

*Ethiopia: problems of governance in the 'developmental state',
2005-2016*

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THE FACTS: UNREST

We start from the facts:

- Ethiopia has been going through a year of unprecedented massive popular protests

- Many deaths, major material damage

- Since 9 October, a 'state of national emergency' declared in the *entire* country

- Signs of deep discontent, defective national dialogue; precarious 'social contract'.

FOUR BACKGROUND ISSUES TO BE DISCUSSED

1. Ethiopia's development and transformation in progress
2. Political framework – politics vs. economics?
3. The ethnic or 'nationalities question' again?
4. Social / societal tensions

Conclusions

1. ETHIOPIA 2016: DEVELOPMENT AND TRANSFORMATION

Ethiopia's economy: growing and diversifying, notably since 2005; great potential and much professionalism in place.

Indicators:

- Real GDP growth 7-9 % p.y.

- Expansion of agriculture; putting in place of a SafetyNet structure. But not enough invested in food security & 'stakeholder' involvement

- FDI (also industry) is growing - plenty of labour force supply, low labour costs, good comparative advantage for (low-)skilled production

- Conditions for growth created: infrastructure, hydro-energy dams, railway grid being built
- 'Promising consumer market' (c. 95 mln). E.g., for foreign investors
- Until Nov. 2015: semblance of stability in a volatile region (HoA), hence continued donor support (ca. U\$ 2.8 to 3 bln. per year; ca. \$ 40 bln dev. aid since 1991)

ECONOMICS AND DEVELOPMENT: HOW IS IT DONE?

- Economic transformation on the basis of 5-year GTPs
- GTP II being implemented (2015-2020). (GTP I: moderately successful, but many things not realized)

- Aim: ‘middle-income’-country status by 2025

- ‘Developmental state’: the party-state as the initiator/agent of economic and social change (supply-side based, not demand-driven; ‘command economy’ aspects)

- No private property (land) - all rural and urban land is state land. May inhibit the potential of private initiative, as well as local food security investment and local market development.

- Private business sector: tolerated but not actively assisted/facilitated
- Few national policy debates on economic strategies – no weighing of alternatives
 - Examples: the large mono-crop plantations in the West and South; the mega-dams
- Does economic development ‘buy off’ the need for overall democratic & civic development?

- GTP plans were perhaps too ambitious, if not presumptuous. Donors dare hardly complain or criticize. And national debt is rapidly growing.
- Mounting environmental problems: unsustainability looms

2. THE POLITICAL FRAMEWORK

'Developmental state' politically has meant:

- Strongly centralized governance, also in the economy - all defined and decided by the state (the EPRDF party state), with mixed results
- No non-EPRDF people are so far represented in any local or regional administrations. Party loyalty; regular 'training sessions'
- Policy not contested in the all-EPRDF parliament
- Control over public space and debate. Justice system struggles with its independence

- According to many HR organizations, democratic-constitutional rights are precarious. The fate of critical politicians & journalists & like e.g. Beqele Gerba, Temesgen Dessalegn or Iskinder Negga – imprisoned on non-credible charges - is incomprehensible.
- Observers talk of 'over-securitized' governance. Esp. now with the 'state of emergency'.

3. ETHNICITY IN POLITICS

- Ethiopia as ethno-federal state: offered in 1991-92 as a solution to the 'nationalities question'. Achievements.
- The political and economic structures are defined (and constrained) by ethnic identities
- Disparities between ethno-regions in geographical & economic conditions and potential
- Each ethnic zone and district has its 'ethnic' preferential policy and prescribed 'targets'. Corruption is a persistent problem that people – and the federal government – complain about.

- Domestic investors from other regions enter the ethno-regions via the federal structure, but run into trouble: a contradiction
- Constant arguments or labeling in the official media on 'narrow-minded', or 'chauvinist' groups. Over-ethnicized discourse undermines unity and issue-politics.

4. SOCIAL CHANGES & CHALLENGES

- A new 'middle class'-like stratum is emerging – due to education, growth & social differentiation; inevitably demanding more economic, political and civic rights
- Ethno-regional elites are emerging - reflected in EPRDF internal friction
- Unemployment & 'youth bulge'

Educational structure has much expanded, but relatively low quality and numbers are high. Of univ. graduates, 40-50% is unemployed, and their social and trans-regional mobility is limited. Vocational training is still insufficient.

- Rivalry between the govt. and religious constituencies (govt. control is far-reaching), *and* between each other; three major blocs, showing increasing competition
- Religious communities also change, and show strong social conservatism – even endangering development
- An unsolved problem: high population growth; it increases vulnerability to environmental problems and food insecurity.

CONTRADICTIONS - SOME CONCRETE ISSUES

In 2015-16:

- 8-14 mln people in need of food aid in the past years continued vulnerability in 2016: projected 10.7 mln in need (FEWS data).
- Annual out-migration of tens of thousands of people
- Serious bifurcation of rich and poor emerging – a new rich elite now in place
- The problem of ‘inclusiveness’ – rural, urban and ethnic

Key issue:

Economic dynamics and growth, esp. via large infrastructural projects and land investments, are *national*, and create new political needs, interests and socio-political groups, if not 'classes', on the national level.

But many problems & protests are *local-regional*. *I.e.*, emerging real contradictions of ethnic politics on the regional and local level, *and* in the sphere of private enterprise.

National political debate on economic & socio-political development is underdeveloped:

- Despite glimpses of auto-critique in the top party elite, the 'debate' and policies are still democratic-centralist (Marxist-Leninist tradition)
- Parliamentary elections (last in May 2015) had little if any impact on national discussions or economic policy or strategy - recognized even by the Ethiopian PM recently
- Processes of economic development & investment on the national level are not transparent enough

- Local small-holders or agro-pastoralist populations - esp. when culturally different or living in 'peripheral areas' - have little voice; are not really *invested* in
- Government can improve its 'accountability' to local constituencies, instead of to the donor partners.

CONCLUSIONS

Roots of past year's unrest and mass protests: perceptions of lack of govt. accountability and fairness

Contradictions in Ethiopia's politico-economic trajectory; visible but as yet unresolved:

- Nationally conceived economic dynamics and growth create new interests and socio-political groups, but clash with ethno-regional structures and identities. Many problems & protests are *local and regional*. Ideological luggage of the past is heavy.

- The state-directed national project thus clashes with the existing ethnicized *political* structures. It often pits regions and districts / zones against each other
- The tacit argument of 'end justifies means' – autocratic mono-party state 'needed' for economic growth and political, media and ethnic rights as secondary - is not convincing
- Issues of social and political justice will not go away
- To prevent more disparity, unease and resistance, policy alternatives need to be discussed & carried out

The recent October 2016 Cabinet reshuffle, the words of the PM on enlarging involvement of 'stakeholders', and the announced changes in the electoral system, *may* bring change. Key is implementation..