



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

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Abstract

This article offers a theoretical and empirical examination of Thandika Mkandawire's model of an African developmental state. The driving question is: what does the Ethiopian experiment mean for Mkandawire's model, and what broader lessons does it hold? The analysis focuses on the ideology of the Ethiopian ruling party (1991–2018) and a review of two policy documents on rural development and execution capacity-building. Developmentalist ideology, effective state capacity and relative autonomy of the state are observed in the Ethiopian case. The rural development policy aimed for structural transformation and achieved a modest result. At the same time, the execution capacity-building policy is a fascinating example of how the Ethiopian model defied the 'institutional monocropping' and 'institutional monotasking' approach of donor organisations by pursuing institution-building not as a technical but as a political mission. However, the Ethiopian experiment was not without limitations. The most drastic structural impasse was in the inherent contradiction between the sociocultural and ethnolinguistic-based federalism and the centralising drive of developmentalism. This created irreparable fractures within the ruling elite, which brought the developmentalism experiment to an end in 2018. This article argues that the Ethiopian case is a relevant example which demonstrates the vital features of the African developmental state that Mkandawire theorised and promoted.

Keywords: Africa; developmental state; Ethiopia; Thandika Mkandawire

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Résumé

Cet article propose un examen théorique et empirique du modèle de Thandika Mkandawire d'un État africain en développement. La question centrale est la suivante : que signifie l'expérience éthiopienne pour le modèle de Mkandawire, et quelles leçons plus larges contient-elle ? L'analyse se concentre sur l'idéologie du parti au pouvoir éthiopien (1991-2018) et sur l'examen de deux documents politiques sur le développement rural et le renforcement des capacités d'exécution. L'idéologie développementaliste, la capacité effective de l'État et l'autonomie relative de l'État sont observées dans le cas éthiopien. La politique de développement rural visait une transformation structurelle et a obtenu un résultat modeste. En même temps, la politique de renforcement des capacités d'exécution est un exemple fascinant de la façon dont le modèle éthiopien a défié l'approche de « monoculture institutionnelle » et de « monotâche institutionnel » des organisations donatrices en poursuivant le renforcement des institutions non pas comme une mission technique mais comme une mission politique. Cependant, l'expérience éthiopienne n'était pas sans limites. L'impasse structurelle la plus radicale résidait dans la contradiction inhérente entre le fédéralisme socioculturel et ethnolinguistique et la poussée centralisatrice du développementalisme. Cela a créé des fractures irréparables au sein de l'élite dirigeante, ce qui a mis fin à l'expérience du développementalisme en 2018. Cet article soutient que le cas éthiopien est un exemple pertinent qui démontre les caractéristiques vitales de l'État développementaliste africain que Mkandawire a théorisé et promu.

Mots-clés : Afrique ; État développemental ; Éthiopie ; Thandika Mkandawire

Introduction

This article offers a theoretical and empirical examination of Thandika Mkandawire's model of an African developmental state, as stipulated in his article 'Thinking about developmental states in Africa' (Mkandawire 2001). The study focuses on the aspiration of building a developmental state in Ethiopia by the now-defunct ruling party (Ethiopian Peoples' Revolutionary Democratic Front [EPRDF]) and its (now late) leader, Prime Minister Meles Zenawi. The central question the article aims to answer is what the Ethiopian experiment means for Mkandawire's model and what broader lessons it holds. An attempt is made to answer this question by examining the EPRDF's revolutionary democracy ideology and critically reviewing two policy documents entitled 'Rural and Agricultural Development Policies and Strategies' (የገጠርና ግብርና ልማት ፖሊሲዎቻችንና ስትራቴጂዎቻችን) (November 2001) and 'Execution Capacity-Building Strategy and Programmes' (የማስፈጸም አቅም ግንባታ ስትራቴጂና ፕሮግራሞች) (February 2002).

Examining the Ethiopian experiment of state-led developmentalism serves at least four interrelated analytical purposes. First, the EPRDF regime's deliberate effort to aspire to the ideals of transformative development nullifies the pessimistic generalisation that developmental states are impossible in Africa (Van de Walle 2001). The article also challenges the neopatrimonial reductionist assumption about the pervasiveness of 'politics of the belly' in Africa (Bayart 1993).

Second, the impossibility theorem and the neopatrimonial school build their argument on the assumption that African states are 'too weak and too "prone" to capture by vested interests' (Mkandawire 2001:293) and, therefore, incapable of designing and implementing a transformational development agenda. This claim is a gross generalisation and fallacious.

Third, some declared the 'post-Cold War' world order as a period of triumphalism for the neoliberal ideology. Neoliberal market reform and structural adjustment programmes also barred states from taking contextual lessons from the success of East Asian countries. Against all the odds, Ethiopia's state-led developmentalism countered the hegemonic neoliberal global political-economic order.

Finally, with their unique sociohistorical and political context, Mauritius, Botswana, and Rwanda are viable examples of African state-led developmentalism (Routley 2014). However, the Ethiopian case stands out because of the size of the economy and the population, and it offers a recent empirical case for Mkandawire's theory.

Mkandawire contributed to the idea of developmentalism that Prime Minister Meles Zenawi promoted. He said, 'The late Ethiopian Prime Minister Meles Zenawi told me that he was influenced by my paper on developmental states' (Meagher 2019:530). The Ethiopian experiment of developmental statism converged with Mkandawire's model at the theoretical and empirical level in the centrality of developmentalist ideology, state capacity and relative state autonomy. However, the authoritarian nature of the Ethiopian experiment diverged from the normative value that Mkandawire put on democracy and his promotion of a democratic developmental state.¹

This article makes three interrelated arguments. First, it argues that EPRDF's developmentalist ideology evolved from its revolutionary democracy ideology, which helped envision a strong state committed to broad-based development. The developmentalist ideology rendered a transformational impetus to the long history of the Ethiopian statehood that the EPRDF inherited. The rural-centred and agriculture-focused development policy is a relevant example in this regard.

Second, EPRDF's developmentalism defied narrow, market-focused institutional reform to pursue a developmentalist institution-building. By foregrounding the state's primary role in development, the regime rejected the technocratic capacity-building package that donors pursued in the good governance agenda. Instead, the government built on execution capacity-building reform to engrain its developmentalist orientation within the state structure. The capacity to execute transformational development was the quintessential purpose of the EPRDF's institutional reform.

Third, the EPRDF attempted to establish its developmental mission by cordoning off its policy space from internal and external actors. Internally, the regime had relative autonomy to implement a policy of mobilising vast sums of capital from the banking sector to finance its development projects. However, massive embezzlement and corruption tainted this developmentalist aspiration. The government also implemented politicolegal reform that dried up the flow of foreign funding for local civil society and non-governmental organisations. Externally, the regime used 'policy sovereignty' to keep aid donors from influencing its interventionist approach to development. The EPRDF successfully negotiated several donor-supported development programmes without giving too much space for international actors to dictate the rationale of programmes.

Methodologically, the article analysed internal EPRDF party documents and official government policy documents to study the orientations of the government. Relevant sections of the documents were translated from Amharic into English. Then, the article drew on academic literature and reports that examined various aspects of the period. The article intentionally avoided delving into the post-2018 political economy of Ethiopia in order to remain focused on my analysis of the developmentalist features of the EPRDF era. Thus, the rest of this article has five parts. Section two provides a brief review of the developmental state literature. Section three delves into the Ethiopian case, covering historical precedents, the EPRDF's ideology, state structure and capacity and state autonomy. Section four reviews the successes and limitations of developmentalism in Ethiopia before the conclusion section.

The Developmental State Literature

Scholars of the developmental state debate have emphasised various vital aspects of the developmental state in their articulations. For example, Chalmers Johnson (1999), one of the pioneers of the discussion, identified

three essential features of developmental state-building in the case of Japan. Johnson noted that a developmental state focuses on achieving economic growth. It nurtures competent, autonomous, and empowered civil servants, and builds its capacity to make 'market-confirming' economic interventions.

Presenting the cases of South Korea and Indonesia, Vu (2007) also argued that the 'developmental structure' and 'developmental role' of the state are the most salient features. He contends that 'the two components – roles and structures – are interdependent that *together* explain successful developmentalism' (Vu 2007:28, emphasis original). From this, we can derive, from the East Asian experience, that developmental states have discernible developmental structures, the role of which is also designed to be highly effective and less constrained by short-term political interests. Plus, a developmental state's intention is not to replace the market. Instead, it is committed to disciplining the market for developmental purposes.

As the debate on the developmental state evolves, the salient role of politics, political processes and political contestations in building and sustaining a developmental state is becoming clearer. The works of Peter Evans (1995) on 'embedded autonomy' and Adrian Leftwich (1994, 1995, 2005, 2008) on the 'primacy of politics' are worth mentioning here. Evans emphasised that instead of considering the state as a detached actor dictating the role of the market through autonomous bureaucrats, it is essential to consider the state's intertwined relations with various segments of socioeconomic actors of society within which it is embedded. The set of processes that embed the state within society are hardly technocratic. They are essentially political endeavours that need to be greased with the distribution of resources while maintaining the balance.

Leftwich's definition of developmental states (2008) foregrounds the vital role of politics. According to him, developmental states are:

[states whose] successful economic and social development performance illustrates how their *political purposes* and institutional structures (bureaucracies) have been developmentally driven, while their *developmental objectives* have been politically-driven. (Leftwich 2008:12, emphasis added)

The above definition underscores the inextricably intertwined relationship between political purposes and developmental objectives. Ensuring the mutual reinforcement of politics and development requires a set of political processes that transcend the technocratic policy recommendations often promoted within the good governance agenda. Emphasising the political nature of developmentalism helps us adequately analyse some of the

developmental states' dominant characterisations. For example, Ellen Hillbom (2012) defined Botswana as a 'gate-keeping state'. It is vital to emphasise that gatekeeping, controlling the distribution of resources across various segments of society, and institutionalising the practices for a considerable period are essentially a political process. As Ian Taylor (2012) highlighted, this process requires a 'hegemonic project' sustained by ideational and material domination by the political elite.

Meles Zenawi, the architect of the Ethiopian developmental state, also stressed the primacy of politics. Zenawi argued that

... development is a political process first and economic and social process second. It is the creation of a *political set-up* conducive to accelerated development that sets the ball of development rolling. (Zenawi 2012:170, emphasis added)

Later in this article, I reflect on how the political set-up in Ethiopia contributed positively and negatively to the developmental aspiration. At this point, it is essential to acknowledge that the debate on developmental states has evolved considerably from a view that puts influential state bureaucrats in the driving seat to an understanding that the role of political elites in shaping the ideational and material context of developmentalism is crucial. Mkandawire also proposed a specific characterisation of developmental states, especially in the African context, which is discussed in the following section.

Key Features of Mkandawire's African Developmental State

Mkandawire argued that 'the "developmental state" has two components: one *ideological* and one *structural*. It is this *ideology–structure nexus* that distinguishes developmental states from other forms of states' (Mkandawire 2001:290, emphasis original). Developmentalist ideology is interpreted as a 'mission' of achieving sustained economic growth and development manifested in high rates of accumulation and industrialisation. Mkandawire highlighted the vital role of developmental ideology by recognising that structural factors – including colonial legacy, adverse incorporation into a hostile global political economy, and exogenous factors, such as natural disasters – constrain African states. Consequently, examining African states' developmental potential in this context requires a framework that captures the episodic manifestations of both success and failure.

Therefore, instead of characterising a particular state as developmental after its success, focusing on ideology enables us to examine whether a specific regime 'seriously *attempts* to deploy its administrative and

political resources to the task of economic development' (Mkandawire 2001:291, emphasis original). Interrogating ideological orientation also helps us avoid falling into a tautological definition of characterising a given state as developmental because it has achieved some degree of development (ibid).

Mkandawire's focus on the role of ideology runs against the characterisation of African leaders as less inspired by political ideas. He expanded his critical reflection in this regard in his influential work on the neopatrimonialism school (Mkandawire 2015). While arguing that the first generation of African leaders was 'nationalist-cum-developmental' (Mkandawire 2001:295), he added that the impossibility theorem about developmental statism in Africa has also been supported by 'stylised facts' that appear to explain Africa's inherent dysfunctional order (Mkandawire 2015).

State *structure*, the other vital component of a developmental state, is about the '*capacity* to implement economic policies sagaciously and effectively' (Mkandawire 2001:290, emphasis original). Factors that cumulatively shape the capacity of a state are its institutional, administrative, technical and political features. Mkandawire maintained that the two reasons neoliberal institutional reform in Africa cannot deliver transformational development are 'institutional monocropping' and 'monotasking' (Mkandawire 2012). 'Institutional monocropping' results from copying Anglo-Saxon institutions without recognising African countries' sociohistorical and political economy specificities and developmental needs (Evans 2004). 'Monotasking' is how installed institutions are confined to 'servicing a standard set of often imposed policies and tasks' (Mkandawire 2012:81). The 'rational choice institutionalism' that inspires monotasked institutions makes them perform in a restrained manner that may be irrelevant to African states' developmental aspirations and needs.

Mkandawire argued that the developmental orientation of a state is determined not only by its capacity but also by the extent to which it maintains '*autonomy*' from 'social forces ... [and] the claims of myopic private interests' (Mkandawire 2001:290, emphasis original) and 'myopic demands' (Meagher 2019:524). Thus, state capacity is conceived in formulating policies, execution capacity and resilience to remain focused and committed to the developmental orientation.

The Ethiopian Experiment

Historical precedent

History plays a paramount role in shaping the initial conditions of a particular state. Ethiopia's long history of statehood can be seen as one of the initial conditions that facilitated the emergence of a robust interventionist state. A state system that successfully resisted European colonisation in the late nineteenth century and the brief Italian occupation from 1935 to 1941 can hardly be disregarded when examining its developmentalist orientation and practice. Socioeconomic and political institutions not radically uprooted by colonisation can be a robust foundation for building a solid state.

In the Ethiopian case, the post-Italian occupation period was a critical time when the modernist state started to take shape. Ideologically, the imperial regime portrayed itself as a beacon of civilisation and modernity, characterising the emperor as 'the Sun King' (Bekele 2019). Regarding institution-building, the regime started to shape the technocratic and professional aspects of the emerging modern state. Agencies and commissions responsible for planning, banking, personnel, statistics and infrastructure (highways, airlines, railways, shipping, electricity and power and telecommunications) were established roughly between 1943 and 1969 (Clapham 2019; Bekele 2019).

Education was another critical element of developmental interventions. The post-liberation Ethiopian government invested 20 per cent of the national budget in education to expand elementary and secondary schools (Bekele 2019). Higher education also became part of the modernising project in the early 1950s. The student population from primary to tertiary level grew exponentially, from 60,000 in the early 1950s to 957,000 in 1974, the year of the revolution (Vestal 2005:235b–236b, cited in Bekele 2019).

The modernist intervention of the imperial regime faced a major constraint mainly because of the 'divergence' in the sources of its political and economic power (Clapham 2019). The elites from Semitic-speaking sociocultural and linguistic groups, primarily from today's Amhara and Tigray regions, had political dominance and power in the modern Ethiopian state that emerged in the late nineteenth century. With a population largely surviving on traditional and less productive agricultural technology, the area these sociocultural and linguistic groups inhabited had limited economic potential for generating enough resources for the state. As a remedy, the ruling elite expanded southwards, conquering and incorporating other kingdoms and autonomous polities. These new territories that became part

of the modern Ethiopian state under Menelik II grew into the economic base of the Ethiopian Empire primarily through exploitative political and economic systems. Indeed, the conquest was not only for economic extraction and political domination. The sociocultural groups of the newly incorporated regions were also subjected to cultural, linguistic, religious and psychological subjugation and subordination (Markakis 1973; Zewde 2002; Gudina 2007).

One of the outcomes of the 'historical divergence between the sources of political and economic power' (Clapham 2019:33) was the pervasiveness of landlordism as a critical feature of the imperial Ethiopian state. The political and economic elite heavily relied on landlordism—extracting surplus from every productive endeavour, especially agricultural labourers (Halliday and Molyneux 1982; Tareke 1991). Hence, the developmental aspiration of the regime to move into a capitalist system could not avoid the challenges of predominantly landlordist political and economic relations.

Landlordism posed obstacles to the modernist orientation of the imperial regime in at least three ways. First, there was a strong tendency to consume profits from agrarian surplus rather than investing in productive sectors. Thus, landlordism heavily constrained the potential emergence of a national capitalist class (Markakis 1973; Admasie 2016). Second, the destitute and heavily exploited peasantry was too poor to boost the internal market that the modestly modernising economy needed (Admasie 2016). The nascent middle class in urban centres constituted high-school and university-graduate government employees and had a negligible impact on the economic dynamics of the imperial regime (Markakis 1973). Therefore, expanding the internal market required the economic freedom of peasants in order to unleash their potential as producers and consumers outside the shackles of landlordism.

Third, given the landed aristocracy's political power, the state's relative autonomy was severely compromised in implementing radical policies that contradicted landlordism (Admasie 2016; Bekele 2019). For example, despite establishing a Ministry of Land Reform in 1966, the imperial regime could not pass any meaningful policy decisions because of the embedded interests of the ruling class (Tareke 1991; Admasie 2016; Clapham 2019). The successive five-year national development plans (1957–1961, 1963–1967 and 1968–1973) also had a limited impact on transforming the economy meaningfully (Bekele 2019). Perhaps the effect can be seen more substantively in the institutionalisation of development planning and the associated capacity in the Ethiopian bureaucracy.

The socialist Derg regime (1974–1991) played its part in strengthening the central government's power to control the country's critical resources and boost its penetrative capacity. One of the legacies of the regime was establishing the lowest level of government administration, called '*kebele*'. These *kebeles* gave the Derg regime a more substantial presence across the country. The nationalisation of land in February 1975 was another vital legacy of the revolution and the Derg regime. The presence of the state structure at the lowest level to effectively implement the decree of nationalisation of land was a critical example of the long-standing capacity of the Ethiopian state.

Unlike many African states, which were designed to serve a colonial function with limited penetration (Young 1994), the Ethiopian state has had a relatively more profound and extensive presence for a long time. The Derg regime also had a clear stand in controlling the economy, as stated in the Declaration on the Economic Policy of Socialist Ethiopia (Chole and Manyazewal 1992). However, the regime was too repressive and militarist to deliver any meaningful development. Moreover, the command economy was driven by a 'plan ideological' tendency to fulfil its socialist orientation rather than a 'plan rational' (Chole and Manyazewal 1992).

Ethiopia's extensive history of state-building and interventionism laid good ground for pursuing state-led developmentalism. The aspiration of modernism during the imperial regime, the Derg's control of key state institutions, and the strong presence of the state at the local level created a conducive structure for developmentalism. The EPRDF added the missing piece of the puzzle – a pragmatic developmental ideology – when it came to power in mid-1991.

The EPRDF's ideology of developmentalism

The EPRDF's developmentalist orientation evolved from the revolutionary democracy ideology that the party adopted in the late 1980s. In its 1993 document entitled 'Our Revolutionary Democracy Objectives and Next Activities' (አገገዮታዊ ዲሞክራሲያዊ አላማዎቻችንና ቀጣይ ተግባሮቻችን), the EPRDF defined revolutionary democracy as an ideology that was devoted to the rural masses with the solid aim of transforming the lives of the rural community. The ideology built its orientation on the lived reality of Ethiopians in the early 1990s, with 85 per cent of the population residing in rural areas under abject poverty and deprivation. The EPRDF argued that development in Ethiopia was unthinkable unless the rural masses, with their abundant labour and land, were transformed through rural and agriculture-focused development.

Revolutionary democracy is an ideological orientation deeply rooted in the leftist origins of the EPRDF. It aspired to build a proletarian dictatorship that could challenge and provide an alternative to a bourgeoisie democracy (Berhe 2008; Bach 2011; Gebremariam 2018). Revolutionary democracy advocates for a 'vanguard party' that adopts the principle of 'democratic centralism'. Democratic centralism guarantees absolute freedom for core leadership members to debate, challenge and criticise ideas before the party decides. After reaching a decision, 'everyone must implement the decision ... no matter what their view' (Angle 2005:525). Democratic centralism helped the EPRDF to institutionalise party discipline and coherence within the government.

Revolutionary democracy also laid a strong foundation for developmental statism by shaping the EPRDF's relations with internal and external political forces. Despite coming to power at the prime time of neoliberalism, the EPRDF successfully resisted the 'one size fits all' prescriptions of the Washington Consensus. The most threatening external challenge came from the International Monetary Fund (IMF), which demanded the full liberalisation of the exchange rate, deregulation of the financial sector, and the opening up of capital accounts. The EPRDF was very cautious and selective in implementing the conditional IMF-backed economic reforms. The party ensured that the government had complete command to 'coordinate, shape and guide' economic forces with fiscal and monetary policies (EPRDF 1993:43–44). This ideological position created tension, especially with the IMF (Stiglitz 2002). As recorded by Robert Wade, IMF officials deliberately derailed the processes of facilitating conditional loans and debt cancellation processes in 'revenge' because the EPRDF, especially Meles Zenawi, literally said 'enough' to specific neoliberal demands of retrenching the power of the state (Wade 2001).

A vital turning point for revolutionary democracy occurred in 2001 after a rupture within the core leadership of the Tigray Peoples' Liberation Front (TPLF), the most dominant party within the EPRDF. Under the leadership of Meles Zenawi, the victorious group revised the ideological orientation and the party programme by reorienting the ultimate objective to build a capitalist market economy rather than a socialist Ethiopia, as previously envisioned in the early 1990s documents. The post-rupture period was coined as *renewal* (ተካድሶ). The EPRDF reinvigorated the government's institutional and policy frameworks accordingly and its relations with various social groups. The revised programme of the party recognised the crucial role of the 'national bourgeoisie', contrary to the 1993 strategy that categorised the comprador bourgeoisie as 'enemies' of

revolutionary democratic forces. Embracing the nascent capitalist class as vital 'social forces that play an indispensable role in development' was one of the first necessary steps in EPRDF's experiment of developmentalism (EPRDF 2001:11).

The EPRDF's revised programme made building a capitalist economy its ultimate objective. The party outlined a political programme not only for 'rapid economic growth' but also an improved economy that could "end dependency on aid" and "guarantee economic independence" (EPRDF 2001:8). The revised programme further stated that:

Our effort to build a free-market economy cannot be conceived without creating a private wealth owner that can massively engage in developmental activity ... We need to adopt a strategy that enables the role of the private wealth owner in our developmental activities and diminishes the role of the rent seeker (the dependent). (EPRDF 2001:9)

However, despite the rhetorical alignment with free market ideas, the EPRDF was adamant about subduing the dominant neoliberal development narratives. As early as 2006, the prime minister proclaimed the EPRDF's efforts to find an 'alternative development paradigm' to neoliberalism through 'democratic developmentalism' (Zenawi 2006). He linked the 2001 split within the TPLF to the 'slow and painful processes' (ibid) of articulating a development paradigm that fits the Ethiopian context.

Along with the revised programme and objective, the EPRDF strategised to create new alliances with different segments of society. In the rural areas, it primarily targeted 'rich and successful farmers', who were latterly identified as 'model' farmers and celebrated as 'development patriots' (Lefort 2010). In the urban areas, the EPRDF targeted business elites. An internal party document stated:

The organisational and political manifestation of the pre-renewal ideology relied on the destitute and impoverished peasants. This force can be a reliable base for socialist change. However, it can hardly be a leader and promoter for change within a free market framework. (EPRDF 2008:5)

The revised ideological orientation of building a capitalist state required the EPRDF to shift its alliance from social forces that it claimed were 'poor' and 'oppressed' to productive and wealthy segments of society. Accordingly, rich farmers in the rural areas and wealthy business elites in the urban centre became the vital social forces for the EPRDF's developmentalist mission.

In addition to the ideological reorientation, the EPRDF's state-directed developmentalism responded to the political threat that the hastily organised political groups posed to its legitimacy. The 2001 split within TPLF and,

most importantly, the 2005 election proved that the ruling elite's popularity would always be at risk. As a result, rapid economic growth and bringing tangible change in people's lives became the strategy for deriving legitimacy. The EPRDF adopted a securitisation discourse to depict the processes of achieving rapid growth and development as a mission of escaping an avalanche and avoiding Armageddon (Simon 2011; Gebresenbet 2014). As quoted in De Waal (2013:154), Meles Zenawi reportedly argued, 'I am convinced that we will cease to exist as a nation unless we grow fast and share our growth'.

One of the policies implemented through the revised ideological orientation and the developmentalist turn was the 'Rural and Agricultural Development Policies and Strategies' published by the then Ministry of Information (MoI). The following subsection analyses this document to demonstrate how the developmentalist ideology became policy and practice.

Rural and agricultural development policy

The EPRDF's rural development and agriculture policy was central to its developmentalist ideology and the entire economic development model, which was called Agriculture Development Led Industrialisation (ADLI).

I argue that two essential elements made EPRDF's ADLI strategy developmentalist. The first was the aspiration to achieve structural transformation. The ADLI strategy aspired to enhance agricultural sector productivity to release surplus labour to the non-agricultural sector. At the same time, it raised rural incomes and thus stimulated demand for urban products and services. The strategy also aimed to shape wage growth and competitiveness of the manufacturing sector by increasing food productivity and supply. The high productivity induced a movement of labour to non-agriculture industries, and the improved supply of agricultural products was intended to establish a backward and forward linkage between agriculture and manufacturing, especially in agro-processing. Finally, the developmental attribute of the ADLI strategy was its determination to create an interdependent and resilient domestic market that could minimise Ethiopia's dependence on aid.

The second vital attribute of developmentalism within ADLI was its commitment to be essentially broad-based and thereby transformational. The historical roots of the EPRDF as a rebel group in the rural parts of Ethiopia and the lived experiences of the party leaders during the tragic famine of 1984–1985, could be seen as essential factors in its commitment to broad-based development. The structural fact that more than 85 per cent of Ethiopians were living in rural areas at the time of the policy formulation

was also a valid basis for development. The EPRDF's commitment to broad-based development centred on the rural masses showed its determination to address what Mkandawire called the 'unholy trinity that nationalist leaders fought in the post-independence era—"poverty, ignorance and disease"' (Mkandawire 2001:296).

The policy document outlined four essential features of the rural and agriculture development plan, which underpinned the centrality of the policy for the success of state-led developmentalism. The subsequent paragraphs briefly summarise these basic features before providing brief accounts of the practices on the ground.

First, the EPRDF argued that ADLI's focus on rural Ethiopia and the agriculture sector should effectively utilise the country's primary resources—that is, land and labour. In the policy, the EPRDF argued that:

We can achieve rapid growth by prudently using scarce capital and intensively using abundant labour and land. We can pursue this kind of development only if we adopt a strategy focusing on agriculture and centring the rural areas where most of our people and the land are located. (MoI 2001:11–12)

Second, the EPRDF's developmentalist logic claimed that transforming agriculture would have a strong ripple effect on other sectors of the economy. When the lives of the rural masses improved with high productivity, this would have multiple positive effects on national capital accumulation: expansion of local markets with increased demand from the rural community; low food prices as a result of increased productivity; and a boost to foreign reserves with increased production cash crops, etc.

Enhanced productivity in the rural sector was also expected to create a labour surplus in the agriculture sector that could move to the trade or be absorbed into the manufacturing sector. Rural and agricultural development could also establish a two-way relationship with the manufacturing sector. On the one hand, the sector could provide quality raw materials at a reasonable price for manufacturing. On the other hand, the rural community's demand for more commodities and services would incentivise urban-based manufacturers and service providers to produce more and expand their business. Based on this logic, the EPRDF claimed that Ethiopia's rapid growth would be beyond reach unless agriculture was in the lead while integrated and growing in coordination with trade and industry (MoI 2001:16–22).

Third, the EPRDF prioritised rural-centred and agricultural-focused development to stop aid dependence. It intended to build a well-integrated and self-reliant national economy that could resist exogenous shocks coming

from the global market. The policy aimed to enhance the productivity of rural households to increase their consumption of manufactured goods, which could be a massive market for local industry.

A rural-centred development strategy can create an interdependent and complementary economy that massively benefits the public by increasing purchasing power. This can help us expand our domestic market, which can withstand any modest wind from the global economy. As a result, we can stop our dependence on aid and improve our economic independence. (MoI: 2001:26)

The fourth principal feature of the rural-centred and agriculture-focused policy was creating a broad market economy base. The EPRDF claimed that sustained and accelerated economic growth could not occur outside a market economy. However, the essential attribute that the party aimed to instil was the inclusivity of the market economy. The policy document argued:

Our rural-centred and agriculture-focused development strategy will enable millions of our farmers to participate in a market economy by actively enhancing their productivity. This makes our strategy essentially broad-based and avoids the risk of being a shallow programme. Our policy will also ensure that our farmers are not bystanders in the market economy but rather crucial players in the process. (MoI 2001:28)

The overall performance of the agriculture sector during the developmentalist reign of the EPRDF was not as impressive as it could have been. Despite contributing meaningfully to the overall growth of the national economy, the sector-specific growth was hardly consistent. Between 2003 and 2008, the agriculture sector grew 11.6 per cent, whereas between 2011 and 2016 the growth record was only 5.2 per cent (Dercon and Gollin 2019). Several factors contributed to the low performance of the agriculture sector despite the priority given to it in the regime's developmental orientation. Some of these factors include the slow introduction of extension projects that introduced modern technologies and inputs, and the time required for infrastructure projects to come fully to fruition to affect agricultural productivity positively. The rapid increase in population, the failure to provide land to the relatively highly educated young people in rural areas, and limited off-farm opportunities were also significant challenges (Lavers 2023). Nonetheless, the sector received massive attention and focus from the regime. Its successes included the mobilisation of 50,000 agricultural extension workers, the establishment of 9,000 Farmers' Training Centres (FTCs) (one in every two *kebeles*), the construction of 15,000 health posts and the deployment of 30,000 health extension workers across the rural areas of the country (UNDP 2014; Lenhardt *et al.* 2015).

State structure and capacity

The Ethiopian experiment of building a developmental state made state structure and capacity the nucleus of its mission. A thorough review of the 'Execution Capacity-Building Strategies and Programmes' policy document' (the ECB policy) reveals two essential features of state-led developmentalism. First, it argued that institution-building is both a means and an end of development. The policy document contended that enhancing execution capacity was a quintessential aspect of institution-building and necessary for development. Second, the document identified three development forces: the government, the public and the private sector. While recognising the vital role of all three development forces, it singled out the government as the primary development force whose capacity should be prioritised. The government was also assigned the extra responsibility of 'leading and coordinating' the other development forces and building their capacity.

The ECB policy demonstrated the EPRDF-led government's political determination to acquire the '*capacity* to implement [socio] economic policies sagaciously and effectively' (Mkandawire 2001:290, emphasis original). Political determination was outlined by articulating a developmental orientation, identifying vital development forces and establishing a clear hierarchy among the development forces where the government was the leading actor. The ECB was also a translation of the EPRDF's developmental ideology into the day-to-day practices of government action by rejecting the 'night watchman' role of the state. Instead of conforming to the notions of 'institutional monocropping' and 'monotasking', the EPRDF was determined to engineer Ethiopia-specific institutions tasked with developmental responsibilities.

The ECB policy document had three sections. The first outlined the conceptualisation and definition of execution capacity-building, its relations with development and other socioeconomic policies, and the goals and intended activities. Section two focused on 'education and training',² and civil service reform (CSR), which included tax system reform (TSR); and a judicial sector review (JSR), was covered in section three. For brevity, I primarily focus on the first section of the policy document.

The ECB policy argued that execution capacity is essentially relational. It claimed that 'execution capacity emanates from society's effort to transform nature and its social relations to maximise the advantages and convenience of its members' (FDRE 2008:1). Execution capacity was further elaborated as enhancing the capability to use natural resources, increasing production and productivity and transforming social relations

to ensure fairness and justice. By centring relationality, the ECB policy contended that execution capacity was not about the abundance of pieces of machinery and instruments. Instead, it was the purposeful, effective developmental utilisation of human resources and machines. For example, commenting on firms' technological capability, Zenawi (2012:158) argued that better productivity was not necessarily derived from a firm's machinery or employees but from 'organising abilities, which in turn are depending on the institutional set-up of the economy'. The ECB intended to shape the Ethiopian economy's institutional features to deliver on the regime's developmental goals.

It is imperative to note that the ECB policy focused explicitly on '*execution*' capacity, which differs from the commonly used notion of capacity-building that donor agencies sponsored within the good governance package. The latter was part of the 'institutional monocropping' (Evans 2004; Mkandawire 2012) informed by a 'narrow technocratic and functionalist' understanding of governance (Olukoshi 2003:230). What the EPRDF framed as 'execution capacity-building' was a holistic, purpose-driven developmentalist mission of altering the interplay among development forces by focusing on human resources, procedures and organisation. The mission was to equip the state with the capacity to pursue transformative development rather than imitating Western states.

The ECB policy's ultimate objective was institution-building. The policy identified three key execution capacity features: human resources, procedures and organisation. Human resources was about individuals' knowledge, skills, experiences and, most importantly, work ethic, industriousness and civic culture. These features of human resources become vital components of execution capacity only if they are utilised within a context of enhanced procedure and organisation with a clearly defined mission.

The institution of an effective [state] capacity emanates from the synergy between human resources, procedures and organisation. The capacity to be effective can hardly exist outside of institutions. The mission is to build the required human capacity by creating and strengthening institutions. Hence, human capacity building cannot be achieved without creating institutions and overarching effective state capacity building. (FDRE 2008:4)

The ECB policy defined the second key feature of execution capacity – procedure – as 'laws, norms, directives, procedural habits, and manuals that are fundamental for establishing and the manifestation of social relations' (ibid). The policy argued that building execution capacity meant transforming these critical components of social relations to incentivise efficiency,

effectiveness, perseverance and a strong work ethic. A knowledgeable and skilled human resource can hardly contribute to enhanced capacity in a cumbersome and ineffective procedural entanglement. The policy engrained the relationality of execution capacity-building by targeting the norms and values that shape social relations and tuning them to a developmental orientation.

Organisation was the third key feature of ECB policy, which provides the space in which improved human resources and transformed procedures play their respective role. The policy document underscored the intertwined relationship between the three key features and argued that they were inseparable and complementary.

The task of training and empowering human resources and transforming procedures and organisations occurs side-by-side and in a coordinated manner but never in isolation. The task should also be complementary. ... The complementarity and coordination of the task targeting the three features of execution capacity building can happen only if it occurs in the institution building framework. Creating and strengthening institutions gives the space to triangulate the three key features. (FDRE 2008:5–6)

The ECB policy document approached development and execution capacity as two sides of a coin, that cannot exist separately, especially in pursuing transformational development. The policy document claimed that the distinction between execution capacity and development existed only at the analytical level but was inseparable practically.

Similarly, the task of execution capacity-building needs to be seen as one aspect of development work and its nucleus. Execution capacity is both a necessary means and a desired outcome of development. Thus, it can hardly exist without development. Likewise, development cannot occur without execution capacity. Sustained development will become elusive if it fails to enhance execution capacity (FDRE 2008:11–12).

Comprehensive ECB strategy with priority for government capacity

The ECB policy document adopted a comprehensive capacity-development strategy by identifying three development forces: the government, the society and the private sector. However, the government was assigned 'the responsibility to coordinate and lead' (FDRE 2008:18) the other two development forces. The rationale to prioritise the government derived from the policy's definition of the overall developmental orientation as different in 'horizon and content from those that give the market a free ride or assign the government to do everything' (FDRE 2008:17). The strategy

argued that the Ethiopian model would be neither of the two extremes. Instead, the ECB strategy aspired to empower and enhance the capacity of all development forces by prioritising the government's capacity.

The strategy provided further clarity by emphasising that not every aspect of the government would be prioritised equally. Instead, the strategy primarily focused on the government's execution capacity. The strategy claimed that the government's enhanced execution capacity was necessary to effectively implement all the other development strategies (rural and agricultural development, urban and industrial development, building democratic order, etc.).

The strategy of building execution capacity covers all development forces while prioritising the government. It addresses all the capabilities we need to execute every development work but primarily focuses on execution capacity building ... From all development forces, we focus on the execution capacity of the government; from the execution capacities of the government, we focus on execution capacity building. (FDRE 2008:21)

The extra emphasis that government execution capacity-building received in the post-renewal EPRDF was epitomised by the establishment of a Ministry of Capacity Building, which served almost as a supra-ministry. The ECB policy document argued that a specifically delegated ministry would foreground the task of building execution capacity coherently and consistently across the government.

The EPRDF's developmentalist understanding of capacity helped the regime to successfully engrain its political agenda into a World Bank-funded programme. The Public Sector Capacity Building Programme (PSCAP) was a USD 483-million programme intended to 'transform three critical aspects of state-society relations: *inclusion, accountability* and *cohesion*' (World Bank 2004:40, cited in Vaughan and Rafanell 2012:69, emphasis original). While the programme focused on transferring technical skills, policy orientations and practices into Ethiopian body politics, the EPRDF approached the programme with a developmental mindset of ensuring the execution capacity of the state.

PSCAP was an ideal example of 'institutional monocropping' with the purely technocratic approach of making the government more efficient in service delivery and ensuring the accountability of public officials to citizens. The end outcome of the programme was that it consolidated upward accountability to senior officials and a top-down policy planning that favoured consensus rather than contestation and participation (Vaughan and Rafanell 2012). The PSCAP programme also exhibited the

‘monotasking’ feature that Mkandawire highlighted in its emphasis on the service delivery aspect of the government’s role, with minimum attention given to a more transformational and developmental role.

Concerning the donors’ capacity-building agenda, the EPRDF pursued a diametrically opposite aspiration by executing a capacity-building policy. The donor agencies promoted technocratic, universally applied, expert-led programmes of capacity-building. The EPRDF, in turn, designed and successfully implemented a relational, context-specific and political programme of execution capacity-building.

State Autonomy

The state’s relative autonomy from short-term and ‘myopic interests’ was one of the hoped-for outcomes of the capacity-building endeavour and the pursuit of a developmental vision. Meles Zenawi endorsed Dani Rodrik’s distinction between an autonomous and subordinate state in his conceptualisation of state autonomy (Rodrik 1992; Zenawi 2012). With a strong aspiration to be an autonomous state, the EPRDF regime attempted to keep the influence of internal and external actors from disrupting and compromising its developmentalist orientation. Socioeconomic policies and politicolegal frameworks played a vital role in ring-fencing the policy making space and maintaining the developmentalist orientation as the essential ground for policy decisions. The outcome was a partial success.

The EPRDF regime implemented various public policy instruments to keep the private sector at bay and generated substantial revenue that contributed meaningfully to its developmental orientation. One prominent example was the National Bank of Ethiopia directive in April 2011. The directive required every private bank to buy treasury bills from the National Bank of Ethiopia (NBE) ‘corresponding to 27 per cent of their monthly plans of loans or advance disbursements’ (Chauffeur and Gobezie 2019). The NBE then transferred part of the bills purchased to the government policy bank, the Development Bank of Ethiopia (DBE). The DBE disbursed the money to the private sector which was involved in government-selected priority sectors, and to finance other federal development projects. By the end of 2018, the NBE had mobilised ETB 79.3 billion (approximately USD 2.8 billion) from private commercial banks.

However, the EPRDF’s relationship with economic actors was not entirely rosy. Corruption, embezzlement, nepotism and mismanagement of resources were rampant, especially during the post-Zenawi period.

A particular example is that of the Metal and Engineering Corporation (MetEC). MetEC was established in 2010 to facilitate 'technological capability accumulation' (Zenawi 2012:161–163) through transfer of knowledge, technology and skills. The government attempted to align the allocation of rents into 'socially productive investment' (ibid:162) in line with the developmentalist orientation. To this end, MetEC was created as a conglomerate of military industries and civilian state-owned enterprises and industries. The government assigned senior military officials, most of whom were TPLF fighters during the civil war period, to lead the massive business enterprise (Gebregziabher 2019).

In 2013, MetEC had 15 industries with 100 subsidiary companies, which became primary actors of the developmental regime in producing machinery, electronic and electrical equipment, military and civilian automotive, agricultural machinery, etc. The corporation quickly became a key player in building mega projects for the government, such as sugar factories, fertiliser factories and energy plants, including the Grand Ethiopian Renaissance Dam (GERD) (Yonas 2013; Gebregziabher 2019).

Several observers have pointed out the massive corruption and embezzlement by MetEC to demonstrate the failure of the EPRDF's developmental agenda. There is an element of truth in the large-scale misuse of public funds, nepotism and large-scale corruption. For example, in 2021, MetEC owed the government and banks around USD 1.8 billion in unpaid taxes, loans and overdue payments (Tadesse 2021). The identification of former TPLF fighters as the primary faces of MetEC and its corrupt practices also contributed to the ethnicisation of MetEC in the already polarised political sphere. In short, the effort of the EPRDF regime to build technological capacity through mobilising state resources and controlling the distribution of rents failed massively for several reasons, among which the corrupt nature of the officials was a crucial factor.

In the political sphere, the EPRDF used politicolegal frameworks to remain relatively shielded from scrutiny by media and civil society organisations (CSOs). The party used its dominance in the legislature to pass legal frameworks that became instruments of suppression against competing political ideas and actors. The most important legal documents included the Freedom of Mass Media and Access to Information Proclamation (No.590/2008), the Civil Society and Charities Proclamation (No.621/2009) and the Anti-terrorism Proclamation (No. 652/2009).

In closing down the political space using laws and a high level of repression against its opponents, the EPRDF boosted its dominance. The legal frameworks also contributed to institutionalising the securitisation discourse and silencing rival actors and spaces of alternative ideas. The party filled the space vacated by independent CSOs by directly controlling state-led initiatives, such as youth, women and inhabitants' forums (Gebremariam 2017, 2023). Thus, instead of being democratic, the EPRDF pursued its developmental aspiration in an authoritarian manner.

Successes, Limitations and the Politics of Developmentalism in Ethiopia

Mkandawire argued that the “trial and error” nature of policy-making⁷, a common aspect of development policy-making, should inform our evaluation of African states' developmental endeavours (Mkandawire 2001:291). A developmental aspiration might fail to achieve a tangible record for several reasons: the wrong set of policies, weak implementation capacity, hostile global political economy, war and other exogenous factors such as natural disasters (ibid). Against this backdrop, I briefly analyse the success and limitations of the EPRDF's experiment of building a developmental state vis-à-vis the ideological aspiration and the two policy documents analysed.

The effort to pursue developmentalism in Ethiopia resulted from the historical legacy of an interventionist state and the EPRDF's versatile and pragmatic ideological orientation. Since the 1940s, there has been a continuous strengthening of the state's capacity, institutionalising central planning and executing nationwide development projects. After the revolution, the Derg regime entrenched the state machinery in every corner of the country to pursue its political objectives of control and mobilisation. Cross-border war with Somalia and the 17 years of civil war might not have provided enough stability for the Derg regime. However, the solid socialist orientation of the government could be one vital reason why the Ethiopian state was not weakened as much as many other African countries during the 1980s structural adjustment period. For the EPRDF, the first 15 years (1991–2005) was a period of instability: constitution-making, a border war with Eritrea, internal party rifts (mainly within the TPLF) and a highly contested election (2005). However, post-2005 was a period in which the government actively pursued developmentalism through rationalised planning and execution of policies.

A record of double-digit economic growth for more than a decade was one of the most remarkable achievements of the Ethiopian experiment of developmentalism. Ethiopia’s economy grew and expanded by 10.9 per cent on average for 12 consecutive years between 2004 and 2015 (see Figure 1). The record was massive for a non-oil-producing and landlocked country without significant mineral resources. The more impressive nature of economic growth directly linked to the developmentalist orientation can be seen if we examine the *quality* of the growth. The positive implications of the growth are reflected in how they translate into substantively affecting the lives of Ethiopians. Evidence shows a substantive decline in poverty headcount, massive pro-poor expenditure, a meaningful effort to address vulnerability through social policies and enhanced state effectiveness in addressing humanitarian crises.

However, the urban areas experienced a more positive impact on poverty reduction than the rural areas, and thus, overall inequality increased at the national level, with more gaps observed in urban areas. The evidence for poverty and inequality shows that accelerated economic growth had a substantively positive impact on poverty reduction but with less impact on reducing inequality. The high incidence of poverty in rural areas was ‘almost twice as high as that of urban poverty’ (Araya and Woldehana 2019:350), and increasing inequality in the urban areas was one of the pitfalls of the impressive record of double-digit growth.

Even so, the population living under the national absolute poverty line declined from 45.5 per cent in 1995/6 to 23.5 per cent in 2015/16 (Araya and Woldehana 2019). During the same period, the Gini coefficient of consumption expenditure increased from 0.29 to 0.33, with a higher increase of 0.38 in urban areas.

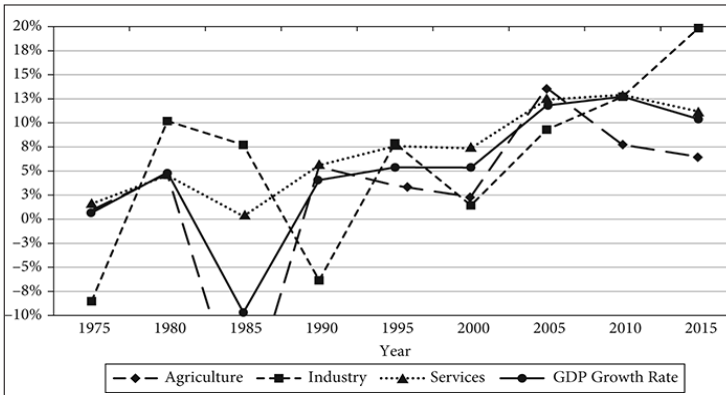


Figure 1: Ethiopian economic growth trajectory, 1975–2017
 (cited in Cheru, Cramer and Oqubay 2019:4)

Public spending towards improving human capital and infrastructure was one of the critical manifestations of the EPRDF's developmental aspirations. The regime's pro-poor expenditure was significantly high, with 66.9 per cent of its public spending allocated to education, health, agriculture, roads and water between 2008/9 and 2015/16.

Table 1: Total % share of real poverty-targeted expenditure at 2010/11 prices

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

Source: Araya and Woldehana 2019:333

The evidence shows that the EPRDF regime went against the principles of a 'night-watchman state'³ and massively invested in the economy to address some structural bottlenecks, such as human capital and infrastructure.

The underlying factors that contributed to the poverty-reducing growth episodes and pro-poor spending were the enhanced state capacity and relative autonomy in the policy-making space. The EPRDF's clarity in its *execution*-focused capacity-building programme gave it the edge to effectively utilise the donors' rhetoric, agenda and financial resources to build a developmental state apparatus. The PSCAP – a technocratic capacity-building programme financed by the World Bank to implant the good governance package into the Ethiopian state system – is a valuable example. The programme ended up strengthening the establishment of a supra-ministry that served as a linchpin to the developmentalist endeavour of the EPRDF regime. The PSCAP had the ideals of state efficiency, effectiveness, accountability, participation and the promotion of good governance as its objectives. However, the programme's outcome was to

create a politically disciplined and streamlined government system based on a top-down approach and with the principles of upward accountability of the civil service (Feyissa 2011; Vaughan and Rafanell 2012). Bureaucrats in the donor offices who intended to co-opt the EPRDF to implement their agenda ended up being co-opted.

Relative autonomy, particularly from foreign donors, also helped the EPRDF secure meaningful control of the policy-making space. Compared to other African countries that started interacting with foreign development partners after achieving independence, Ethiopia had historical experience dealing with foreign creditors since the 1950s as a sovereign state. Some observers noted that Ethiopians approached their relationship with aid donors 'as a meeting of equals' (Furtado and Smith 2009). Being the only African country that defeated European colonisation was also often referred to in flagging the 'sovereignty card' and keeping foreign actors at bay in critical policy decisions (Furtado and Smith 2009; Feyissa 2011; Vaughan and Rafanell 2012; Lavers 2019).

The EPRDF's developmentalist orientation contradicted the mainstream policy prescriptions of almost every Western donor, further augmenting the EPRDF's assertiveness in aid negotiations. On some occasions, donors were kept uninformed of key policy decisions despite their massive financial support to the government (Lavers 2019). In other contexts, the EPRDF regime remained resilient and adaptive to Western donors' punitive measures, especially regarding the poor human rights record of the regime (examples include the refusal to provide direct budget support after the 2005 elections and the negative publicity for the draconian laws on press freedom and CSOs) (Feyissa 2011).

However, the EPRDF's effort to remain relatively autonomous had some severe limitations. Corrupt behaviour and practices among local business actors, leaders of state-owned enterprises (SOEs) and state officials and bureaucrats significantly compromised the autonomy and legitimacy of the developmentalist regime. Embezzlement, corruption and nepotism in vital SOEs, such as the MetEC and the Ethiopian Sugar Corporation, are the most practical examples (Gebremariam *et al.* forthcoming; Gebregziabher 2019). EPRDF-affiliated business elites had easy access to loans with minimum due diligence from the government's policy bank, the DBE. The money mobilised from private banks was made available to DBE to finance various governmental and private sector-initiated projects. However, the mismanagement of resources within the bank resulted in a high ratio of non-performing loans—almost 40 per cent in 2018 (Yewondwossen 2018; Weis 2020). Similar to the *chaebols*

in South Korea, the EPRDF attempted to establish a sizeable industrial conglomerate (Kim 1993; Underhill and Zhang 2005) through MetEC. However, corruption, nepotism and mismanagement of public resources significantly dwarfed the technological acquisition and innovation that the developmentalist regime aspired to achieve.

There are also two major structural hurdles that the Ethiopian developmentalism experiment failed to overcome. First, on the socioeconomic side, the impressive growth performance was not substantive and robust enough to trigger structural transformation. Second, on the political side, the centralisation of power that developmentalism required directly contradicted the ethnolinguistic-based decentralised federalism that the EPRDF had installed in the 1995 Constitution. This inherent inconsistency later contributed to elite fragmentation because of rivalry between ethnicised political elites who wanted to remain in control (the TPLF elites) and those who wished to have more dominance proportionate to the ethnolinguistic group they claimed to represent (Amhara National Democratic Movement and Oromo Peoples' Democratic Organisation elites — for the Amhara and the Oromo people respectively).

The failure to achieve structural transformation may be attributed to several factors. These could include: the relatively short period of solid growth performance; the very low base that the economy started from, requiring a longer time frame; the rapid population growth; limited access to land, failure to fasten the transfer of surplus rural labour to the manufacturing sector; and exogenous factors such as the fall of commodity prices and natural disasters (Lavers 2023). However, policy-related limitations that required decisive government actions include: the limited diversification and dynamism in the economy; the low level of backward and forward linkages between the agriculture and manufacturing sectors; and systematic efforts to enhance productivity in the agriculture sector through the combined use of fertilisers, improved seeds and irrigation schemes. As a result, the increased income in rural households due to economic growth was insufficient to increase manufactured product consumption and release surplus labour to the urban centres (Manyazewal and Shiferaw 2019).

The political structural challenge appears to have been further exacerbated by the developmentalist aspiration and partial success of the EPRDF. Zenawi was right to emphasise the primacy of politics and the vitality of the 'political set-up' in kickstarting the developmental mission. However, inherent contradictions and the structural bottlenecks of post-1991 Ethiopian politics remained too challenging to resolve. The political decision to centralise economic policy-making to pursue a coherent and

effective implementation of developmentalist policies created more tension between the federal government and the political elites that governed the semi-autonomous ethnolinguistic regions. The political processes that enabled the EPRDF to install and pursue a developmentalist orientation created an existential problem of handling the contradictions it nurtured. The developmental success would not have been possible without creating a centralised power executed by the federal government to shape the production, ownership, control and distribution of resources. Meanwhile, the political processes that enabled rapid economic growth and development sharpened political rivalry among ethnicised political elites and caused elite fragmentation, as witnessed in post-2018 Ethiopia.

Finally, the debate on democracy and the possibility of democratic developmentalism is also worth considering, given Mkandawire's argument and the Ethiopian case. The Ethiopian experiment of developmental statism was not an effort to nurture liberal democracy. The EPRDF was an authoritarian regime which curtailed the civil and political rights of citizens and crushed civil society and opposition parties. The consensual and gradual decision-making processes inherent in Western democracy are less compatible with the radical and transformative development the EPRDF sought to achieve. As a result, the Ethiopian model was an 'authoritarian state-led development' (Lavers 2023:298) with a procedural democracy of regular elections.

Conclusion

This article has attempted to answer what the Ethiopian experiment means for Mkandawire's model and what lessons it holds broadly. I specifically focused on the 'ideology–structure nexus', state capacity and autonomy aspects of Mkandawire's theorisation of the African developmental state. I examined the now-defunct Ethiopian ruling party's EPRDF, internal documents and policies. Additional literature served as vital sources for evaluating the Ethiopian experiment's successes and limitations. The Ethiopian case defied the notion that African leaders have limited ideological commitment to transformational development. The revolutionary democracy ideology that informed the developmental statism in Ethiopia contributed to envisioning a strong state built on the long history of state-making in Ethiopia.

The two policies examined in this article, the rural development policy and the execution capacity-building policy, demonstrate the aspiration of the EPRDF to build a self-reliant economy, achieve structural transformation and realise a state machinery that responds to the developmental challenges on the ground. To this end, the EPRDF rejected the technocratic notion

of capacity-building and approached it instead as a political project to transform social relations where the interplay between government, the public and the private sector was redesigned to make the government a critical development leader.

The EPRDF's approach to institution-building was also an antidote to the 'institutional monocropping' and 'monotasking' orientation that Western donors prescribed within the good governance package. The party concentrated on fashioning context-specific developmental institutions rather than copying Western-style institutions that focused on restraining the state. This helped the EPRDF to invest heavily in pro-poor sectors (education, health, roads, energy and agriculture), which substantively changed the lives of millions of people.

However, the Ethiopian experiment was not without limitations. The political set-up of pursuing developmentalism was authoritarian. Furthermore, the inherent contradiction between the post-1991 federal arrangement of political institutions based on sociocultural and linguistic identities and the centralisation of power to pursue developmentalism created a debilitating internal fracture within the ruling party. The large-scale corruption and mismanagement of state resources within state institutions, especially during the post-Zenawi period, also tainted the image of the Ethiopian experiment.

Notes

1. See Mkandawire (2007) for a critical reflection on how African intellectuals conceived the relationship between development, democracy and social inclusion in their call for good governance. This was a completely different understanding of the 'good governance agenda' pursued by the World Bank.
2. The entire education sector is thoroughly explored, from primary, secondary, technical and vocational to higher education. The section diagnoses each cycle of the education sector, the intended policy interventions, the rationale for building diverse human capital and its link with the broader development orientation.
3. Neoliberalism promotes extremely limited state intervention within the socioeconomic sphere. Therefore, the ideal type of state is a night-watchman state that avoids intervening in economic processes. The rational decision-making actors of the market will be engaged only in rent-creation activities rather than rent-seeking. According to the neoliberal paradigm, efficient resource allocation and accelerated economic growth can be optimised only under a night-watchman state (see Mkandawire 2001; Zenawi 2012).

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