalism is "night watchman state," and the market regulates itself by the rule of supply-and-demand to readjust itself. However, as Meles noted, leaving the market to the private sector is not right either. Similarly leaving the market to the government alone and excluding the private sector would also be wrong. Both claims are invalid, since there is market failure left by the private sector, and similarly there is also a gap left by the government as well. Thus, in order to address the (market) failure, the government needs to intervene in selected sectors of the market where the private sector fails. The same is true regarding the private sector. The government cannot and should not address each and every element in the market. In this way the private sectors themselves have to step up and fill the gap. This is how the marketplace works in a developmental state (Mulu, 2015). This interplay would make the poor feel secured, and the government take on a bigger role in the market than merely executing a set of rules. In this regard, developmental states are naturally interventionists. The government has invested heavily in numerous social infrastructures such as roads, power, telecommunications, education, and health to level the playing field for entrepreneurs. But, the government is, and must remain, vision-oriented articulating a strategic vision, with appropriate plans and strategies to meet published targets, as Sung and Raddon (2014), noted. A good example is Ethiopia's Growth and Transformation Plan I and II, aiming to take Ethiopia to a middle income country by 2025.

A nihilist claim is made on the difference between developmental state and democratic developmental state (Fakir, 2005). Fakir states that the democratic state and the developmental state is a false dichotomy – both are two sides of the same coin. In this way, Ethiopia's Democratic Developmental state ideology seems to be identical to the Asian Tigers; albeit, this is a totally irrational claim.

The interplay between the private sector and the state help reduce rent seeking elements in the marketplace. The private sector is profit driven. In countries where the larger segment in society is still living in rural areas, the private sector would not take the risk to invest in social infrastructure like telecommunication and banking. Besides, the private sector is a short-term profit seeking. No investor would invest in a given project where they not see the benefit until after some 10 or 15 years. This is what the government calls "market failure" (Daba & Mulu, 2017).

However, some writers like Matfess (2015), criticize Ethiopia's adoption of the democratic developmental state ideology as a means of legitimizing "authoritarian rule of strong men." In other words, developmental states pay little or no attention to democracy. Rather, rulers of developmental states care more about their power, and devise various mechanisms through which they can maintain their hold on power over a long period of time. The adoption of this ideology is the best means to do so. The writer further questions "How is it possible to democratize where developmentalism is a leading ideology?"

Impossible! he concluded. But, the researchers of the current study completely refute Matfess's argument. Some other writers, for instance Alebachew (n.d.), strongly agree with Meles' thought that it is possible to exercise democracy in a developmental state. In addition, Negash (2013) wrote in a blog in defense of Meles's claim that;

Meles never argued –be it implicitly or explicitly– that there is no relationship between democracy and development... [Rather], Meles was of the assumption that democracy is both an end in and by itself, and the only means to bringing about a sustainable development...while there has been accelerated development without democratization, democratization has been an essential element of the African renaissance...In poor developing countries, a developmental state, accelerated development and stable democracies appear to be parts of the same package.

From the above quote one can understand that Meles never denied the importance of democracy. But, democracy is not an end in itself. Yet, he never argued ignoring democracy and dealing with economic development, since he knew well and was smart enough to know that without it; the country would go back to its former history of poverty, civil war and disintegration. But, he has to be appreciated for leading the country to noticeable economic development where, if the government is unable to reduce the level of unemployment and poverty, to try and sustain the state and its people together would be endangered. Thus, the adoption of developmental state by giving priority to economic development without ignoring the importance of democracy is the right decision and a good move by the ruling EPRDF party.

#### *Challenges of Ethiopia's Developmental State: An overview*

Despite some of Ethiopia successful stories, the government in coordination with its partners, opposition political parties, scholars and people has to do a great deal in order to meet its objectives, and thereby realize the public's trust and satisfaction; else risk popular unrest and lawlessness as happened some months previous. Clear and significant leadership post Meles' death was evident after such a leading figure in the country's development for two decades, despite criticism of the West and the opposition for a poor record on human, political and civil rights (Fantini, 2013). Besides, the current government, unlike Meles' era, does not have the confidence to legitimize its actions instead of recalling Meles' visions and programs in order to justify their policies and strategies (Fantini, 2013).

Weak media coupled with lack of good governance, the abundance of corrupt officials and rent seeking behaviors, incompetent and non-autonomous bureaucracy, and weakness of the opposition political parties are another serious challenge for Ethiopia (DeWaal, 2013). In addition, at the macro level, the state is still largely dependent on foreign aid, an ever-increasing income gap among its citizens, and inflation are also some of the other challenges to the Ethiopian developmental state. The government claimed a landslide win during the elections, but representation by opposition figures at the legislative or any other government body can reasonably question the democratic element within the state ideology.

Inviting domestic and foreign investors, and displacing locals, attracted criticism as "land grabbing" and caused rural-urban migration where urban poverty has worsened (Kiros, 2011). Above all, the EPRDF government has been repeatedly criticized for limiting the

movement of Non-Governmental Organizations (NGOs) and the media; both government sponsored and privates (Kefale, 2011). In the absence of freedom of speech, dialogue and the flow of ideas from any direction, it is unthinkable to realize the intended goal being achieved in the future.

Finally, one good move has been observed from the government, and that is having admitted that the people are dissatisfied with cadres and assigned leaders at every level. The people have expressed their dissatisfaction through demonstrations. In the absence of good governance, corruption and rampant rent seeking officials are everywhere. Instead of externalizing the problem, the government in coordination with the public has begun to take action against the corrupt officials. This action must be sustainable.

## Conclusion

The adoption of “Democratic Developmental State ideology” into Ethiopia’s political system is the only possible weapon with which to defeat the strongest enemy of the country, poverty. Accordingly, Ethiopia has currently registered the world’s fastest double-digit economic growth by building upon the ladder of this ideology for the past decade. On the other hand, this indicates that democratic developmental state ideology is the preferred state ideology in bringing about the economic transformation of Ethiopia over other ideologies such as developmental state and neo-liberalism.

However, despite its success, the ideology has been facing different challenges such as lack of committed and capable leadership, powerful rent-seeking from both state and private sectors, corruption, and weak institutional architecture, free and independent mass media, and weak civil society organizations etc. So, whilst developmental state ideology can be effective in facilitating the required economic development and democratization, it is only workable if the aforementioned challenges are urgently remedied, plus the state works in developing skilled manpower, and non-corrupted merit-based autonomous institutional bureaucracy.

## Notes

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