

Thandika Mkandawire's Model for an African Developmental State and the Ethiopian Experiment (2001-2018)

Dr Eyob Balcha Gebremariam

ebalcha@gmail.com / eyob.b.Gebremariam@bristol.ac.uk

Research Associate

Perivoli Africa Research Centre (PARC)

University of Bristol, UK

Outline

- Key arguments
- Mkandawire's model
- Historical context for the Ethiopian DS model
- EPRDF's *Revolutionary Democracy* Ideology
- Rural and agricultural development policy
- Execution capacity policy
- The balance sheet of experimenting DS
- Conclusions

Key arguments

1. EPRDF's developmentalist ideology evolved from its revolutionary democracy ideology.
2. EPRDF's developmentalism defied the narrow, market-focused institutional reform to pursue a developmentalist institution building.
3. EPRDF pursued its developmentalist mission by cordoning off its policy space both from internal and external actors.

Mkandawire's model

- The *ideology-structure nexus*: a focus on ideology enables the examination of whether a particular regime 'seriously attempts to deploy its administrative and political resources to the task of economic development' (Mkandawire 2001: 291 – emphasis original).
- *State structure*: the '*capacity* to implement economic policies sagaciously and effectively' (ibid: 290 – emphasis original).
- '*autonomy*' from 'social forces ... [and] the claims of myopic private interests' (Mkandawire 2001: 290 – emphasis original)

Historical context for the Ethiopian DS model

- Long history of statehood, socio-economic and political institutions never disrupted by colonization (compared to other African countries)
- Modernist state intervention started in the 1940s (post-Italian occupation [1935-41])
- Agencies and commissions for planning, banking, personnel, statistics and infrastructure (highways, airlines, railways, shipping lines, electric power, telecom, higher education) were established b/n 1943-1969 (Bekele 2019; Clapham 2019)

Historical context for the Ethiopian DS model

- Structural limitations of the modern Ethiopian state:
'divergence' in the sources of its political and economic power (Clapham, 2019)

EPRDF's *Revolutionary Democracy* Ideology

- EPRDF promoted *revolutionary democracy* ideology as an ideology devoted to the rural mass with a solid conviction to transform the lives of the rural community.
- EPRDF envisioned Ethiopian development by centering the rural Ethiopia (85% of Ethiopian population in the 1990s), relying on the abundant labour and land using rural development and agriculture focused policies.
- Key features of RD: “vanguard party”, “democratic centralism”

EPRDF's *Revolutionary Democracy* Ideology

- RD helped to shape EPRDF's relations with internal and external political and economic actors.
- *Internally*: establishment of “peoples’ democratic organisations (PDO)” (Gudina 2012) and to thwart, coopt and suppress competing political forces
- *Externally*: keeping the government in control of the “commanding heights of the economy”
resisting the push for liberalizing Ethiopian economy by the IMF in late 1990s and early 2000s, by providing a sound and alternative development policy -

EPRDF's *Revolutionary Democracy* Ideology

- Revision of political program in 2001 – *renewal*
- Changed the ultimate objective from building a Socialist Ethiopia to building a capitalist market economy
- Change of alliance – the comprador bourgeoisie was characterized as “enemy” of RD – after the revision the “national bourgeoisie” is considered as a vital social force for development.
- A new program with the aim of achieving economic development to “end dependency on aid” and “economic independence”

Rural & Agricultural Development Policy (2001)

- Agriculture Development led Industrialization (ADLI)
- EPRDF aspired to achieve structural transformation:
 - increased productivity in the agri sector, releasing surplus labour, raising income of rural households, increasing consumption of manufactured products of rural households
 - Shaping wage growth by increasing food productivity & supply
 - Expanding agro-processing (back and forth linkage)
 - Establishing interdependent and resilient domestic market
- Commitment for a broad-based and transformational development using the abundant factors of production: land and labour

Rural & Agricultural Development Policy (2001)

- In 2014/15, there were 50,000 agricultural extension workers, 9,000 farmers training centers (one in every two kebeles), 15,000 health posts were built, and 30,000 health extension workers were deployed in Ethiopian rural areas (UNDP 2014; Lenhardt et.al 2015)
- 11.6% agri. Sector growth between 2003 and 2008, and 5.2% between 2011-2016 (Dercon and Gollin 2019)
- Good results, with more room for improvement

Execution Capacity Building Strategies and Programs

- The Execution Capacity Building (ECB) policy has two developmentalist features:
 1. the ECB policy sees institution building both as a means and an end of development – it argues enhancing execution capacity is a quintessential aspect of institution building.
 2. the ECB policy identified three forces of development: the government, the public and the private sector. All forces are important, but the government is a primary development force and has the extra responsibility of ‘leading and coordinating’ the other two forces and building their capacity.

Execution Capacity Building Strategies and Programs

- The ECB policy offers a conceptual clarity about execution capacity building, its relationship with development and other socio-economic policies (such as education and training, civil service reform, tax system reform and judicial sector reform)
- The ECB policy defines *execution* capacity as relational, the emanates from transforming social relation to ensure fairness and justice, and instilling purposeful, effective and developmental utilization of resources (social and material)
- The ECB policy defied the technical hence apolitical approach to capacity building and focuses on relational, contextual and political processes of capacity building.

Execution Capacity Building Strategies and Programs

- The ECB policy primarily targeted building the capacity of the government – the primary force for development.
- EPRDF established the Ministry of Capacity Building in the post-2001 government Cabinet with a superior power of coordinating and mainstreaming the policy principles.
- EPRDF's notion of “execution capacity building” served as an antidote to the “institutional monotasking and monocropping” (Evans 2004; Mkandawire 2012) approach promoted by Western donor.

Execution Capacity Building Strategies and Programs

- The political determination of the regime on its own version of capacity building is illustrated in how it effectively manipulated the WB funded Public Sector Capacity Building Program (PSCAP)
- The PSCAP intended to transform state-society relations by ensuring “*inclusion, accountability and cohesion*” with a text-book example of technocratic approach of ensuring gov’t efficiency in service delivery and downward accountability of public officials to citizens.

Execution Capacity Building Strategies and Programs

- In the contrary, the outcome of the program helped EPRDF to consolidate upward accountability, effective ways of channeling policies in a top-down approach, and consensus-based relations than contestations and democratic opening in public agenda setting (Vaughan and Rafanell 2012).
- The ECB policy is a vital example of Mkandawire's notion of DS with the "*capacity* to implement [socio] economic policies sagaciously and effectively" (Mkandawire 2001: 290 – emphasis original)

Execution Capacity Building Strategies and Programs

- **Autonomy**

- Legal and policy frameworks of financial repression on Banks to finance gov't developmental projects
- Mobilized approximately USD 2.8 billion by from 2011-2018
- Politico-legal frameworks of containing civil society, private media and opposition groups – authoritarian approach

Balance sheet of the Ethiopian DS Experiment

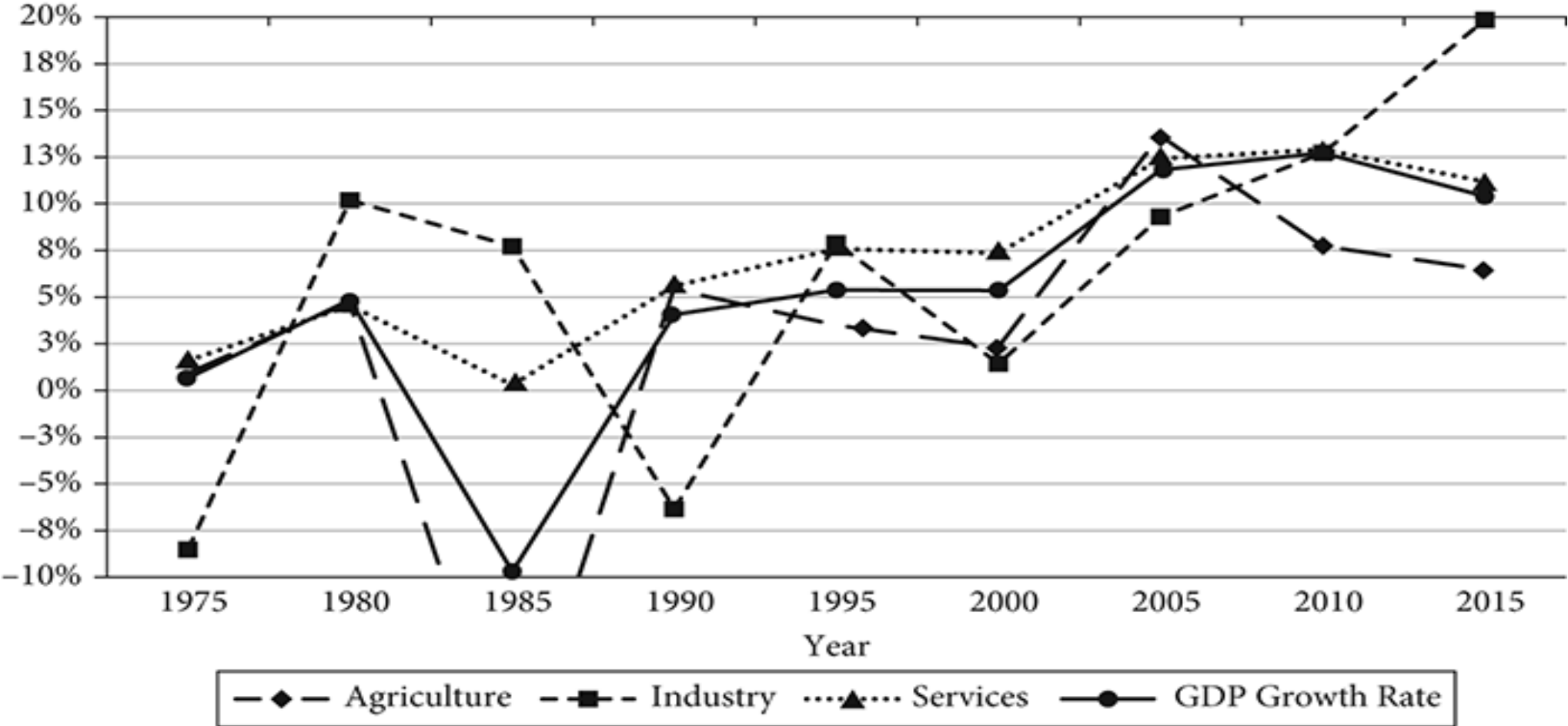


Figure 1. Ethiopian economic growth trajectory, 1975–2017 cited in (Cheru, Cramer and Oqubay 2019: 4)

Balance sheet of the Ethiopian DS Experiment

Real expenditure	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Education	15.5	20.7	23.4	22.2	24.7	26.6	32.2	35.7
Health	4.7	5.6	6.3	5.7	8.1	8.5	10.7	11.5
Agriculture	9.1	8.4	8.3	8.2	10.5	11.1	10.7	16.5
Roads	11.9	16.8	18.5	21.5	24.6	24.1	24.9	22.1
Water	2.8	5.9	5.9	7.6	9.0	8.9	8.7	11.3
Total	44.1	57.4	62.4	65.3	77.0	79.2	87.3	97.1
Total public expenditure	70.4	87.2	93.9	92.7	110.0	115.9	132.3	147.8
Share of pro-poor expenditure (%)	62.7	65.8	66.5	70.4	70.0	68.4	66.0	65.7
Share of pro-poor exp. in GDP (%)	10.9	12.6	12.3	11.9	12.4	12.0	11.4	12.1
Total public expense in GDP (%)	17.4	19.1	18.6	16.9	17.8	17.5	17.3	18.4

Total real poverty-targeted expenditure at 2010/11 prices

Source: (Woldehanna and Araya 2019: 333)

Balance sheet of the Ethiopian DS Experiment

- **Structural limitations**
- “Development is a political process first and an economic and social process after. It is the creation of a political set-up that is conducive to accelerated development that sets the ball of development rolling (Zenawi 2011: 170).”
- The centralization of power that developmentalism required run against the ethnolinguistic-based decentralized federalism that EPRDF installed in the 1995 constitutions.

Conclusions

1. EPRDF's developmentalist ideology evolved from its revolutionary democracy ideology.
2. EPRDF's developmentalism defied the narrow, market-focused institutional reform to pursue a developmentalist institution building.
3. EPRDF pursued its developmentalist mission by cordoning off its policy space both from internal and external actors.
4. The political processes that enabled EPRDF to install and pursue developmentalism created an existential problem of handling the contradictions it nurtured. This led to the political crisis of 2016-2018, a neoliberal regime of post-2018 and the current political stalemate and civil war.