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Developmental State Model within the Ethiopian Federation: Impacts on Multilevel
Development Governance

By: Ermias Yemanebirhan Hailemariam

A Dissertation Submitted to the Center for Federalism and Governance Studies, College of Law
and Governance Studies, Addis Ababa University, in Fulfillment of the Requirements for the
Degree of Doctor of Philosophy (PhD) in Federalism and Governance Studies

Supervisor: Zemelak Ayele (PhD; Associate Professor)

Center for Federalism and Governance Studies, College of Law and Governance Studies, Addis
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COLLEGE OF LAW AND GOVERNANCE STUDIES

CENTER FOR FEDERALISM AND GOVERNANCE STUDIES

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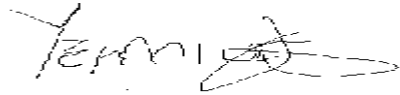
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DECLARATION

I hereby declare that this thesis, entitled: Developmental State Model within the Ethiopian Federation: Impacts on a Multilevel Development Governance has been composed entirely by myself and has not been submitted for any other degree or qualification. The work complies with the regulations of the University and meets the accepted standards with respect to originality and quality and all sources of information have been specifically acknowledged.

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SUPERVISOR'S APPROVAL

This dissertation has been submitted for examination with my approval as a supervisor.

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Abstract

Ethiopia's experiment with the Developmental State Model within a context of a federal system has been the subject of debate among scholars and policymakers. This study examines whether and how the Developmental State Model has impacted the multilevel development governance system within the Ethiopian federation. It specifically aims to examine how the Developmental State Model has affected the democratic and federal aspects of development governance as provided under the 1995 Federal Constitution. Within this umbrella question, the study seeks to answer the following specific questions: (1) Are the Developmental State Model and a federal political system conceptually incompatible? (2) What are the major issues of (in)compatibility and questions between the Developmental State Model vis-à-vis Ethiopia's federal system? (3) What are the manifestations of, if any, authoritarianism under the Ethiopian Developmental State Model and the implications thereof on a democratic multilevel development governance system within the Ethiopian federation? (4) How have the federal government's development policies under the Ethiopian Developmental State Model impacted the vertical division of power between tiers of government, as outlined under the 1995 Constitution? The study employed a qualitative research methodology, where large scale commercial farming, industrial parks, and rural-urban integrated master plan were purposively selected as cases for the study representing the three core sectoral policy areas of the Ethiopian developmental state (i.e. agriculture, industry, and urban development). Likewise, participants were selected purposively and data were gathered using in-depth interviews and focus group discussions with key informants, and review of pertinent documents, including policies, plans, constitutions, proclamations, regulations, party documents, both at federal and regional state levels. The findings of the study is that although the Developmental State Model tends to favor centralized state structure and authoritarian governance system, these nevertheless are not the inherent features of the model, and the model in and of itself is not necessarily incompatible with a federal political system, as the experiences of countries like India and South Africa, which managed to build a democratic developmental state under a decentralized state structure, clearly demonstrate. However, regarding Ethiopia's experience, the study shows that the fact that the country's federal system is organized along ethnic lines along the prominence of hegemonic party politics practiced by the EPRDF poses a serious compatibility dilemma for harmonious co-existence of the Developmental State Model with the federal system in Ethiopia. Under the Ethiopian Developmental State Model, the EPRDF-led government sought to entrench developmentalism as a hegemonic ideology that governs the country's political economy by introducing a variety of measures and legislations (press and media, electoral, civil society, and anti-terrorism laws). These measures have significantly contributed to a shrinking of the democratic space and political pluralism in the country by undermining a decentralized and democratic development governance, as reflected in the top-down, exclusionary and coercive development policies witnessed, for example, in the case of the

Integrated Master Plan for Addis Ababa City and the surrounding areas of the Oromia Regional State. Some of the development policies such as policies on large-scale farming and industrial parks development projects also saw an encroachment of the prerogatives of regional states by the federal government, highlighting how the Ethiopian Developmental State Model has undermined the country's federal system, which provides for a democratic, decentralized development governance system, as enshrined under the 1995 Federal Constitution. This has had far-reaching repercussions and a significant contribution to political developments witnessed recently in Ethiopia, particularly between 2015 and 2018, where perennial mass protests and political crises that have gripped the country, as well as other important political developments that have been unfolding ever since that would be quite instrumental in shaping the country's political future.

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LIST OF ACRONYMS AND ABBREVIATIONS

ADLI	Agricultural Development-Led Industrialization
ANC	Africa National Congress
ANDM	Amhara National Democratic Movement
ANRS	Amhara National Regional State
BGNRS	Benishangul-Gumuz National Regional State
BPR	Business Process Reengineering
CPC	Communist Party of China
DBE	Development Bank of Ethiopia
DS	Developmental State
DSM	Developmental State Model
EDSM	Ethiopian Developmental State Model
EIB	Ethiopian Investment Board
EIC	Ethiopian Investment Commission
EPRDF	Ethiopian Peoples' Revolutionary Democratic Front
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic of Ethiopia
FGD	Focus Group Discussion
FPS	Federal Political System
GPDUM	Gambella Peoples' Democratic Unity Movement
GNRS	Gambella Peoples' National Regional State
GTP	Growth and Transformation Plan
HERA	Home-Grown Economic Reform Agenda
HoF	House of Federation
HoPR	House of Peoples' Representatives
IAOMP	Integrated Addis Ababa and Oromia Master Plan
IBRHR	International Bill of Human Rights
IDB	Industrial Development Bureau
IPD	Industrial Park Development
IPDC	Industrial Park Development Corporation
IDS	Industrial Development Strategy
IMF	International Monetary Fund
KI	Key Informant
LSCF	Large-Scale Commercial Farming
MDGs	Millennium Development Goals
MITI	Ministry of International Trade and Industry
MOFED	Ministry of Finance and Economic Development
MOI	Ministry of Industry
NBE	National Bank of Ethiopia
NCBP	National Capacity Building Program
NDP	National Development Party
NEBE	National Electoral Board of Ethiopia

NGO	Non-Governmental Organization
NICs	Newly Industrialized Countries
NPC	National Planning Commission
OBN	Oromia Broadcast Network
OPDO	Oromo People’s Democratic Organization
PASDEP	Plan for Accelerated and Sustainable Development to End Poverty
PP	Prosperity Party
SDGs	Sustainable Development Goals
SME	Small and Micro Enterprises
SNNPR	Southern Nations, Nationalities and Peoples’ Region
SAP	Structural Adjustment Programmes
TNRS	Tigray National Regional State
TPLF	Tigray People’s Liberation Front
TVET	Technical and Vocational Education and Training
UNDP	United Nation Development Program
VAT	Value Added Tax
WB	World Bank
WW II	World War Two

NOTES ON ETHIOPIAN CALENDAR, NAMES, AND INSTITUTIONAL HIERARCHY

Calendar: The Ethiopian calendar begins in September. It has 12 months of 30 days and a thirteenth month of five or six (once in four years) days. The Ethiopian calendar lags by seven or eight years behind the Gregorian calendar, depending on whether it is before or after January. Before January, it lags by seven years, and in January and following months of the Gregorian calendar, the Ethiopian calendar lags by eight years. In this work, both calendars are used for the sake of convenience although utmost effort is made to use the Gregorian calendar as far as possible. For example, if a certain incident happened in a certain year of the Ethiopia calendar but the month is not certainly known, since it is difficult to provide the Gregorian equivalent, the Ethiopian calendar is used.

References in Ethiopian Names: The Ethiopian naming tradition is different from the Western system of a first name followed by a middle name and finally a family name. In Ethiopia, the first name is the real name of the individual. The next two names are the first names of her/his father and grandfather that are used for the sake of identification. Following the common referencing method that brings the family names of authors first followed by the first and middle names does not make sense as far as Ethiopian authors are concerned. Therefore, in this work, Ethiopian authors' names are stated differently. In the in-text citations, the first name of the author followed by the date of publication (and the page number) is used, and in the reference section, the first name appears first followed by his/her father's first name or his/her father's and grandfather's first names, depending on what is stated in the source material.

Names of Governmental Agencies or Institutions: Some governmental agencies or institutions may change their names from time to time. The name of institutions used in this work is basically the name of used at the time of data collection.

Hierarchy, Names, and Authoritative Versions of Laws: In Ethiopia legal system, the 1995 federal Constitution is the Supreme law of the land including states' constitution which is a supreme law of the state concerned. Next to constitution comes proclamation (enacted by HoPR/regional councils) followed by regulations (by CoM/regional state executive) and directives (executive

bodies (ministers/bureaus/administrative entities) at federal and regional level. The authoritative versions of the laws is the working language of the units of the federation. Amharic is the working language at federal government level as well as the ANRS, the BGPNS, the GPPNS, and the SNPPRS while Afan Oromo is the working language in the ONRS. For the sake of convenience, where available, the English version is cited.

CHAPTER ONE

INTRODUCTION

1.1. Background

The early post-colonial experiences of most African countries were largely characterized by statist and interventionist economic policies (Mkandawire, 2001; Chang, 2010). Indeed, most of the post-colonial African regimes, according to Mkandawire (2001: 189), were ‘developmentalist’ as development¹ was the central preoccupation of most of the first generation of African leaders. However, the host of problems that the early post-colonial African states experienced prevented them from realizing development and democracy² in the continent (*ibid.*). Hence, lack of democracy and underdevelopment have been the defining features of most of the sub-Saharan African countries for which their regimes were widely criticized (Mkandawire, 2001; Edigheji, 2005). Such conditions were generally attributed to the states’ weak capacity and ineffective state intervention in the national economy, the poor attention given to production-oriented private businesses, and an excessively autocratic and predatory governance approach that the developmentalist regimes in most of the post-colonial African countries followed (*ibid.*).

To rectify to the host of problems that have shackled most of the states in Africa, the World Bank (WB) pointed out the need for restructuring the governance system in most of the African countries (World Bank, 1989: 60-61). Accordingly, it was suggested that unleashing the huge potential and

¹ Though the notion of development is a very contested issue and there is no universally agreed upon definition of development, In this work, however the notion of development generally refers, among other things, reduction of poverty, access to better education, access to higher standards of health and nutrition, , a cleaner environment, more equality of opportunity, greater individual freedom, and a richer cultural life, as ends in themselves (for more on the meaning of development, see- Chapter Two, sub-section 2.3.1).

² The notion of democracy in this work takes its maximalist definition which is according to Larry Diamond (1999: 19) democracy encompasses “not only a civilian, constitutional, multiparty regime, with regular, free and fair elections and universal suffrage, but organizational and informational pluralism; extensive civil liberties (freedom of expression, freedom of the press, freedom to form and join organizations); effective power for elected officials; and functional autonomy for legislative, executive and judicial organs of government.”

creativity within the African society requires downsizing the role of the state within the national economy (Edigheji, 2005). Consequently, the immediate post-Cold-War period in Africa was thus marked by a shift towards a ‘rolling back of the role of the state,’ and embracing market-oriented economic reforms underpinned by the ideals of neoliberalism (Mkandawire, 2001). As a result, most of the liberal reform agendas introduced since the late 1980s in Africa have, in one way or another, targeted overhauling the state structure and mode of governance after the ideals and institutions of liberalism – decentralization, privatization, deregulation etc. (Mkandawire, 2010). These reforms were predominantly carried out under the cloak of ‘Structural Adjustment Programmes’ (SAP), which were often carried out in the name of supporting democratization and development in those states (Chang, 2002: 548; Edigheji, 2010: 59-61).

As part of the broader measures taken to restructure the African states, international financial institutions, such as the WB, the International Monetary Fund (IMF) and other aid agencies introduced a series of reform packages that widely used loans and development aids (Edigheji, 2010). The reform measures, however, came with strict conditions and terms demanding broader structural reforms involving a wide range of political and economic liberalization measures by the African states (Chang, 2002; Edigheji, 2010). Consequently, since the late 1980s, states in Africa took various liberalization measures under SAP (Mkandawire, 2010).

The attempt at restructuring the African states by downsizing the role of the state soon came under fire from critics, who saw it as having failed to bring about the much-touted structural transformation within the African continent (Mkandawire, 2001; Edigheji, 2010). According to these critics, rather than bringing about development and democracy, the structural adjustment measures taken to downsize the role of the state in most of the African countries have on the contrary further weakened and dwarfed the state’s ability to provide even basic public goods and services let alone ensuring development and democracy (Mkandawire, 2010). Consequently, the period in which the SAPs were implemented in sub-Saharan African countries has often been described as the ‘lost decades of Africa’, which triggered the search for an alternative path for Africa’s development especially towards the turn of the new millennium (Mkandawire, 2001: 190).

Generally, the turn of the new millennium in Africa marked the waning of the dominant narrative of neoliberalism while the idea of the ‘return of the state’ has been gaining ground (Mkandawire, 2010: 78). This had been further accentuated by the 2007/8 global financial crisis, which helped lend vindication and reinforcement to the attempts by some African countries to secure and safeguard some space for the state to experiment alternative policies to the hitherto dominant approaches (*ibid.*). In this regard, the late Prime Minister of Ethiopia, Meles Zenawi, also argued that the neoliberal paradigm was a ‘dead-end’ model incapable of ushering in Africa’s renaissance, and that a fundamental shift in paradigm was thus required to bring about prosperity and renaissance within the African continent (De Waal, 2013: 150).

As De Waal (2013: 150) notes, while Meles agreed with the neoliberals’ assessment that Africa’s early post-colonial development experiences had been largely ineffective and had come to a dead-end, he nevertheless contended that rolling back the role of the state and simply leaving the market to take care of itself was another dead-end. Meles argued that given the pervasive market failures, the nascent private sector and the poor physical and technological infrastructure base within the continent, enhancing the capacity of the state and ensuring its active role in the economy is the only feasible and viable option for Africa in general and for Ethiopia in particular (Meles Zenawi Foundation, 2017: 2-5). This specifically indicates the need for experimenting an alternative development path for Africa that allows the state a space for policy experiment and active role not only in regulating the market but also proactively leading the economy by engaging in the production of certain public goods and services (Meles, 2006).

According to Meles, the alternative path for Africa is an east-Asian like Developmental State Model (DSM), as had once been practiced in post-war Japan and was later emulated by its neighbors such as South Korea and Singapore, during the late 1960s and afterwards. Ethiopia’s subscription to the DSM can therefore be seen as one of such efforts to try and implement a development policy that fits its own reality (Abbink, 2011a: 598). Therefore, for Meles and his party, the Ethiopian Peoples’ Revolutionary Democratic Front (EPRDF), the DSM was viewed as the right approach to tackle what he saw as a ‘national enemy’ and ‘existential threat’ to the country

– poverty – which neoliberal model had failed to address (De Waal, 2013; Lefort, 2015). This is also stated in one of the EPRDF’s party documents:

...development must be treated as an existential question; thus, the state must maintain political and economic independence from the influence of the elite, and it must ensure the hegemony of a developmental line of thinking. The country, therefore, needs to embrace and apply the ideology of the [DSM] (EPRDF, 2010: 45).³

Subsequently, since late 2001, the EPRDF has been advocating and implementing the DSM as an apposite developmental path that would set a new beginning towards realizing Ethiopia’s renaissance (Meles Zenawi Foundation, 2017). As Clapham (2006: 108) notes, the EPRDF took various measures meant to make developmentalism the only viable, if not hegemonic, political-economic ideology and *modus operandi* within the country.⁴ Consequently, since late 2001 and early 2002, the Ethiopian government officially had issued various development policies underpinned by the DSM that were aimed at streamlining the model as a hegemonic ideology that drives the political-economy of the country (Clapham, 2006). Such aspiration also seems to have lent a justification for building a vanguard party that would drive forward the agenda of the developmentalist state in the country, as the following extract from one of the EPRDF’s party document clearly illustrates:

[t]he Developmental State Model needs a developmentally-oriented dominant party that would stay in power until and up to its mission has been undone by success when its developmental objectives towards structural transformation from an agriculture-based, primary economy towards an industry-led economy...which will

³ The document was originally prepared in Amharic, by the then Office of Government Communication Affairs, under the title ‘በኢትዮጵያ የዲሞክራሲ ስርዓት ግንባታ ጉዳዮች’; ታህሳስ 2003 ዓ.ም. አዲስ አበባ and translated by the author.

⁴ With the aim to transform the economy from an agrarian into an industrialized one, the Ethiopian government has rolled out various development policies seeking to boost agricultural growth so that this would facilitate an industrial take-off. The Agricultural Development-Led Industrialization (ADLI) policy, and the two successive Growth and Transformation Plans [GTP I – 2010-15 and GTP II – 2015-20] (see MoFED, 2002; 2010; Meles Foundation, 2017; National Plan Commission, 2016).

eventually lead the country to achieve a middle-income economy as of 2020-2023 (EPRDF, 2010: 45).

Despite the strong conviction in the DSM as an apt alternative development path for Ethiopia and the various measures taken by the EPRDF to entrench the model, the adoption and manner of implementation of the model in Ethiopia has, nevertheless, not been free from controversies and criticisms. This is especially the compatibility of the model with the federal and decentralized state structure of the post-1995 Ethiopian state (Lefort, 2015; Asnake, 2011; Fantini, 2013; Abbink, 2017; De Waal, 2018).

Indeed, the DSM is oftentimes associated with 20th-century East Asian unitary states known for a highly authoritarian governance approach (see Woo-Cumings, 1999; Prado *et al.*, 2016; Ohno, 2008; Chu, 2016). Several studies on the prototype South and East Asian DSs in the 1960s up the late 1980s describe the model, both in theory and in practice, as being antithetical to democratic and non-centralized governance.⁵ Unlike most of the unitary East Asian states, Ethiopia's federal system constitutionally entrenches a decentralized state structure and democratic mode of governance (Assefa, 2015; Lefort, 2015; Fantini, 2013; Clapham, 2017). Obviously, given the fact that the DSM is oftentimes associated with authoritarianism characterized by a centrist, interventionist and hegemonic governance approach, as had been the case in the early stages of DSs such as South Korea, Taiwan, and Singapore, the experiment of the model in Ethiopia thus poses, at least in theory, questions of compatibility with the country's federal system.

Against the above background, taking democratic development governance⁶ and constitutional division of power enshrined under the 1995 Constitution of the Federal Democratic Republic of

⁵ In this regard, the seminal works on the theory and practice of DSM includes Evans, 1995; Beeson, 2004; Gemandze, 2006; Pereira, 2007; Fritz and Menocal, 2007; Hague and Harrop, 2007; Ghani et al. in Bonda, 2011).

⁶ Development Governance generally refers to the formulation of a coherent policy by a state and their administration by the state for a successful socio-economic development (Heywood, 2017). Accordingly, in this work multilevel Development Governance thus refers to the presence of constitutionally envisaged multiple units of governments in

Ethiopia (FDRE), this dissertation attempted to empirically investigate the impact of the EDSM vis-à-vis the country's federal political system, specifically focusing on a multilevel development governance system within Ethiopian federation⁷.

1.2. Statement of the Problem

The federalization of the post-1991 Ethiopian state was carried out with promises to institutionalize, among other things, a multilevel (self and shared) governance system anchored on the principles of sub-national autonomy, democratic governance and political pluralism (Abbink, 2011a; Assefa, 2012).⁸ The federalization of the Ethiopian state brought some success in terms of institutional recognition of the ethno-linguistic and cultural diversity of the country and conferring them with self- and shared administration rights at federal, national and local levels. In spite of this, however, the federalization project, as some would argue, has nevertheless, been undermined by the highly centralized and authoritarian governance system that has dominated much of the EPRDF's rule (see: Lefort, 2015; Clapham, 2013; Fantini, 2013; Abbink, 2017). This, as some have argued, is partly attributable to the EPRDF's manner of execution of the DSM in Ethiopia (Fantini, 2013; Abbink, 2017; Assefa, 2018). According to this view, Ethiopia's experiment with the DSM has been widely criticized for entrenching a centrist and authoritarian governance system in such a way that undermines a democratic federal system guaranteed under the FDRE Constitution.

federation, especially the existence of federal and regional governments where development policymaking and execution power is vertically divided, allocated and shared constitutionally (see: Chapter Two, Section 2).

⁷ The FDRE Constitution provides that governance including development governance needs to be carry out in transparent, accountable, participatory, responsive manner (see: the FDRE Constitution, for example, Articles 12, 52(1-a &2-c), 43 (2) and 89(6)), offering adequate platform that enable the grassroots better to exercise their democratic rights (see; Chapter Five, Section 3.5).

⁸ For more on this see, for example, the FDRE Constitution's provisions such as Art. 1, Art. 8, Art. 9, Art. 12, Art. 39, Art. 45-47, 50-52.

Indeed, studies conducted on the nature of the DSM have often linked the model with ‘authoritarianism’. As a considerable number of scholars who have studied the experiences of the East Asian DSs have often argued,⁹ the model is largely viewed as tending to promote a governance system which is ‘a hegemonic, centrist and interventionist’ whose priority is to realize economic development more than anything else, even democracy (For more on this, see: Ohno, 2008; Chu, 2016; Prado *et al.*, 2016).¹⁰

Even though the dominant scholarly views on the DSM associate it with authoritarianism, there is a counter narration, albeit not dominant, that opposes such association and argues for the possibility of building a democratic developmental state model (DDSM) (see Mkandawire, 2010; Chibber, 2014).¹¹ According to the proponents of DDSM, authoritarianism is an exogenous, rather than endogenous, feature of the DSM and the model can be democratic arguing that there indeed are 21st-century democratic developmental states (Chibber, 2014, Evans, 2010; Mkandawire, 2010). In Ethiopia too, though, as noted above, several studies point out authoritarianism as the characteristic feature of the EDSM, there are some scholars who maintain that Ethiopia’s experiment with the model has been one of a DDSM. They further argued that the model has been implemented in a manner that complements the country’s federal arrangement (see, for example: Berket, 2011; Meles, 2012; Addis Alem, 2013; Arkebe, 2015)¹².

⁹ East Asian DSs often described to have had traditional marks of heavy temptations toward authoritarianism which is in the words of Samuel Huntington ‘legacies of oriental despotism’ as their shared behaviour (Leftwich 2005:686).

¹⁰ Some of the explanations given to the authoritarian governances embedded with the DSM are the state must ease itself from the procedural hurdles of democracy to deliver fast economic growth not to mention that governments need to stay in power for a longer period so as to ensure continuity of policy that would transform the country (Fantini, 2013).

¹¹ For more on this see: Chapter Two, Section 2.3.4.

¹² For more on this see Chapter Four, Sub-section, 4.5.3.

Taking the dominant depiction of the DSM as favoring authoritarian mode of governance, this dissertation examines whether and how the DSM has played out and impacted a democratic multilevel development governance system, as enshrined under the FDRE Constitution. Such examination essentially involves two levels of consideration: *theory* and *practice*. On a theoretical level, the study investigates the compatibility or otherwise of the core values of the DSM with that of a decentralized state structure and democratic governance system embedded in a FPS¹³. It specifically aims to examine and point out the presence and interplay of any competing and/or conflicting ideals, values and institutions between the two systems when applied in tandem in a given polity such as Ethiopia.

From a practical perspective, this study investigates the course of building a DSM in Ethiopia by the EPRDF vis-à-vis a decentralized and democratic system of development governance within the Ethiopian federation. Given the prevailing scholarly view that, as noted earlier, closely associates the DSM with an authoritarian and centralized mode of governance, the present study examines how the EPRDF has managed to entrench developmentalism in its pursuit of the DSM in Ethiopia. Such examination specifically focuses on pointing out the core ideology and institutions of the EDSM, and uncovering the manifestations of authoritarianism, if any, and the implications thereof on a decentralized and democratic development governance system provided under the FDRE Constitution. Most importantly, by divulging the interplay, under the EDSM, between developmentalism and the centripetalism that has dominated much of the EPRDF's rule this study expounds the impacts of the model vis-à-vis the vertical division power between tiers of government and sub-national autonomy in governing development, as outlined under the FDRE Constitution.

¹³ FPS generally refers to the organization of state structure and arrangement of its governance system where powers are structurally dispersed among at least two governmental units: the federal and the regional. Both these units exercise certain powers vested in them pursuant to the constitution (Elazar, 1987:33).

As noted earlier, Ethiopia's experiment with the DSM under the leadership of the EPRDF is a highly contested issue among scholars and pundits in academic and policy circles, particularly on the grounds of its compatibility with the country's constitutionally decentralized and democratic federal political system (see, for example: De Waal, 2013; Clapham, 2017).¹⁴ On the other hand, some observers emphasize the manner of development governance pursued by the EPRDF under the EDSM to have contributed its share for the political crises bleeding the country since late 2015 (Lefort, 2017). Despite the various views and arguments espoused regarding Ethiopia's experiment with the DSM, the interplay between the EDSM and a democratic federal system in Ethiopia, specifically its impact on certain areas, policies, and institutions, has not been sufficiently explored and empirically studied. More specifically, the actual impacts of the DSM over the Ethiopia's federal system, specifically how the model has impacted the democratic governance of development and vertical division of power between tiers of government when it comes to development policymaking and execution, and ultimately on sub-national policy autonomy, as espoused under the FDRE Constitution, have not been thoroughly studied and explored well.

Indeed, there are studies that have attempted to explore the EPRDF's conception of the DSM and development governance in Ethiopia, the way it has been executed and its interplay with the country's federal system.¹⁵ The existing studies on the interaction of the EDSM vis-à-vis the

¹⁴ For more on the major strands of the debates on the DSM vis-à-vis the federal system in Ethiopia (see: Chapter Four, Section 4.5).

¹⁵ For more on studies about the application of the DSM in the Ethiopian federation see: Asnake Kefale (2011): "Narratives of Developmentalism and Development in Ethiopia: Some preliminary explorations"; Clapham, C. (2006). Ethiopian development: The politics of emulation. *Commonwealth and Comparative Politics*, 44(1), 108–118; Clapham, C. (2017); The Ethiopian developmental state. *Third World Quarterly*, 39(6), 1151-1165. Creswell, J. (2003); De Waal, A. (2018). *The future of Ethiopia: Developmental state or political marketplace?* World Peace Foundation and De Waal, A. (2012). The theory and practice of Meles Zenawi. *African Affairs*, 112(446), 148–155.; Gebremariam, Eyob. (2018). —The carrot and stick of Ethiopian 'Democratic Developmentalism': ideological, legal and policy frameworks" In Tapscott C. et al., (Eds.), *The democratic developmental state: North-south Perspectives*. Stuttgart: Ibidem Verlag; Lefort, R. (2012). Free market economy, 'developmental state' and party-state hegemony in Ethiopia: the case of the 'model farmers'. *J. of Modern African Studies*, 50(4), 681-706 and Tsehai Alemayehu. (2009). The Ethiopian developmental state: Requirements and prerequisites. *Journal of Business and Economics Research*, 7(8), 11-18.

federal system in Ethiopia can generally be categorized into two broad categories. The first category comprises studies that advance the ‘incompatibility thesis,’ and the second category comprises those advocating ‘the compatibility thesis’. Indeed, even within these broad categories, the studies vary in terms of their focus of investigation and approach of enquiry as well as final outcomes. In order to situate the present work within the context of the existing literature and scholarly works, we shall briefly review the core themes and arguments of some of the notable works from each category of studies, beginning with works that fall within the category of the ‘incompatibility thesis’.

In terms of their focus of investigation, studies that advance the ‘incompatibility thesis’ can be seen from four major thematic areas: (i) *studies that focus on the challenges and desirability of building a DSM*; (ii) *studies that focus on the relation between the DSM and democracy*; (iii) *studies that focus on an ethnic-based federal arrangement vis-à-vis the DSM*; and (iv) *studies that focus on the pitfalls of the practice of the DSM on some policy areas*. Studies in the first thematic area focus on the challenges of building the DSM in Ethiopia in general. In this regard, Ayenachew (2014) examined the main features and challenges of the DSM in Ethiopia, whilst Tsehai (2009) analyzed its practicality and desirability in Ethiopia. In the second thematic area are to be found those studies that focus on the relationship between the DSM and a democratic federal system in Ethiopia, where most of the studies argued that the emulation of the East Asian-style DSM and its manner of execution by the EPRDF is essentially at odds with the federal and democratic governance system enshrined under the FDRE Constitution. Notable ones in this regard include Clapham (2006 and 2017), Batch (2011), Mesay (2011), Asnake (2011a), Fantini (2013), Abbink (2017), Semahegn (2014) and Lefort (2015). Such studies seem to share the view that the implementation of the model in Ethiopia was carried out in such a way that undermines both the federal system and democratic governance in the country.

Studies in the third thematic category address the strained relations between the ESDM and the country’s federal system, particularly with regard to sub-national autonomy (see: Abbink, 2011a; Assefa, 2012; Asnake, 2013). For example, Assefa (2015a) interrogates the strained relations between the DSM and the federal arrangement in Ethiopia and concludes that despite the country’s

major economic strides, discontents over political autonomy are looming among the constituent units within the Ethiopian federation. In a similar vein, Clapham (2017) notes:

The Ethiopian federal system was introduced as a response to the very distinctive and discriminatory historical legacy of Ethiopian statehood. And it was replaced by a new one, which was once again centralized under the hands of a central government reviving the very problems that the federal structure had been designed to resolve in the first place (Clapham, 2017: 5).

Likewise, Manaye (2017) points out that Ethiopia's subscription to the DSM in a context of ethnic-based federal system creates 'normative contradiction' as well as practical challenges and repercussions on regional states' autonomy and the fundamental tenets of democracy. Samuel (2011) also looked into the impact of Ethiopia's ethnic-based federal arrangement on building a DSM in the country, and concluded that the largely ethno-linguistic criteria used in the recruitment and/or appointment of human resource has weakened the competency of the bureaucracy, ultimately resulting in a significant negative impact on the overall success of the EDSM. Beresa Abera (2015) also reached a similar conclusion.

Finally, studies under the fourth thematic area have attempted to examine the EDSM and the country's federal system from the viewpoint of certain development policies and/or areas, such as agriculture and industry policies. In this regard, Fana (2016), in his study titled 'The Political Economy of Land Investments in the GPNRS,' argued how the securitization of development has undermined the regional state's autonomy in terms of administering land and investments within its territory. Though he did not address the particular nature of relation between Ethiopia's federal arrangement and industrial policy under the EDSM, Altenburg (2010: 30), after reviewing the Ethiopian industrial policy and an inter-linked but self-interested alliance between politicians, bureaucrats and businesses, characterized the Ethiopian state as "clearly anything but a predatory state whose government pillages the economy."

On the other spectrum of research works conducted on the EDSM and its relation with the country's federal system, one finds studies that advance the 'compatibility thesis,' most of which generally characterize the EPRDF's experiment with the model as being a DDSM (see, for

example: Bereket, 2011; Tesfaye, 2010 Habatmu, 2013). These studies basically argue that despite its limitations, the EDSM has co-existed harmoniously with the country's federal system be it in relation to sub-national autonomy, multiparty democracy and the like. In this regard, Habtamu (2013) argues that the two systems (i.e. the DSM and Ethiopia's federal system) complement and/or reinforce each other as both have the same socio-cultural foundation in Ethiopia. Likewise, Bereket (2011) argues that with their harmonious relation, the federal system and the DSM together have heralded Ethiopia's renaissance; while the former helped to ensure political stability the latter helped to realize development. While arguing that Ethiopia's experiment with the DSM is generally a democratic one, Tesfaye (2010), on his part points out the challenges in making the model even more democratic in Ethiopia.

Generally, most of the studies within the first category, which advances the 'incompatibility thesis' mentioned above generally share the argument that the practice of the DSM in Ethiopia by the EPRDF has undermined the country's federal system. These studies, however, fall short of providing a comprehensive picture regarding the interplay and impacts of the model vis-à-vis Ethiopia's federal system given the DSM has been practiced in Ethiopia for nearly two decades. Moreover, these studies are scanty and not empirically rigorous enough in their focus and depth of analysis of specific policy areas, institutions etc. Specifically, these studies have two major limitations. First, how the DSM in and of itself (i.e. independently of other factors such as the EPRDF's long-held revolutionary democracy ideology, political culture in the country, the nature of the design of the constitution in terms of the division power etc.) is linked to the tendency towards centralization, has not been adequately explored in these studies. Secondly, the studies appear to succumb to the myopic argument that the DSM has worked well in East Asian countries, in a context of unitary state structure and a centralized system of governance, and therefore, it would not work in contexts where there is a decentralized political system, such as in Ethiopia.

Most of all, issues concerning how the working of the DSM is viewed from the perspective of democratic governance of development anchored on a constitutional division of power, specifically from the standpoint of regional states' sub-national autonomy in terms of policymaking and execution in certain specific sectors or policy areas or domains has not been

adequately studied. While some of the studies within the fourth thematic area have attempted to examine specific policy areas and issues they, they nevertheless, are far short of providing an in-depth and a point-by-point analysis of the interplay and impacts of the EDSM on Ethiopia's FPS, particularly from the perspective of building a democratic federal system to the desired level.

Similar is the case with studies within the second category, which generally appear to support the 'compatibility thesis' and the possibility of building a DDSM, and in fact, argue that the EDSM has been executed harmoniously with the country's federal system. However, these studies too fall far short of critically examining and adequately explaining how the model's authoritarian tendency and the EPRDF's hegemonic rule under the EDSM have played out with the country's federal system, both from a theoretical and practical perspective, particularly when it comes to a democratic and decentralized development governance system in the country. That is, they do not specifically indicate how the implementation of the model – which is often associated with a largely authoritarian and centrist governance approach – could actually be reconciled with the core values and institutions of a genuine federal political system, such as democratic governance, sub-national policy autonomy, policy innovation and responsive governance etc.

Overall, given the competing normative features and/or values of a FPS, which entails a decentralized and democratic mode of governance, and those of the DSM, which favors a centralized and authoritarian mode of governance, and the fact that the interplay and impacts of the EDSM vis-à-vis Ethiopia's federal system is not sufficiently studied necessitates the present study. Hence, within the context of the above-mentioned debates as to the compatibility or otherwise of the DSM and a FPS, the present work attempts to thoroughly and empirically investigate whether and how the EDSM has impacted a democratic multilevel development governance system within the Ethiopian federal system.

1.3. Objectives of the Study

1.3.1 General Objective

The general objective of the present study is to examine whether and how the DSM has impacted a democratic, multilevel development governance system within the Ethiopian federal system.

1.3.2 Specific Objectives

The specific objectives of the study are to:

1. Find out whether the DSM and a FPS are conceptually incompatible;
2. Identify the major issues and questions of (in)compatibility between the DSM and Ethiopia's federal system;
3. Investigate manifestations, if any, of developmental authoritarianism under the EDSM and their implications on a democratic multilevel governance system within the Ethiopian federation; and
4. Examine the process of formulation, execution, and administration of the federal government's agricultural, industrial, and urban development policies under the EDSM vis-à-vis the vertical division of power between tiers of government, as provided under the FDRE Constitution.

1.4. Research Questions

The present study aims to answer the following specific research questions:

1. Are the DSM and a FPS conceptually incompatible?
2. What are the major (in)compatibility issues and questions between the DSM vis-à-vis Ethiopia's federal system?

3. What, if any, are the manifestations of developmental authoritarianism under the EDSM and the implications thereof on a democratic multilevel development governance system within the Ethiopian federation?
4. How have the federal government's (agricultural, industrial, and urban development policies under the EDSM impacted the vertical division of power between tiers of government, as provided under the FDRE Constitution?

1.5. Research Methodology

Under this section, the methodological framework of the study, including the research paradigm, study design, research context and selection of cases for the study, sources of data, samples and sampling techniques, and instruments and procedures of data collection and analysis are briefly discussed. Moreover, the section also attempts to briefly outline the particular measures of protocols taken to ensure validity and reliability as well as ethical considerations in the study.

1.5.1. Research Paradigm, Design and Method

This study is framed within a constructivist-interpretivist philosophical paradigm and theoretical perspective as a guiding framework regarding the broader ontological, epistemological, and methodological issues and considerations in the study. Constructivism holds the view that reality is constructed by each individual through experience and/or interaction with the outside world; hence, reality is relative and subjective in nature, which means that there are multiple conceptions of reality because different individuals interpret the same social phenomenon differently (Fossey *et al.* 2002). Besides, constructivism and constructivists posit that knowledge is actively constructed or created by individuals, who construct their own subjective interpretation or understanding of phenomena based on their unique personal experience and interaction with the outside world (Mack, 2007). Therefore, different individuals can perceive, understand and interpret the same social phenomena in different ways. Consequently, a constructivist paradigm acknowledges the fact that research cannot be free of the researcher's own values, which are

subjective, and the researcher should try to understand the complex world of lived experience from the point of view of those who live it

The overall objective of this study is to investigate the impact of the DSM on a democratic multilevel development governance system within the Ethiopian federation, as provided under the FDRE Constitution, specifically on the constitutional division of policymaking and implementation power between tiers of government (as stated under Articles 51(2) and 52(2-c)). To this end, within the broader philosophical framework outlined above, the study employed a qualitative research methodology as this method allows a systematic investigation, interpretation and understanding on whether and how Ethiopia's experiment with the DSM impacted the core values and principles of a democratic multilevel development governance system, as provided under the FDRE Constitution. Furthermore, qualitative research methodology allows to obtain an in-depth insight and to be able to construct meanings by deeply exploring and understanding how the DSM has impacted a multilevel development governance system within the Ethiopian federation.

Within a qualitative research paradigm, the particular research design employed in this work is a case study method. A case study method helps the researcher to discover meaning, to investigate process, and to gain insight into an in-depth understanding of a process, a situation, a group or an individual by gathering detailed information using a variety of data collection methods (Lodico *et al.*, 2010: 269-270). Hence, case study method has been used in this study in order to get an in-depth understanding into the interplay between the EDSM and a democratic decentralized governance system within the Ethiopian federation, as enshrined under the FDRE Constitution. Hence, case study method has been found to be appropriate as it is not feasible, in the space of this dissertation, to address all policy areas or issues pertaining to the EDSM, and this obviously necessitates the selection of certain policy areas as case studies. Consequently, in this study, three sectoral policy areas that were believed to best illustrate and hence are worthy of extensive examination in order to showcase the interplay, both in theory and in practice, between the DSM and Ethiopia's FPS, were identified and selected for in-depth investigation.

1.5.2. Selection of Cases for the Study

The specific sectoral policy areas and the respective development projects identified and used as cases for in-depth investigation in this study are: the agriculture sector - large-scale commercial farming (LSCF) projects; the industry sector - industrial parks development (IPD) project;, and the social sector - the Integrated Master Plan for Addis Ababa and the Surrounding Special Zone of Oromia Region (IAOMP). These sectoral policy areas have been selected as cases for in-depth study considering their relevance to the objectives of the present study as they represent the three core policy areas of national development envisaged by the EPRDF-led government of Ethiopia, under the EDSM.

Under the EDSM, the government's major national development policies, in one way or another, were sought to modernize the agriculture sector through LSCF projects, the industry sector through IPD projects, and urbanization through rural-urban integrated master plan within the social sector as the key drivers of Ethiopia's structural transformation, with the goal to attain a middle-income economy as of 2020-23 (MoFED, 2010; Alebel *et al.*, 2017). In addition, these projects cover crosscutting issues that, from the standpoint of the FDRE Constitution, which devolves concurrent powers of policymaking and execution between tiers of government, require cooperation and coordination between the federal government and regional state governments. Moreover, these areas involve issues pertaining to the provision of vast volumes of land, and regulation and licensing of investment activities, not to mention the huge human and capital investments required to run these projects (Alebel *et al.*, 2017).

It is also important to point out that one of the immediate causes that triggered the widespread public protests in the ONRS is related to the federal government's urban development policy – to be more specific, the proposed IAOMP. Such urban development plans have been pursued under the EDSM in the name of rural-urban integration developmental plans, as in the case of the infamous IAOMP. Hence, the IAOMP has been chosen as one of the cases for investigation in this study to look into the impacts of authoritarianism under the EDSM *vis-à-vis* a democratic multilevel development governance system enshrined under the FDRE Constitution.

1.5.3. Sources of Data, Samples and Sampling Techniques

This study relied on both primary and secondary data. The primary sources of data include a broad range of documents pertaining to the study’s focus of investigation, including policy documents, strategic plans, legislations etc. as well as interviews with senior government officials and technical experts both at federal and regional state levels. In selecting samples, the study relied on purposive sampling technique. Accordingly, 38 participants from various organs of government at federal and regional state levels were carefully identified and selected as key informants. While three prominent figures from opposition parties were also included as key informants, the samples mainly comprised current and former public officials, who were purposefully selected based on their knowledge and experience in relation to the particular focus of investigation of the present study.

Table 1: Number and background of the research participants

Participants’ Jurisdiction	Participants’ Office Capacity	Name of Public Office/Institution	Participants’ Office Status	Number of Participants	
Federal Government	1	Member of Parliament	HoPR	Current	4
	2	Official/Senior Expert	IPDC	Current	1
	3	Senior Expert	Office of the Prime Minister	Current/Former	2
	4	Senior Expert	NPC	Current/Former	1
	5	Senior Expert	MoA	Current	1
	6	Official	EIC	Current	1
	Sub-total				12
Regional State	1	Official/Expert	SNNPR’s Council/Bureau	Current	5
	2	Official/Expert	ANRS’s Council/Bureau	Former/current	5
	3	Official/Expert	BGNRS’s Council/Bureau	Former/current	4
	4	Official/Expert	GPNRS’s Council/Bureau	Former/current	4
	5	Official/Expert	ONRS’s Council/Bureau	Former/current	5
	Sub-total				23
Opposition Party Figures and former members of HoPR				3	
Grand Total				38	

As indicated in the table above, data were collected from both federal and regional state governments. Regional states were identified and selected using purposive sampling technique, mainly on the basis of the size and number of investments pertaining to the present study's focus areas or sectors. In addition, due consideration has been given to ensure the selection of the participants is fairly representative of the different socio-economic development levels of regional states across the country. Hence, regional states from the category of 'developed' regions, which have a relatively better standing in terms of the level of infrastructure development as well as wielding a considerable degree of political influence in decision making processes at the center, and those from 'developing' or 'emerging' regions, which are found mainly in the lowland parts of the country and have a relatively poorer basis of socio-economic and infrastructure development, have been proportionally represented in the study. The study has also taken into consideration the power relation and dynamics between regional states within the Ethiopian FPS, which is characterized by a center-periphery status. Accordingly, regional states ruled by parties having a key role at the central government (i.e. the four member parties within the EPRDF coalition), and those ruled by parties that are not members of the EPRDF but have a mere 'affiliated party' status (Abbink, 2011b) have been represented in the study.

Accordingly, the study identified and selected, as sources of data, five regional states: the Gambella Peoples' National Regional State (GPNRS), and the Benishangul-Gumuz People's National Regional State (BGNRS), from the emerging regions; and the Amhara National Regional State (ANRS), the Oromia National Regional State (ONRS), and the Southern Nations, Nationalities and Peoples' Region (SNNPR), from the developed regions. These regions together represent an overwhelming share of the IPD and LSCF projects nationally in terms of the size of land allocated for investment, the volume of investment flow and number of projects (Ethiopian Investment Commission, 2019). In addition, these regions represent the different levels of socio-economic development that exist across the various regions and parts of Ethiopia. Out of the five regional states categorized as 'developed' regions, except the Tigray National Regional State (TNRS), the remaining ones (i.e. the ANRS, the ONRS, and the SNNPR) have been included to participate in the study, whereas two regional states (i.e. the BGNRS and the GPNRS) have been selected from the category of 'emerging' regions.

Such center-periphery relations (i.e. as ‘ruling party’ and ‘affiliated party’) and power dynamics between the parties and the respective regions administered by those parties is an important variable, with significant implications within the country’s political landscape, whereby the ANRS, the ONRS, and the SNNPR, as core members of the EPRDF coalition, almost exclusively control decision-making powers on the overall socio-economic and political direction of the country, including national development policies (Abbink, 2011b). On the contrary, the BGNRS and the GPNRS, which are ruled by regional parties that have a designated status of ‘affiliated parties’ but not member of the EPRDF, have historically occupied a periphery position or status with a largely insignificant role within the country’s political sphere in terms of the level of their participation, influence and leverage in policy and other important decisions at the central government level (Abbink, 2011b).

1.5.4. Instruments and Procedures of Data Collection and Analysis

a. Document Reviews and/or Analyses: The documentary sources of data include pertinent laws (the FDRE Constitution, proclamations, regulations and directives), policies, including Industrial Development Strategy (IDS), Growth and Transformation Plan I (GTP I), Growth and Transformation Plan II (GTP II) as well as various party documents of the EPRDF (indoctrination materials, training manuals etc.). Generally, these documents were thoroughly examined and scrutinized with a particular focus on their scope i.e. whether the issues covered are in conformity with the constitutional jurisdictions of the respective tier of government by which they were designed and used.

b. Interviews: Semi-structured interviews were held with 38 key informants (KI) who have had direct involvement in the formulation and/or implementation of development policies designed and executed by the EPRDF-led government, under the EDSM. The interviews were conducted between March 2018 and November 2019 at venues and times of convenience and preference of the interviewees. The purpose of the interviews was to get first-hand information about the manifestations and implications of authoritarianism by the federal government, under the EDSM.

c. Focus Group Discussions (FGDs): Two FGDs were held with lawmakers both at federal and regional state levels. At regional state level, an FDG – FGD₁ – was held with eight members of the respective of regional councils of the five regional states, on May 2019 in a private conference room in Addis Ababa. At federal government level, an FDG – FGD₂ – was held with five members of the House of Peoples’ Representatives (HoPR), on November 2019, inside the Parliament’s premises. The FDGs were held with the aim to get a deeper understanding into the process of policy-making and execution under the EDSM, in order to see how the application of the EDSM by the EPRDF led to a centralized governance system which has dominated much of the EPRDF’s rule. The FGDs thus served as a good platform to get deeper insight as to how the application of the EDSM has reflected hegemonic development governance with respect to the dominant party politics that the EPRDF sought to establish in the country vis-à-vis the constitutional framework of division of power with respect to the process of policy-making and execution (i.e. freedom, authority, and autonomy) underpinned by the values, principles and institutions of a federal democracy, as envisioned under the FDRE Constitution.

The use of data from different sources and a variety of instruments as such was meant for triangulate the data and thereby enhance reliability of the findings. Data gathered using all three instruments were first systematically organized and thematically coded on the basis of the specific research questions. Accordingly, data were analysed and interpreted in a narrative form based on the underlying themes and patterns that emerged. Moreover, the analysis and interpretation of data from all three instruments was carried out side by side so as to establish the relationships and interactions that exist between the data. Finally, a comprehensive interpretation of data was made and corresponding conclusions were drawn.

1.6. Ethical Considerations

Pursuant to research ethics, the full and informed consent of the participants in this study was obtained beforehand. Accordingly, before commencing each interview and FDG session, the purpose of the study as well as the purpose of conducting the interviews and FGDs was clearly explained to the participants, and their freedom of withdrawal at any time during the process of

interview and/or FGDs was guaranteed. Moreover, the researcher ensured the anonymity of the participants by refraining from using their actual names and by using codes instead, and maintained confidentiality by not revealing the identity of the participants. To ensure anonymity, all statements of the interviewees were analyzed and presented in this report using codes, and where consent had been granted by the participants, their full names were included in the ‘Appendices’ section. Accordingly, the names of participants from the federal government have been coded as IF₁, IF₂, IF₃ etc. while the names of participants from regional state governments have been coded as follows: IA₁, IA₂, IA₃ etc. for participants from the ANRS; IB₁, IB₂, IB₃ etc. for participants from the BGNRS; IG₁, IG₂, IG₃ etc. for participants from the GPNRS; IO₁, IO₂, IO₃ etc. for participants from the ONRS; and IS₁, IS₂, IS₃ etc. for participants from the SNNPR. On the other hand, interviewees from opposition parties have been identified using the codes IP₁, IP₂ and IP₃.

1.7. Significance of the Study

As noted previously, there are fundamental questions and debates regarding the compatibility or otherwise of the DSM with a FPS, such as in the case of the Ethiopian federation. This is so given the inherent contradictions of the values and/or features of the two systems. That is, many view the DSM as inclining towards authoritarianism and a centralized mode of governance (see, for example: Kim, 2009; Fritz & Menocal, 2007), which, at least in principle, is antithetical to a FPS, which is largely associated with a decentralized state structure and democratic mode of governance, generally known as democratic federalism (see: Elazar, 1987; Watts, 1998). Likewise, Ethiopia’s experiment with the DSM for nearly two decades has been a widely contested issue among scholars and researchers, on the grounds of the model’s compatibility with and impact on the country’s FPS. In this regard, the significance of the present study lies on its contribution to the ongoing scholarly debates and filling gaps in knowledge and understanding as to the interplay, both in theory and in practice, between the DSM and a FPS.

A comparative study such as this particular work is also important given the scanty nature of empirical studies available in the case of Ethiopia. As previously indicated, the impact of the EDSM on a democratic multilevel development governance system within the Ethiopian

federation has not been thoroughly studied and explored well. Thus, this study serves as a scholarly tool for building knowledge and understanding on the intricacies of the interplay between the EDSM and a democratic FPS in Ethiopia and the implications thereof, and thereby contribute towards the effort to address the need for practical policy response to strike proper balance between the competing values and issues between the two systems in order to reap the benefits that could be accrued from the harmonious application of the DSM and the FPS in Ethiopia.

Hence, the significance of this study lies on scholarly enquires as well as policy measures by governmental and non-governmental entities that face the challenge of addressing both the quest for development and democracy in transitional societies like Ethiopia. From a practical standpoint, in Ethiopia, it is not an option for the government to relegate democracy in favor of development or vice versa, as both are equally important and essentially necessary. As the overwhelming majority of Ethiopians are currently living in a hand-to-mouth condition, the state will no doubt continue to play a key and active role in setting and proactively leading the course of development governance in the country. In this regard, this study contributes a lot by pointing out why and how the state, in discharging its role and duty to realize development, should refrain from attempting to pursue its developmental agenda at the expense of other equally important values such as self-governance, the right to a fair, equitable, sustainable and empowering development, and showing why and how the state should strive to strike the right balance between the core values and principles of the country's FPS and advancing its DS agenda.

1.8. Scope and Limitation of the Study

1.8.1. Scope of the Study

This study mainly focuses on examining the impacts of the EDSM on a democratic multilevel development governance system within the Ethiopian federation. In doing so, it specifically focuses on the core national development policies of the federal government, specifically those related to IPD projects, from the industry sub-sector; LSCF projects, from the agriculture sub-sector; and urban development plans/projects from social sub-sector, as flagship projects of the government under the EDSM. It is not the purpose of the present research to make generalizations

on the dynamics of the DSM and the country's federal system within the sphere of development governance. It rather focuses the particular cases identified for investigation, which are important to gain an in-depth understanding and insight into the nature of interplay between the DSM and Ethiopia's federal system, at macro (institutional) level and uncover the impacts of the EPRDF's hegemonic developmentalism on the constitutional vertical division of power and regional states' policy autonomy, specifically within the sphere of development governance.

Issues such as the horizontal division of power and local autonomy have not been directly entertained in this study although they might be discussed incidentally. Even within the specific policy areas selected as cases for investigation in this study, not all issues have been addressed; instead, the present study focuses on those issues that were deemed pertinent to showcase the pattern of development governance under the EDSM, specifically in relation to the rules and principles of division of power, as outlined under the FDRE Constitution. Other issues such as viability, feasibility, success and failures of the EDSM are also outside of the ambits of the present study.

1.8.2. Limitations of the Study

As pointed out in the previous section, the present study focuses only three sectoral and sub-sectoral core national development policies – IPD, LSCF, and the IAOMP projects. As such, other policy areas and sectors as well as development plans and projects pertaining to the EDSM, which could otherwise have helped in providing a much better and more comprehensive picture on the nature of interplay and impacts of the DSM on Ethiopia's federal system, have not been dealt with in the present study. This constitutes one of the major limitations of the present study. In addition, due to time and resource constraints, the present study falls short of giving a more detailed and comprehensive analysis on a range of policy issues even within the industry sector nor does it assess the impact of the EDSM on local level governance in the regional states.

More importantly, the unprecedented and fast-paced changes that have been taking place within the country's political landscape following the reshuffle of the top leadership of the EPRDF and the country as of April, 2018 have not been adequately entertained in the present study. The present

researcher was already midway writing the fifth chapter when these major – and rather sudden – changes, occurred in the political sphere of the country. Events have been unfolding following the unexpected resignation of former Prime Minister Hiale mariam Dessalegne and the ascendance, in April, 2018, to the premiership, of Ahmed, who has since received international acclaim for the unprecedented and sweeping reforms, including political and economic liberalization measures, that have been introduced by his administration (Solomon, 2018; Fisher *et al.*, 2019).

Indeed, the sheer pace and scope of these changes led by the so-called “Team Lema” (a phrase used to designate the team of reform-minded politicians from within the EPRDF, including and his then comrade and close ally, Lemma Megersa – the then Chairman of the former Oromo People Democratic Organization (OPDO) party and President of the ONRS – have posed significant challenges on the present study. This is so given the profound shift in political rhetoric and liberalization measures, which have put the state and fate of the DSM in Ethiopia under a big question mark. It was difficult for the present researcher to comprehend the fast-changing political situation and developments that have since been unfolding in the country. Thus, this study falls short of grasping and analyzing in detail the fast-changing situations at this critical juncture where the former EPRDF, which had long been functioning as a coalition of independent parties, has been merged or united into one party, and rebranded as Prosperity Party (PP) in late 2019. The present study therefore focuses on the situation in Ethiopia between 2001- early 2018. Meanwhile, in the last chapter that concludes this work, attempt is made to provide an overview of emerging trends and developments in the post-EPRDF contemporary Ethiopia, albeit in a lesser detail, including the fate and state of the ideology and institutions of the DS in Ethiopia, in the context of the ongoing political changes since assumed power.

Last but not least, in addition to the limitations mentioned above, possibilities of a personal bias and subjectivity emanating from the very nature of a qualitative study of this type cannot be ruled out. This is true regardless of considerable efforts on the part of the researcher to ensure the validity and reliability of the instruments through triangulation of data from various sources and perspectives.

1.9. Operational Definition of Key Terms and Concepts

Federal Political System (FPS): encompasses two intertwined concepts – *federalism* and *federation*. Federalism is the normative concept that promotes a form of non-centralized mode of organizing a polity founded upon the idea of shared-rule and self-rule where it presumes the existence of at least two layers or tiers of government along the spectrum of division of the jurisdictions between tiers of government (Watts, 1998). *Federation* thus refers to the institutional arrangement, organization and function of a polity based on the idea of *federalism*. It basically connotes the actual institutional organization and function of a state and its governance where self-rule and shared-rule power are constitutionally guaranteed, and autonomy and common governance is institutionalized. In this study, thus, FPS means the organization and arrangement of the state, that is, its mode of governance by combining self-governance with shared governance, in a polity (Watts, 2002).

Multilevel Development Governance: refers to the presence of constitutionally delineated multiple units of governments in a federation, especially the existence of federal and regional governments where development policy-making and execution power is vertically divided, allocated and shared constitutionally.

Developmental State Model (DSM): refers to a conception of the DSM as an ideological as well as institutional model that is largely characterized by the tendency towards a centralized, hegemonic and authoritarian system of governance driven by the dictum of ‘economic growth first and foremost more than anything else,’ which links the model with ‘development authoritarianism’ (Pereira, 2003; Leftwich, 2011).

Development Governance: the political and economic ideology and institutions that define the role of the state in the organization of its government, including the overall activities of public officials and non-state actors in the process of delivering and receiving development goods and services (Peters & Pierre, 1998). It specifically refers to the formulation of a coherent policy and effective public administration by the state for a successful socio-economic development (Heywood, 2017). The role of a state as such is conceived, constructed, determined and eventually

applied to bring the desired goal, which is usually carried out through the instrument of policies made and executed to govern development to provide goods and services as well as to achieve other objectives associated to the state's natural right and responsibility (Heywood, 2017).

Development Policy: refers basically to the state's intention and action in governing development, which may come in many different forms and modes, such as proclamations, regulations, directives, executive orders, plans, strategies, programs, projects and the like (Heywood, 2017).

1.10. Organization of the Dissertation

This dissertation is organized into seven chapters. Chapter One introduces the background, problem statement, research objectives, and research questions. It also outlines the research methodology adopted, including the research approach and methods, sources of data, samples and sampling techniques, and instruments and procedures of data collection and analysis as well as the significance, scope and limitations of the study.

Chapter Two aims generally to expound the nature of the normative interaction between a FPS and the DSM. Hence, the chapter has twin objectives: first, it sets the theoretical and conceptual framework of a FPS vis-à-vis the DSM, and afterwards, it provides a comparative analysis on the nature of interplay between a FPS vis-à-vis the DSM. Besides, the chapter identifies the dominant driving ideology and institutions of the two systems in organizing state structure and its mode of governance, taking issues of development policy-making and administration along with party politics as key determinants of development governance. In doing so, it points out areas of normative incompatibility between the two systems, specifically within the realm of development governance.

Chapter Three examines the constitutional underpinnings of multilevel development governance system within the Ethiopian FPS. It identifies the constitutional framework of the division of power between the federal government and regional states with respect to the formulation and execution of development policies. To this end, the chapter first gives a brief historical account on the trajectory of development governance, and the linkage between state structure and mode of

development governance in modern Ethiopia, that is, during the era of the monarchy (particularly the period of Emperor Haile Sellassie I), during the socialist *Derg* regime (1974-1991), and in the post-1991 federal arrangement of the Ethiopian state (especially after May, 2001). By doing so, it attempts to examine the current federal system in terms of its departure from its predecessors with respect to state structure and mode of governance in general and within the sphere of development governance in particular.

By examining the core ideological and institutional underpinnings of the DSM as conceived and applied by the EPRDF, Chapter Four uncovers the (in)compatibility questions and issues the model may pose vis-à-vis a multilevel development governance system within the Ethiopian federation. By identifying the core strands of the EDSM, the chapter addresses the second specific research question. Meanwhile, it also sets the framework for further empirical investigation in the subsequent chapters regarding the impacts of the EDSM against a democratic multilevel development governance system, as provided under the FDRE Constitution.

Chapter Five looks into the manifestations and implications of authoritarianism in building a DSM within the Ethiopian federation. To this end, the chapter uncovers the overall implications of the ideology of hegemonic developmentalism under the EDSM against the core values and principles of a democratic federal system with respect to development governance, such as accountable, responsive and participatory governance as well as political pluralism. The chapter thus reveals how the EPRDF's implementation of the DSM in Ethiopia led to the rise of a centralized, top-down, and coercive development governance system in the country.

In Chapter Six, attempt is made to critically review and analyze the scope of the federal government's GTPs and legislations in relation to IPD, LSCF, and urban development projects designed and implemented under the EDSM vis-à-vis the vertical division of policy-making and execution power as provided under the FDRE Constitution, which delimits the respective mandate of the federal government and regional states (Articles 51-52). Indeed, as this chapter is more of an empirical case study, the chapter provides a case-by-case analysis on the constitutional mandate

and limits of the federal government in the development and governance of industrial parks, commercial farming and urban development projects.

Finally, Chapter Seven gives a summary of the major arguments and findings of each of the chapters in this dissertation and concludes the research by pinpointing the emerging trends in the post-EPRDF contemporary Ethiopia, specifically in relation to the fate and state of the ideology and institutions of the DSM in the country.

CHAPTER TWO

A FPS AND the DSM: INCOMPATIBLE?

2.1. Introduction

This chapter discusses the normative and institutional underpinnings of a FPS *vis-à-vis* the DSM focusing on the organization of a state and its governance system. In so doing, the chapter aims first, setting the core conceptual and institutional framework of a FPS and the DSM; and then expounds on the nature of interaction these two systems may have when they are applied in tandem in a polity. Consequently, the chapter addresses the first specific research question which is about whether the DSM and a FPS are conceptually (in)compatible. Besides, the chapter sets the conceptual framework of analysis that the study uses when it empirically examined the impacts of the experiment of DSM against the federal and democratic nature of the Ethiopian state within the theme of this work (see Chapters Five and Six).

The chapter is divided into five sections, including this introductory section. Section two presents the core conceptual and institutional underpinnings of a FPS in general. This section discusses issues such as the defining features of a FPS, its distinguishing features, presumed advantages, principles and techniques of division of power etc. Section three is about the core conceptual and institutional underpinnings of the DSM in the realm of state organization and its governance system. Such discussion however is preceded by a brief presentation on the general notion of development and the role of the state in governing development. In section four, based on the respective normative and institutional underpinnings a FPS and the DSM, the chapter attempts to identify the interaction of the two systems. Finally, section five provides a recap of the main arguments and findings of the chapter on whether a FPS and the DSM are conceptually incompatible.

2.2. A FPS: Core Characteristics and Institutional Features

According to Daniel Elazar federalism is a mode of organizing a state and its governance system based on the principles of self-rule and shared-rule which is a simultaneous diffusion of political power among tiers of government known as constituent units and its concentration (through shared-rule) at the federal/national/union level on behalf of unity (Elazar, 1995: 1-2). Similarly, Riker (1964: 136) defines federalism as a political organization that divides government's activities between regional governments and a central government in such a way that each level of government has some activities on which it makes final decisions.' Friedrich (1968: 2) also notes that the 'federal system, through constitution, provides the distribution of governmental powers, authority, functions, responsibilities, and resources between a federal government, regional governments and their local governments.' Generally, in its broader sense, federalism provides the normative and institutional principles (of self and shared rule) on the division of state power (legislative, executive, adjudicative, and even resource) between and among tiers of governments (Anderson, 2008).

Federation on the other hand is the type of state structure and governance system organized based on the principles of federalism- shared-and self-rule (Watts, 1998). A federation refers to a constitutionally recognized existence of at least two levels of government; one is the government for the entire country (known as federal/national/central/union government) that is usually responsible for subjects of common national interest and the other units (known as provinces, regions or states) that look after much of the day-to-day administering of their state (Anderson, 2008: 24-25). According to Watts (1998), a federation generally connotes the presence of constitutionally entrenched tiers of governments whose respective authority and legitimacy is not at the mercy of one level, for example, the national government but enshrined in a written supreme constitution that divide and allocate power. Hence, the term federation generally refers to an institutional embodiment of the self and shared rule which are constitutionally entrenched (Watts, 1998).

Indeed, the terms *federalism* and *federation* are often used interchangeably but there are some epistemological differences between the two (Watts, 1998). The conceptual difference between *federalism* and *federation* lies in the fact that the former refers to the driving ideas while the latter is the actual institutional organization and functioning of the state (Burgess, 1993). On the other hand, the concept of *federation* is a descriptive one referring to the actual structure and system of state governance with tangible institutional facts. It constitutes the institutional and structural techniques for achieving one of the goals of a FPS (Watts, 1998). The distinction made between *federalism* as ideology and federations as political institutions, however, should not imply that the two are unrelated. Federalism as a normative principle no doubt influences the institutions established in political reality (*ibid*).

In defining federalism and the *federal political order* it creates, Watts (1998: 120) uses the term FPS to describe ‘the genus of political organization that is marked by the combination of shared rule and self-rule. Accordingly, a FPS thus represents the broader definition of federalism as a mode of organizing a state, embracing spectrum non-unitary forms of state structure and governance systems such as federation and confederation, beyond (*ibid*). Within the federal political spectrum, there are four main forms of state arrangement informed by the normative principles of federalism: *federation*; *confederation*; *federacy*, and *associated statehood* (see: Elazar, 1994: 159-160). Hence, broadly understood, a FPS suggests that there is more than one way to apply federal principles and within such generic political systems, federations represent one type of species (Elazar, 1995).

Federations are the most common example of a FPS, which signifies norms of self-rule and shared-rule and the actual state organization based on these principles of federalism (*ibid*). This is what Watts (1998) calls two orders of government based on the so-called principle of dual sovereignty that established multilevel of governments (central, regional, and/or local) directly responsible to their electorate (sub-national autonomy to govern oneself) and at the same time forming shared governance responsible for all (Anderson, 2008). Hence, the term FPS is used in this study to refer to both *federalism* and *federation* where state power is constitutionally divided, shared, and allocated between at least two levels of government. And such an arrangement, for this study, is

often referred to as a multilevel governance system. This is, among the conventional forms of states such as a unitary state, for example, what distinguishes a FPS. FPS institutionalizes (through a constitution) division state power between national and sub-national governments which cannot be unilaterally taken away by neither of the level of governments. A brief presentation on this and other distinguishing features of a federal system is provided below.

2.2.1. The Distinguishing Features and Values of a FPS

In contrast to other forms of government, at the heart of a FPS lies the search for balance between ‘optimal plurality’ and ‘indefeasible homogeneity’ (Burgess, 2006). Hence, a federation is distinguished in the constitutional entrenchment of basics measure of autonomy and shared-rule (Elazar, 1995). These includes whether the territorial entities dispose of representative bodies, legislative powers, financial autonomy, a broad set of competences; and whether they participate in decision-making at the central level, as well as instruments to prevent or solve conflicts of competences and conflicts of interests, or to prevent territorial entities from undermining central international policy (Burgess, 2006: 36). Some of the basic elements that distinguish federalism in terms of its structural characteristics as non-centralized from other forms state, according to Watts (2002: 8), are the followings:

- a. Two tiers of government – federal and regional – each in direct contact with its citizens;
- b. Constitutional sharing of legislative and executive powers, and a sharing of revenue sources between the two orders of government, to ensure that each has certain sectors of true autonomy;
- c. Designated representation of distinct regional opinions- regional interests, rights, welfare within federal decision-making institutions, usually guaranteed by the specific structure of the federal Second Chamber (upper house);
- d. A supreme written constitution that is not unilaterally modifiable but requires the consent of a large proportion of federation members;

- e. An arbitration mechanism (in the form of courts, constitutional courts or a referendum) to resolve intergovernmental disputes or other self-determination issues; and
- f. Procedures and institutions designed to facilitate intergovernmental collaboration in cases of shared or concurrent jurisdictions related to powers, authority and functions

Generally, when we compare a federation, for example with decentralized system within a unitary state¹⁶, in the later tiers of government exercise power delegated from the central/national government that can be retrieved (Watts, 2002). In decentralized system within a unitary state there is no constitutional guarantee for levels of government or the power can be, legally speaking, unilaterally taken away by a central government. Whereas, in a federation, regional states' existence has constitutional status and their power and autonomy basically is drawn from a constitution rather than delegated from the center thus it cannot be legally speaking, unilaterally taken away by a central government (*ibid*).

In terms of its presumed values, there are various advantages that makes a federation preferred from other forms of a state for example a unitary state. Some of such presumed advantages of a federal system includes promoting political pluralism and democratic governance- through multiple points that provides a s system that accounts, checks power at various levels- center, sub-national and local governments. This also brings government and the grassroots, through local governments, for example, closer to each other and may also enhance efficiency by encouraging a responsive and participatory governance system. It also serves as a tool for managing ethno-cultural and other forms of groups conflicts that emanates from competing nationalism. Thus, a constitutional decentralization within a FPS makes it preferable, for example from unitary state, by installing an institutional contacts between center and citizens that advance participatory, accountable and responsive governance through an elected sub-national local councils.

¹⁶ In unitary states, subnational governments dependent on the national government, where significant authority is concentrating and the national government held the most important levers of power. Countries with unitary systems, such as France, Japan, and Sweden, have followed examples of decentralization (Anderson, 2008).

Autonomous units of governments in a federation may also help to address problems associated with asymmetry of information and to provide local solution for local problem (Watts, 2002).

Unlike unitary states, federations look better off in having the platform (constitutionally entrenched autonomous regional/local governments) that bring government and the people closer to each other. Such presumed advantages of federations however need to be accompanied by the institution and culture of federal democracy (Elazar, 1995: 15). This means, FPS combined both non/territorial autonomy of regional states to govern themselves and the general citizens right to democratic governance be it direct or indirect, parliamentary or presidency through multiparty democratic system (Burgess & Pinder, 2007).

The self and shared governance aspect of federal democracy in FPSs often effected through constitutional vertical division of power which is even used synonymous with federalism. The constitutional division of power in a federation not only qualifies the autonomy of regional states but also provides the network of the levels of government through intergovernmental relation (IGR). This essential for realization of the combined self and shared governance in a polity at a time be it at federal, regional/local levels. This is called federal democracy. Federal democracy in a federation indicates, the existence of multilevel governance units rather than single center, where regional states exercise self-governance at regional level and shared governance on common matters at the center and both networked together in various forms of IGR (Anderson, 2008). But both levels of government are answerable to their respective electorate and constituencies- for citizens and units of the federation (Watts, 1998).

In federations, therefore, federal democracy as often argued in theories of federalism, generally, if not always believed, to provide platform to realize responsive, participatory and accountable governance through multiple centers of power and political pluralism as the hallmarks of genuine federal democracies (Howard, 1996; Burgess & Gagnon, 2010). FPS as such may have better advantage than unitary states to provide a platform for multiple centers of checks and balance (federal, regional and local level), laboratory of states for policy innovation and responsive governance due to the existence of multiple centers of power to mention few (Burgess 2006: 36).

This is because federal constitutions bring government closer to the people insofar as decision making is decentralized, the personal vote (or regional vote) is stronger, and politicians are more beholden to local interests (Inman, 2011; Brock, 2011). This means that elective bodies may be more responsive to local needs and concerns, more flexible, and in certain sense more democratic (Elazar, 1995; Watts, 1998).

Indeed, for well-functioning of a federation, democracy is very essential for meaningful exercise of both self and shared rule principles of FPS (Elazar, 1995). The essence of federal democracy basically refers to constitutionally entrenched division of state power that confer regional states' autonomy and political pluralism as manifested for example in the form of multiparty democracy (Elazar, 1995: 15). The absence of a federal democracy in a given federation therefore may affect the feasibility, viability and desirability of a federal polity usually, if not necessarily, as was the case in the experience of defunct federations such as Yugoslavia, the former Soviet Union and the like (Watts, 2002).

In addition, the proponents of federal theories argue that federalism serves as the most important political tool for the regulation and accommodation of identity-based conflicts (Watts, 1998). As Horowitz (1985: 23) stresses that 'skillful division of authority between regions or states and a center has the potential to reduce conflict through institutionalization of diversity, federalism thus strives to tame forces of unity to refrain from attempting to seek uniformity at the expense of diversity'. Federalism also viewed, to prevent the dismemberment of a polity by quelling nationalists' demand for secession (McGarry & O'Leary, 2012). Hence, a FPS is often, if not always, sought to effectively deal with diversities, including among others, ethnicity, language, culture, religion or region, either by conferring the power over some of these pervasive diversities on the state or by giving the constituent units a permanent voice or function through decentralization or devolution (Chandler & Zöllner, 1988).

From the perspective of public economics, some argue that in a FPS the existence of multiple sub-national governments may help to simulate free market by offering exit options to unhappy constituents and hence serve as incentives to politicians and bureaucrats to deliver a much better

(Tiebout, 1956). It is also presumed that in market preserving federation, FPS create a conducive platform for tailoring policies according to particular preferences and circumstances of sub-national and local constituencies (*ibid.*). According to this view, FPS considered to provide the platform may help for better economic welfare in contrast to a situation where such services as public goods to be provided at a national level and tends to delivered in a uniform manner. As public goods and services are likely to vary across jurisdictions as a result of both differences in preferences among constituents and cost differentials, federation are better-off in realizing responsive governance and tailored policies that is local solution for local problems (*ibid.*).

2.2.2. The Division of Power in a Federation

As indicated, one of the essential aspects of a federal system are a constitutional division of power (legislative, executive, judicial and/or fiscal power) between national and sub-national/local governments. In a federal polity, it is through the constitutional division of power that federations confer jurisdictions and competencies for tiers of governments. Such arrangement establishes what Watts (2002) calls ‘dual sovereignty’ where each levels of government exercise sovereign power in their respective jurisdictions as outlined in a supreme written constitution. The essence of vertical division of power in federations thus mainly denote allocation and distribution of power to national, regional states and/or lower units of governments. The resultant power from division power in a federation is constitutionally guaranteed and is not subject to unilateral abrogation by one level of government for example the federal government (Watts, 1998). As the result, governance system in federation is anchored on constitutional vertical division of power which makes a federation different from other forms of non-centralized governance in unitary system (Watts, 2002).

The principles and techniques followed in division of power in a federation determine, among other factors, a ‘constitutional autonomy provided to levels of government and the extent of their participation in the decisions making process on shared governance (Watts, 1998). The division of power is not only about regional states in governing themselves but also their participation of in the affairs of shared governance on joint overarching matters in a federation. The participations of

sub-national governments in decision making process at the center often carried out through the upper houses which often represents regional states and their interests as well as other forms that provide for Intergovernmental Relation (IGR) between tiers of government (Watts, 1998). This process may have formal institution and process constitutionally or by other subsidiary legislations, or informal – through party channels and/or other ways. Be it in upper houses or other IGR mechanisms, in federations, federal and sub-national governments cooperate, coordinate, even sometimes compete and out veto one another and this allows sub-national entities to have some role in law-making processes at the center (Anderson, 2008).

As a mode of organizing a state and its governance system federations have various considerations as rationales, purpose and dimension in the division of power. This can generally be surmised as administrative, political, and fiscal as depicted in the table 2.

Table 2: Consideration and dimensions in division of power in federations

No	Type	Objective	Features
1	Administrative	<ul style="list-style-type: none"> - Program effectiveness - Breaking through bureaucracy - The underlying cause is administrative convenience the main objective 	Division of function is the norm in administrative federation also known as executive federation as the case of the German’s federation where the federal government makes policy while Landers engage in execution of legislations.
2	Fiscal	Efficiency in the allocation of resources <ul style="list-style-type: none"> - Curbing vertical and horizontal expenditure and revenue responsibilities - Responsiveness to local preferences 	Economy of scale is the justification usually given for fiscal federalism. Mostly, the federation allocates expenditure and revenue responsibility taking into account the principle of efficiency. The principle of subsidiarity is the driving ideology while there is also consideration for equitable distribution of resource to curb grave imbalance.
3	Political	<ul style="list-style-type: none"> - Holding failing states together - Promoting ethnic harmony - Enabling democratization and political pluralism -Empowering the grassroots, civil society and the like 	Having most of the features of administrative and fiscal federalism, the driving principle is striking a balance between forces of centripetalism and centrifugalism.

What is depicted in the table above is not exhaustive as there could be other objectives and feature in the consideration and dimension of division of power in a federation. Such consideration and dimension may or may not exist together in such a compartmentalized or distinct form as all three of them could actually exist within a federation albeit with varying levels of prominence depending on the normative realities and/or practice of a given federation. Generally, therefore, division of power is peculiar to each federation according to the prevailing circumstances at a given time within that federation.

For example, in classical federations such as the USA and Canada, whose federal system is known as ‘coming-together federation’ the constitutional division of power takes the form of dualism where tiers of government exercise a range of powers have institutions parallel with more division of power and lesser of function known as ‘dual federation’ (Watts, 1998). On the other end of the spectrum, there are federal systems which could be characterized as ‘holding together’ or ‘putting together’ federations, such as Germany, where legislation power is largely given to the union government while regional states are entitled to administer and execute federal legislations. In these federations, known as integrated or cooperative federation, there is more intertwined relationship between the center and regions through various forms of IGR where in some cases regional states have veto power in upper house, as the case in the German basic law, on areas very detrimental to landers (Anderson, 2008).

Generally, federations such as United States, Brazil and India follow dualism in the allocation of power in the form of both legislation and execution. Federations known as interlocking or executive federation, such as Germany, South Africa and Spain the division takes the form of concurrency where the union government sets framework legislations where regional states can complement but not contravene with their won legislations (*ibid.*). There are some normative general principles and techniques that guide the division power in federations. Such principles are discussed, albeit briefly, in the subsequent sub-section.

2.2.3. Guiding Principles in the Division of Power in Federations

In federations, which and how power is divided and allocated between tiers of government is determined principally by a constitution (Anderson, 2008). But there are no universally agreed rules that determine the division and allocation of certain power to the central government and some other power to regional states as federation varies in this regard. For instance, in Australia criminal law belongs to provinces/states while in Canada and Malaysia it is the power of the federal/union government; marriage and divorce are regional/states power in United States, whereas it's the power of the federal government in Australia (Leroy & Saunders, 2006). In Germany, most legislative powers lie with the union, but the federation is organized in a way that enables the states and regions to exercise union power during the legislative process (*ibid.*).

There are, however, general principles developed by jurisprudences and literature on federalism and constitutions in federation specifically on federal-state relation, intervention and umpiring which one way or the other guide the allocation of power between and among levels of governments. Oftentimes, such general guiding principles consider issues, among other things, ensuring responsive and effective governance in a federation (Fabbrini, 2016). One of such guiding principles are the principle of subsidiarity. Principle of subsidiarity basically advocates powers should be assigned a level of government at which they can effectively be exercised and respond to citizens demands and interests. This principle aspires for the process of governing to take place as close as possible to the people affected by it, in the interest of responsive and effective decision-making (*ibid.*). Responsive and effective decisions, in turn, are presumed to foster democracy and attract public engagement and support.

According to the principle of subsidiarity, powers allocated to the central/federal government are preferred to be those related to the exercise of the country's external sovereignty, spills over a state and region borders and cannot effectively be handled by that states and regions acting individually

and requires uniform regulation across the country¹⁷ (Dziedzic & Saunders, 2017). This is about principles of territoriality that require if a certain act (its impacts) not confined to a certain territory administered by a unit of government but have an overarching effect outside from one or more constituent units of a federation, such powers should be given to regional or local governments. On the other hand, powers allocated to regional and local governments when they can be handled within the borders of a state or region (for example, school education, local roads, abattoirs); deals with matters of local concern (e.g., culture, local infrastructure); and involves matters on which diversity, innovation, or constructive competition between states and regions would be useful (e.g., waste reduction, tourism) (*ibid.*). There are various techniques used in the division and allocation power which are discussed below.

2.2.4. Techniques in the Division and Allocation of Power in a Federation

The techniques in the allocation powers may generally be identified as exclusive, concurrent or residual (Dziedzic & Saunders, 2017). Exclusive powers can only be exercised by the level of government to which they are allocated, as Canadian experience shows (Brouillet & Ryder 2017: 420), while concurrent powers can be exercised by either level of government (Dziedzic & Saunders, 2017). Exclusive power looks inflexible but it guarantees a sort of minimum core of powers to each level of government while concurrent power appears flexible as it leaves to the regional states, sometimes to the federal government, when one level refrain from exercising the powers itself or not exercise exhaustively (*ibid.*).

In addition to the above, federations may employ the technique of having one or more lists of power. For example, Canada and India have more than one constitutional list of power while some

¹⁷ Such power which often time given to the national/federal/union government includes, for example, international relations, defense, foreign investment, international trade; trade between states and regions, interstate river systems, aviation; currency, or corporation law.

constitutions, including those of Germany and the USA, enumerate the powers of only one level of government; usually, the union. In this regard, for example, the US Constitution briefly (less in its) lists the federal government's enumerated powers, while the Seventh Schedule of the Constitution of India lists the powers of both levels of government in considerable detail while the case of Germany's basic law level of detail in enumerating the federal government's falls somewhere in between USA and India (*ibid.*). Where the powers of both levels of government are enumerated and both exclusive and concurrent powers are used, it is common to have three lists of powers; India is an example.

The other important point that needs clarity is how should a conflict between the exercise of powers be resolved, especially in case of a power is concurrent, in the sense that it (or parts of it) can be exercised by either level of government. This is creating the possibility for potential 'inconsistency' or 'repugnancy' when power is exercised by one level of government in a way that leads to between laws. Such issues of avoided or resolved usually, in having a supremacy clause where federal law prevails over regional states. This is the case, for example, under section 109 of the Australian Constitution and article 72(3) of the German constitution (Brouillet & Ryder, 2017).

In other cases, all powers not specifically given to one level of government or in concurrent are allocated to the other level, as residual powers (*ibid.*). This is the case as however detailed the division of power may be, there are always powers for which no provision is made, so that it is necessary to decide the level of government to which residual power is allocated. Practice varies considerably (Dziedzic & Saunders, 2017). Federations various in allocating residual powers as in some federations residual power is given to the states and regions, as in Australia, Malaysia, and the USA. In other federations, residual power is given to the union, as in Canada and India. The allocation of residual power is likely to be less significant in practice where each level of government has enumerated powers, whether they are exclusive or concurrent (*ibid.*).

At this juncture, before proceeding to discuss the underpinnings of the DSM, it is important to give an overview on the basic tent of development governance within a federal system.

2.2.5. Multilevel Development Governance in a Federal System

Development governance basically is about state's intention and action in governing development as manifested through the instrument of public policies. Public policies¹⁸ may come in many different forms and modes, such as proclamations, regulations, directives, executive orders, plans, strategies, programs, projects and the like (Heywood, 2017). In a FPS, governing development thus one-way or the other refers the division and allocation of power in the formulation of development policies and their public administration by levels of governments.¹⁹

As indicated earlier, a FPS establishes a covenant that includes not only a mere politico-legal arrangement but also a morally binding commitment in which the partners behave toward each other in accord with the spirit of a constitution that provides the rules of the contract that formed the covenant (Watts, 1998). The idea of policymaking and implementation is a part of the covenant where constituting units of a federation determine their respective jurisdictions as outlined in the principles and institutions of division and allocation of power between and among tiers of government in a given federal polity (Keman, 2000). Policymaking power and process in federation is thus an essential part of the self and shared rule aspects of development governance as outlined in a constitution that renders vertical division of state power between tiers of government in delivering public goods and services (Gagnon, 1993).

¹⁸ Indeed, there may be no universally agreed meaning for the terms 'policy' and 'public policy' (Goodin, *et. al.*, 2006). The term policy may refer range of issues and activities including a broad statement of intent or a set of specific proposals authorized by a government and a parliament, such as legislations (*ib id.*). The widely used meaning of public policy is as a course of action to realize the intention of public officials or a response to a specific problem and may come in a variety of forms and modes, such as legislations, plans, programs and projects (Hallsworth, 2011). Accordingly, policy basically refers to directions for courses of action which may come in various forms and names such the name policy directly, strategy, plan, project, legislations, decisions and the likes (Colebatch, 2006).

¹⁹ Generally, in this dissertation, public policy in general and development policy in particular refers to the state's (federal, regional or local governments in case of a federal system) actions in governing development, which may come in many different forms and modes, such as proclamations, regulations, directives, executive orders, plans, strategies, programs, projects and the like. Hence, in this work development governance is used as synonymous with policy power (policy formulation and execution) by a state and used interchangeably with policy power.

The link of public policy and development governance in this study therefore mainly refers to the multilevel development policymaking and administration power as set forth by a supreme constitution that defines the respective powers and functions of levels of government within a federation (Watts, 1998; Anderson, 2008). Hence, policy power in federation the part and parcel of division of state power to make, execute and adjudicates laws as primary responsibility of a state in exercising its sovereign prerogatives- monopoly on coercive power in governing a country (Chandler & Zöllner, 1988). Public policy in governing development in federation therefore basically refers to the division and allocation of power. Thus, in this study to development policy power is treated as the same as division of state power in federation where levels of governments are constitutionally empowered to make and execute development policies in their respective jurisdiction as part of self and shared governance of development (Chandler & Zöllner, 1988). The type and forms of division of development policy power may take exclusive, concurrent and/or residual forms within dualistic or integrated federal systems as discussed above (see: Section 2.2.4).

2.3. The DSM and Its Institutional Features

One of the essences of the DSM generally is the nature and role of a state in general in governing development i.e., the role of the state not only in providing public goods and services but most importantly its responsibility in setting the path and making others (public and private actors) involved in the socio-economic and political transformation of a given society towards industrialization (Johnson, 1999; Fritz & Menocal, 2007). Accordingly, the DSM generally has ideological and institutional components as its defining features, both in theory and in practice, where through governing development that the model provides an alternative ideological as well as institutional approach to the conventional models, such as liberalism and socialism, for example, to bring about structural transformation. As Fritz & Menocal (2007: 533) note, ‘a developmental state to exist when the state possesses the vision, leadership and capacity to bring about a positive transformation of society within a condensed period of time. To be judged developmental, a state does not need to be in control of everything and successful in all spheres.’

In this section thus, focusing on the notion of development governance, the core or defining underpinnings of the DSM will be discussed. Before that, however, a brief discussion on the notion of development in general and development governance in particular, as explained by conventional schools of development, primarily, liberalism and socialism, and under the DSM will be discussed. In doing so, the conception and application of development and its governance, specifically, the nature and role of the state under the DSM, a comparison of the model with mainstream schools of political-economic thinking such as liberalism, socialism and social democracy is made.

2.3.1. The Notion of Development

The notion of development is one of the most contentious issues in the area of development studies (Ingham, 1993). There is no single universally agreed upon definition and it is an issue that has long been at the centre of debates and discussions among scholars within the field of development studies (Cumings & Jacobsen, 2006). Over the years, various theories have been developed that approached the notion of development from different perspectives. This has been glaringly visible in the 1940s, following the end of World War II (WW II) and the creation of United Nations (Huntington, 1987). During this period, the obsession among many countries and scholars with a binary conception and/or depiction of the global political-economic order as socialism versus capitalism has considerably influenced how the notion of development was understood and practiced (Hundt, 2005). Consequently, development began to be defined from two seemingly diametrically opposed ideologies which set forth two very different ideals of and paths towards realizing development: capitalism and socialism (Chang, 2002).

The two dominant ideologies – capitalism and socialism – while each sets forth a different path and roles of actors for realizing development, both are production-centred systems that see economic growth and its social dividends as an important concern (Ingham, 1993). Both viewed development as a maximisation of growth. Contrary to the conception of development principally as economic growth, in the 1970s, an alternative conception of development essentially as the overall well-being of mankind began to surface in field of development studies (Ingham, 1993). Consequently, two distinct approaches that sought to define the goal of development from two

different perspectives emerged. These are a 'goods-centered' meaning of development on the one hand and a 'people-centered' meaning of development on the other (*ibid.*).

In the goods-centred approach of development, a focus on ensuring accelerated industrialization than the primary sector of the economy agriculture is widely taken as the primary strategy to realizing development (Todaro, 1996). According to this approach, as Todaro (1996: 49) observes, development is defined as 'a planned alteration of the structure of production and employment so that agriculture's share declines and that of the manufacturing and service industries increases.' The use of rates of growth in terms of income per capita or per capita, that is the ability of a nation to expand its output at a rate faster than the growth rate of its population are the yardsticks often used to measure the level of development (Ingham, 1993). This is called 'goods-centered' view of development rather than a 'people-centered' development ethic that equates development with economic growth that focuses increase in the real output of goods and services in a country, such as/including an increase in income, savings, investment (Todaro, 1996).

Conversely, the people-centered approach seems primarily concerned with the reduction or elimination of poverty, inequality, and unemployment (Cumings & Jacobsen, 2006). This approach portrayed as some reports of the WB depicted to be more focused on the importance of poverty reduction, and reduction of unemployment and income inequality at the center of its developmental agenda (WB, 1997). According to the WB's observation, the main challenge of development is to improve peoples' quality of life. Especially in the world's poorest countries, a better quality of life generally calls for higher incomes but it also requires much more (*ibid.*). Thus, development encompasses, among other things, access to better education, access to higher standards of health and nutrition, reduction of poverty, a cleaner environment, more equality of opportunity, greater individual freedom, and a richer cultural life, as ends in themselves (Ingham, 1993).

The definition of development seems to determine the involvement of a state in governing development as well as the character of its governance in relation individual liberties, freedom of association, multiparty electoral democracy, and freedom of the press to mention few. The broader

the definition of development as both material and human prosperity the greater is the concern for democracy. In this regard, it's is often mentioned by scholars the East Asian prototype developmental states construed development from the perspective of bringing structural transformation through growth in GDP, which focuses on economic growth and goods-centered approach of development (Chang, 2002b). This is why as some argued that within DSM democracy (citizens freedom and liberty, civil societies, freedom of the press, election and multiparty system) often considered, compared to economic growth, as secondary issues, if not a luxury (Leftwich, 2008; Pereira, 2008). This is why authoritarianism is often attributed to the DSM.

Overall, as its main objective is to realize successful transformation from agrarian economy towards industrialization as show, the dominant approach within the DSM fall within the good-centred definition of development. Thus, in the DSM, the primary focus and/or role of the state is economic growth (Leftwich, 1994, Fritz & Menocal, 2007). These and other related issues will be discussed very shortly (in Sections 2.3.3 and 2.3.4).

2.3.2. Development and the Role of the State

Generally, the definitions of development as depicted above has its own implication in defining the role of a state in governing development as the major theories such as liberalism, socialism and welfares one attributes different role for a state to attain the goal of development be it from economic growth or development lead by a state, market or both (Leftwich, 2001). In this regard, as far as the role of a state on development is concerned, the proponents of liberal theories adhere to a policy prescription that argues that the state should limit itself to regulating the 'rules of the game' that allow market forces to operate smoothly (Cumings & Jacobsen, 2006). In justifying why the state should have a minimal role, theorists of a liberal economics approach claim that, if the state intervenes and 'distorts' the operation of market forces, then society achieves sub-optimal outcomes in terms of income and production (Leftwich, 1994). The proponents the liberal economic model thus strongly believe on the ability of the market to effectively and efficiently

regulate the itself through its invisible hands, advocate for a model of development that is based on a minimal state intervention (Chang, 2002).

On the contrary, the critics of liberal theories argue that state intervention in setting development agenda and dictating it towards the desired goal, which is industrialization, is an inescapable, even a desirable, stage (Chang, 2002). In this regard, for an efficient economic management that is aimed at bringing about structural transformation, not a minimal state as the proponents of liberal economic theories have suggested but a strong interventionist state is needed which some critics view as necessary, arguing that all states which are now called developed ones had been developmental interventionist at some point in their development trajectory (*ibid.*). Thus, state intervention seems common by any state especially in the initial phases of development in all industrialized countries, especially in the United States in its early years of industrialization (Menocal, *et al.*, 2008). Furthermore, the proponents of active interventionist state criticize the neoclassical economic theories invoking their assumption on rational choice as an essential component of their theories, which they contend involves an artificial divide that the approach creates a false dichotomy between ‘polity’ and ‘economy’ (Chang, 2002).

2.3.3. The Developmental State Model: An Overview

In his study on Japan’s²⁰ Ministry of International Trade and Industry (MITI) in the Japanese economy, Johnson (1982) observed the DSM as distinctive and alternative development path based on his study the distinctive trajectory of Japan’s development and its emulation by other neighbouring states such as South Korea for example (Chang, 2002a: 548). This, as opposed to the conventional model of development (liberalism, socialism or welfare state), Johnson (1999: 24) argued that the secret behind the success of the Japanese was the existence of what he called a ‘plan rational state’ or a developmental state – a DSM exists where there is a ‘plan rational state’ whose orientation is developmental, and which prioritizes industrial policy (Johnson, 1982). The

²⁰ The first person to coin and use the term ‘developmental state’ is Johnson in his 1982 study of MITI.

neoliberal bloc often criticized by some for its excessive reliance on the market which does not exist or with pervasive inefficiencies in primitive capitalist poor countries (Kim, 1999: 231). In contrast to the neoclassical narration that downplays the role of a big state on the grounds of its efficiency in resource allocation, the DSM, as its proponents argue, in the East Asian states demonstrated unique capacity attributed to their developmental successes (Amsden, 1992). That is, the state ‘governs’ the market rather than letting market forces operate and set the prices of wages and money.

Generally, in the DSM state intervention to address market inefficiencies if not its non-existence believed to create economies of scale in transitional economies dominated by primary sectors of economy (Kim, 1999: 9-10). This, according to Chang (2002b), is the main attribution of the DSM as a much more alternative in order to create capabilities to pave the way for rapid industrialization that is aimed at bringing about structural transformation in transitional societies (*ibid.*). Johnson argued referring the post war developmental state in Japan as an example where the markets did not exist in isolation but the result of a deliberate creation of the state and politics as was the case of Japan” (1996: 24). Thus, the DSM is more of political than economics in governing development as market does not exist in isolation so that in the DSM an activist state with its politics of hegemonic developmentalism, it attempts to forge development nationalism projects that fills the gap of market inefficiencies (Johnson, 1999).

For Johnson (1999) thus the most crucial element of the DS is not its economic policy but its ability to mobilize the nation around economic development within the capitalist system. According to Johnson (1999: 4), therefore, the DSM exists where there is a ‘plan rational state’ whose orientation is developmental and which prioritizes industrial policy. Hence, the DSM not only actually exists both as a developmental theory and model but is in the ‘process of altering the world’s balance of power’ (Johnson, 1999: 36). He mentions the post-war Japanese DSM as an evidence for his claim that the DSM exists as one strand of development approach and can even be emulated by other countries in the same way that the conventional paths of development have been adopted (*ibid.*). In this regard, the successful replication of the Japanese DSM in South Korea,

Taiwan, Singapore and Hong Kong is often used as a justification of the DSM being considered as a model (Johnson, 1999).

In nutshell, as gleaned above, the possible plausible explanation on the issue about in which category that the DSM's definition development and approaches about the role of state in realizing development (economic growth), it seems the model antithetical narration of neoclassical theories that strictly adhere to a minimal state role as an ideal path for realizing development (Chang, 2002a). This does not mean that the DSM is in the socialist camp as its goal is not state monopoly by eliminating the free market economy. The DSM gives due emphasis to market economy by encouraging the private market through state-private partnership based on the principles of embedded autonomy (which is one feature of the DSM as discussed in Section 2.3.4 below). The DSM may also have some feature of a welfare-state²¹ as a state plays leading role in redistribution of resources to ensure fair and equitable development among citizens (*ibid.*). But what makes the DSM distinct from a welfare state is on the fact that in the latter case government may not actively engage in the production of goods and service but usually confined to regulating the market for some redistribution and other social purposes, while in the case of the former a state actively engage in the production and provision of some goods and services.

Generally, it is widely argued by scholars that the DSM often follow a pragmatic approach to realize development. It combines and uses some aspects from all conventional development paradigms where its foundation is capitalism in such a way a state plays an active role in regulating the market, building essential public infrastructure, redistributing resources as well as producing and providing some goods and services that the private sector is either unwilling or unable to provide (Chang, 2002a). Though each developmental states are different in terms of the degree of prevalence on the free-market aspects, welfare aspect or state intervention aspects of governing

²¹ Welfare states are known for their active redistribution role which is often carried out within free market economic framework but, unlike neoliberalism, with active involvement of a state in regulating the market is often carried out through high taxes on those with lucrative business and high income, various state induced public benefits schemes (un/under employment benefits, free public health service, insurance etc.,) for citizens.

development; but all developmental states commonly displays these three features. Thus, the DSM is a mid-way between socialism and market led-liberalism. This allows state lead capitalism within liberal economic principles. As indicated in Chapter One, this is one of the main reasons that, in transitional third-world economies with huge market inefficiencies such as Ethiopia, the DSM is often considered as an alternative path for development to realize structural transformation towards a middle income economy.

2.3.4. Core Ideological and Institutional Features of the DSM

As distinct alternative path for doing development in contrast to conventional models of development, DSM often associated with state-led capitalism such as the post-WW II Japan which later emulated by South Korea, Singapore, Taiwan and Honk Kong in the 1970s and early 1990s (Evans, 1995). These countries were largely hailed for realizing a successful transformation from agrarian economy towards industrialization of their respective economies and often referred as Asian Tigers (Leftwich, 1994). For this reason, one way or the other, the defining features of the DSM have often been associated with the successful experiences of the so called Asian Tigers. The dominant features that governments in these countries displayed in governing development under the DSM is often characterized as consisting in a highly centralized state structure and activist state where government assumed adequate power and autonomy from exogenous captures and also able and committed developmental leadership (Fritz & Menocal, 2007). The DS in these countries assumed the leading responsibility to shape, pursue and materialize the achievement of explicit developmental objectives.

The defining features of the DSM generally provides the ideological and institutional dispensation that favors a capitalist and activist state with leading role in economic and political transformation of a society towards industrialization until the private sector is strong enough to take leading role in the economy (Castells, 1998). Accordingly, under the DSM, the state is considered as having an irreplaceable role, particularly in creating and dictating the paths of socio-economic development towards achieving structural transformation emphasizing on creating a manufacturing-led economic development (Leftwich, 1995)

The emphasis given to the state, rather than the market, in the affairs of economic development, places the DSM in a diametric opposition to the liberal political-economic models such as market-led capitalism (Johnson, 1999). Like socialist economic development paradigms, the DSM puts primary responsibility on the state to lead the economy, it still differs from the socialist paradigms on the idea that the model stays as governing path to pave the way for the private sector to eventually assume a leading role in the economy (Evans, 1998). This in turn requires an activist ‘developmental’ state must possess at least two essential attributes: (i) that the state must have the capacity to control a vast majority of its territory; (ii) and that it possesses a set of core capacities that will enable it to design and deliver policies (Ghaniand *et al.*, 2005). Accordingly, it is not enough for the DSM to only have development-oriented goals and policies but it also needs to be capable of effecting national mobilization towards the goals. National mobilization that gives developmental projects a “hegemonic” that gains consensus and attracts broad sections of the populace (Woo-Cumings, 1999: 8). Hence, the defining features of the DSM is mainly includes, politically and economically strong interventionist central government, with embedded autonomy that shields from being captured by the private sector and securing productive relation with later and also grand national mobilization and authoritarianism (Leftwich, 2008; Pereira, 2008).

Generally, the core features of the DSM involve two key elements: ideological as well as institutional approach towards development that entrusts to the state a critical role not only in regulating the socio-economic and political affairs but in creating and dictating the paths towards an accelerated economic development of a country (Mkandawire, 2001). In order for a state to assume and effectively discharge this role, the state’s capacity in governing development, i.e. in designing policies, mobilizing resources and delivering development, is one of the most important factors (Leftwich, 2008).

The strength and intervention of the state have economic and political dimensions. Its political manifestation involves a coherent, strong state that could effectively and/or efficiently regulate the market, which constitutes a necessary precondition for successful economic transformation of the state through structural socio-economic transition from primary agrarian economy to industrialization (Fritz & Menocal, 2007: 539). On the other hand, the economic strength of the

state can be seen in terms of the state's plan, organization and action in having the necessary capital to finance or invest in the economy. According to Samuels (1987: 4), such intervention can be effective "if the state is highly centralized either vertically *vis-à-vis* local and regional governments, or horizontally, with a consolidated national bureaucracy." Hence, a strong, centralized interventionism becomes one of the essential yardsticks for a state to a developmental one.

Under the DSM, embedded autonomy refers to the nature of relation that should exist between a strong interventionist state and other social agents, such as influential private businesses, land lords and the like (Evans, 1995). According to Evans (1995: 12), under the DSM, the state is believed to be autonomous in so far as it has a rationalized bureaucracy characterized by meritocracy and long-term career prospects, traits that make civil servants more professional and detached from powerful rent-seeking groups. It is this 'autonomy', according to Evans, that confers a state the ability to define and pursue its strategic developmental goals, and its 'embeddedness', which is created by forming alliances with key social groups, that enables it to achieve its developmental goals (*ibid*).

As the proponents of the DSM argue, the DSM needs to define common national development agenda and to mobilize all segments of the society in implementing that agenda (Bonda, 2011: 20). One of the essential elements for the realization of grand national projects by creating hegemonic ideas on fundamental national developmental agendas and leading to the mobilization of the national resources towards this goal is a committed, visionary and disciplined leadership (Leftwich, 1994). However, merely having a committed leadership, specifically at the elite or top level, is not sufficient on its own. It is usually necessary for the elite to articulate a vision that connects the state and the society in a mutually binding way, through some form of shared 'national project' (Ghai, 2000).

The other important feature of the DSM is the presence of pilot agencies responsible for policy planning, coordinating and overseeing their implementation (Chang & Evans, 2005). For instance, between the 1960s and the 1980s, South Korea had a powerful pilot agency known as the

Economic Planning Board with the responsibility not only to undertake policy and strategy planning but also controlling the allocation of budget. The primary role of the Economic Planning Board was coordinating the activities of other key players in the economy, including, among others, the then Ministry of Commerce and Industry, which was in charge of formulating and/or implementing specific sectoral policies as well as all banks and state-owned enterprises (Chang & Evans, 2005). In Taiwan, the state actively intervened in the economy through state owned enterprises and in state-financed research and development programs. Taiwan's pilot agency, the Industrial Development Bureau, was also coordinating that played a crucial role in the successful transformation of the Taiwanese state towards industrialization (*ibid.*). The intervention of the Singaporean state under the DSM, through its massive state owned enterprises had a huge contribution for the overall economic development of the country. The MITI played a leading role in the postwar Japanese economic transformation (Johnson, 1982; Evans, 1995).

The other important defining feature of the DSM are the party system²² it advances. Party systems²³ in the DSM plays crucial role in defining the appropriate ideological orientation, institutions and policies underpinned by adequate bureaucratic and organizational capacity and political will of the activist state's developmentalism dispensation (Grindle, 1980; Chang & Evans, 2005). The success

²² The relationship between development governance and party system is well established in long running democracies and it served as is an indispensable element in the consolidation of democratic governance where political parties or party system²² serve as intermediary vehicles of coordination to overcome where there is a failure to take collective action (Hofmeister & Grabow, 2011). Many scholars use individual parties and party systems as two interchangeable and synonymous concepts, the implication being that [since individual political parties constitute integral parts of the whole party system], the institutionalization of the party system directly depends on that of individual parties (Kreuzer & Pettai, 2003).

²³ Based on the number of parties, the level of democratic competitions etc., party systems can generally be categorized as one-party system, two-party system, multiparty system etc. (Bogaards, 2013). One-party system is an autocratic or dictatorial power where only a single party is constitutionally entitled to rule a state and all forms of political opposition are banned by law. Cuba, North Korea and China are typical examples of such one-party system. On the other hand, in countries having a two-party system, the political arena is dominated by just two parties. Other parties might also exist but they have little or no political significance. A multiparty system represents broader political constituencies and integrates the society into the democratic process and form the basis for a stable political coalitions and governments, particularly in situations of a great uncertainty about the electoral outcomes and such uncertainty matters politically (*ib id.*).

of the DSM usually linked, among other things, with party system (*ibid.*). In this regard, party system is a driver of the ideology of developmentalism and its translation into institutions and practices with the right ideology and commitment as the DSM (*ibid.*)²⁴.

In DSs, the dominant features of party politics usually associated with either dominant or hegemonic-party system²⁵ (Woo-Cumings, 1999: 9). This is as some argued that as pro centralized governance system, DSM often tends to embrace a party politics that expedite development policymaking and enforcement with little or no procedural encumbrance as often the case in multiparty democracies (Booth, 2012). In the DSM, thus, a dominant, if not hegemonic, party system is viewed as apposite for an expedient collective action that smooth centralized rent creation and distribution aligned with the development objectives of a state and for longevity of the incumbent developmentalist party to ensure implementation of a long-term vision (Leftwich, 1998). The importance of a hegemonic party system under the DSM has been depicted by Leftwich as follows:

In the DSM, without a dominant-party political rule, developmental elites would be divided or paralyzed and relative state autonomy would have been impossible, and the bargaining demands of special interests would have come to predominate and the bureaucratic continuity and capacity may be compromised in a way that would be unlikely to serve national developmental goal/national development goals (1998: 127).

²⁴ Within the realm of development governance, the role and place of party politics is paramount. It serves as a vehicle or platform in the conception, articulation and formulation of policies and introducing those policies to the voters (Bogaards, 2013). And it is also a tool for collective mobilization that contributes to the articulation and aggregation of interests in the form of party programs, policies, and positions on key issues, including a range of issues of pertaining to (socio-economic) development in society, and implies that politicians will pursue such policies if elected into office (Kitschelt, 2000).

²⁵ A dominant-party system, otherwise known as a hegemonic-party system, on the other hand, refers a party system where the incumbent is capable within the political structure of a state to become dominant to such an extent that victory at elections is considered a formality. Hegemonic-party system is known for a limited degree of competitive electoral challenge faced by the incumbent party.

According to Leftwich, the focus of the DSM is on achieving unity of leadership that would be easy when there is one hegemonic party with undisputed power which is vital for continuous and uninterrupted implementation of developmental policies not to mention the advantage to expedite policymaking and execution. In competitive liberal democracy political system, this may not be easy unlike the case in most of Asian states that followed the DSM. At the early stage of their development, in most of the Asian successful developmental states liberal democracy viewed as Woo-Cumings (1999) stated that as luxury that poor countries could hardly afford. Thus, the East Asian DSs, a hegemonic developmentalist ideology gave no heed for the requirements of the principles of a procedural democracy – representation, consultation, and participation – as they were considered an impediment for expedient policy formulation and execution (*ibid.*).

In the case of South Korea, for example, its centrist structure and central dirigisme of policymaking argued by some for enhancing state capacity and autonomy, dictating and regulating affairs of development across the country (Woo-Cumings, 1999). Though there were provisional and local governments in South Korea, they were just an extended hand of the central government. In spite of the fact that some district governments were demanding some form of administrative policy autonomy, the center deliberately pursued a centrist governance system in Korea. This is due to the dominant thought in DSM thinking that centralism is a core element of a successful DSM. Particularly, the institutional agent of the Korean DS, the Economic Planning Board as flagship of the Korean DS, it was mandated to ensure the formulation of specific sectoral policies and their proper implementation (*ibid.*).

In India, during the period when the National Congress dominated the country's political landscape and pursued the DSM, where the socio-economic policy planning power was allocated under the 'concurrent powers' category, led to an unwarranted override by the central government (Reddy, 2005). Because of the dominant party system whereby the Union and most of the states were controlled by the Congress Party, it was easy for the Indian federal government to take centralization measures (*ibid.*). For instance, in the Indian federation (of 1950s to 70s), centralized planning as well as the reclassification of policymaking power on education under the 'concurrent powers' category, which originally had been exclusively reserved for states, were achieved without

any challenge regions (Booth, 2012). Similarly, in the era of the Brazilian DSM (1964-1988) has been accompanied by extensive recentralization measures of the military dictatorship government (*ibid.*).

National mobilization requires ideological underpinnings in order to give the developmental project a hegemonic aspect in the sense that the project gains consensus and attracts broad sections of the populace (Woo-Cumings, 1999: 8). Nationalism and a national vision lie at the heart of the DSM. This presumed to allow the implementation of policies with both legitimacy and a lack of opposition. This means people from the apex of power echelons to the farmers in the village align or need to align and sing the development agenda and path devised by the leadership at the center. In the case of east Asian societies such as Korea, the DS has proven to be the preferred because it aligns neatly with the self-propagated presumption that a strong, centralized state leadership is not only necessary but also inherently valuable. Such a hegemonic way of doing development gives little or no space for alternative policy innovation, which is one of the instances where the DSM comes to be at odds with the core values of federalism (*ibid.*).

For instance, before its transition to democracy, the South Korean state was known for its top-down, state-centric mode of governance (Hundt, 2009). So too, Taiwan and Singapore were authoritarian in their approaches to enforcing developmental policies to realize fast growth within a short period of time (Mackie, 1998: 366-7). In these countries, fearing that adherence to democracy would lead to unruliness and disorderly conduct which would be disadvantageous to development, they considered democracy in the short-term as a luxury they could hardly afford, and thus they focused more on developing discipline than democracy. For example, as Chang (1999: 103) has noted, '[t]he Taiwanese regime strengthened the army, police and bureaucracy to enforce political order, land redistribution and effective taxation, which in turn generated widespread resentment from the urban middle class and the rural peasantry, but coercive state forces repressed any opposition.'

Overall, the dominant party system under the DSM, as seen above, is hegemonic party system and the main justification is to entrench hegemonic developmentalist ideology as essential driver to

realize the developmental objectives of the model. Hence, centralized development governance driven by a hegemonic party system as dominant features of the DSM attributed to ‘development authoritarianism’, which is one of the issues which raise issue of incompatibility with a FPS, at least in theory.

In nutshell, what distinguishes DSM, as one path of development, such as market led capitalism, socialism or welfare approach is the fact it takes something from each and but different in some other things (Fritz & Menocal, 2007). The DSM is not similar with a welfare state as the former advocates not only a regulatory government but also an activist and leading state in doing development. While liberal economic theories advocate for a minimal state intervention in the economy, the DSM is for a big interventionist state. The DSM is also distinct from socialism as the former is only a transitory development path whose objective is not permanency in state activism in governing development, as may be the case in socialist economic theories, but only to create market efficiency that empower the private sector to lead the economy (Ghani *et al.*, 2005).

2.4. A FPS and the DSM: the Compatibility Dilemma

As seen above, more often than not, the DSM tends towards a centralized and authoritarian governance system. This claim seems to be true given the fact that nearly all of the NICs have had a centralized unitary state with largely authoritarian governance system under a tight control from the central government (Prado *et al.*, 2016). Under the DSM, the inherent ideology and practice is a development-oriented authoritarianism where the state’s ability to deliver economic growth is often associated to the centralization of power and expedient governance and stability (Ohno, 2008). Indeed, DSM also experimented successfully (though its level of success may not be as dramatic as in the case of the unitary authoritarian the East Asian NICs) within federal and democratic states such as Brazil, South Africa and India (Prado *et al.*, 2016; Ohno, 2008; Chu, 2016). Thus, a brief analysis is made below that examine a bit further on the issue whether a DSM is necessarily authoritarianism *per se*.

2.4.1. The DSM and Authoritarianism

Leftwich (2008) maintains that democratic consolidation has three fundamental features, namely, legitimacy, the institutionalization of rules and procedures, and the exercise of policy restraint by the winning parties. As Leftwich (2008: 127) argued, the DSM tends towards an authoritarian governance system as necessary evil to address the underdevelopment problem by curtailing the consolidation of democracy. In this regard, the dominant conception of the DSM is, as argued by considerable scholars (Huntington, 1987; Robinson & White, 1998; Prado *et al.*, 2016; Ohno, 2008; Chu, 2016) pays little heed to the democratic governance but for development authoritarianism. Indeed, one of the contending issues that often arise in the case of DSM is the interaction of the model with democracy (Woo-Cumings, 1999; Chibber, 2014). This is, noted by Fritz & Menocal (2007: 536) as ‘historically, many developmental states have been based on various forms of non-democratic political regimes: monarchies in nineteenth-century Europe, capitalist dictatorships in South Korea and Taiwan, and communist authoritarian regimes in contemporary China and Vietnam. Furthermore, in describing the importance of expedient governance system under the DSM over democracy which is viewed as a hindrance for it provides procedural cumbersome in decision making and enforcement, it is pointed out by Fritz & Menocal (2007: 36) as follows:

In case of authoritarian developmental states, power tends to be centralized in the hands of a few key actors and/or institutions, enabling political leaders to make and implement decisions (especially ‘difficult’ ones that may be opposed by certain segments of the population) more quickly. One of the characteristics of a democratic system, in contrast, is the diffusion of power among various sets of actors and institutions both inside and outside the government, which inevitably slows down the decision-making process, and makes it more difficult to take decisions that hurt important constituencies.

In fact, some scholars even considered authoritarianism as an essential element for the success of DSM and as one of the factors that enhanced its developmental capacity of the Asian developmental states in the 1970s and 80s (Huntington, 1987). For instance, Huntington (1987: 14-15) in his analysis of the incompatibility of democracy and development in transitional poor

societies pointing that democratic governments would simply be too “soft” and hence unable to mobilize resources, curtail consumption, and promote investment so as to achieve a high growth rate. Therefore, he stresses that, during the process of political development in the developing countries, the political leaders must focus on strengthening political authority, maintaining social order and promoting political institutionalization to create a favorable political environment for economic development (Woo-Cumings, 1999).

Similarly, Leftwich (2008) argues that the discourse that dominates the course of development governance under the DSM is overcoming the ‘structural contradiction’ between democracy and development represents the most significant challenge in realizing democratic developmentalism. This is due to length process and sometimes stalemate that may arise in democracies where consultation, deliberation and consents as ingredient of the process of democratic decision-making. Whereas, in DSM expedite radical decision making is more desirable than the lengthy and costly democratic process (Leftwich, 2007: 127). In a similar vein, Bolesta (2007: 111) asserts that the DSM would be difficult to sustain in a fully democratic system in which people enjoy extensive political rights. According to this view, if the management of the state is developmental in nature, then a form of authoritarianism can probably replace a democratic system, where the power legitimacy drawn from developmental achievements and not directly from public elements (Fujiwara, 1992). In this regard, an effective DSM inevitably requires developmental dictatorship where according to Fujiwara (1992: 329) “economic development requires the centralization of power and stability, while democratization needs the separation of powers and institutionalization of political changes.” Such ‘economic development first’ argument embedded in the DSM that emphasize that in developing countries, if democratization is sought before economic development, it would be disadvantageous and not conducive for conditions of development to arise (*ibid*).

Overall, theories associate the DSM with a centrist, interventionist, authoritarian state where in the name of development first ideology developmental states compromised democratic values imposing its hegemonic developmental ideology over society. This is as argued by Robinson & Whites (2000) tantamount to suppressing political pluralism that is curtailing multiparty

democracy, freedom of the press and rights of civil society to mention few if it casts an impediments to the developmental vision and action of the state (see: Robinson & White, 1998).

Indeed, successful East Asian developmental states were authoritarian in their approaches to enforcing developmental policies to realize fast growth within a short period of time (Mkandawire, 2001). In these countries, fearing that adherence to democracy would lead to unruliness and disorderly conduct that would be disadvantageous to development, they considered democracy in the short-term as a luxury they could hardly afford, and thus they focused more on developing discipline than democracy (Mackie, 1998). Their impressive success as some claims that should not be implicate that states need to be authoritarian in order to be developmental (Mkandawire, 2001). For the proponents of this view, they point out several authoritarian but anti-developmental or non-developmental states in Africa and Latin America. In this regard, Brazil, Botswana, Mauritius and South Africa are very good examples (Mackie, 1998).

However, the fact that it is possible to name a good number of authoritarian developmental states does not settle the issue as there are however few democratic experiments (Chibber, 2014). In contrary to the description of the DSM as authoritarian in its tendency, there are, however they are few, who argue that development authoritarianism is rather an exogenous than endogenous factors in the DSM and it can be democratic and even there are essentially 21centuray democratic developmental state (Chibber, 2014, Evans, 2010; Mkandawire, 2010). According to this view, unlike the 20th century's DSM, in the 21st century, the DSM is conceived as being primarily concerned with human well-being, and development strategies and policies cannot be formulated by technocrats, but must be derived from organized public deliberations (Evans, 2010). In this regard, deliberative and participatory democratic institutions are seen as central to a 21st century conception of the DSM (Evans, 2010).

The general assertion that the DSM is inherently authoritarian is therefore challenged as it is hardly possible to make simple generalization about the inherent relationship between the DSM and authoritarianism given some democratic experience such as Japan (Chibber, 2014). Randall (2007: 635), for instance, contends that it is necessary for the DSM to be democratic as authoritarian

systems are a major hindrance not only to political development but also to economic progress. Democracy has a detrimental role in enhancing the effectiveness of the state in bringing about development (Lange & Rueschmyer, 2005). As Mkandawire (2005: 47) argues, a democratic DSM that embraces a system of checks and balances and one that is based on broad-based state-society alliances ensures popular participation in governance and in the transformative processes. Thus, the conclusion is drawn that the DSM is autocratic by nature and thus not fitting with a democratic context. Such a conclusion is erroneous because first, not all the east Asian tigers were authoritarian. For instance, Japan was democratic while South Korea was authoritarian. Second, that the Asian type of the DSM was autocratic does not mean that others too have to be also autocratic (Randall, 2007).

Generally, even though it may not be appropriate to describe the DSM as inherently undemocratic, but as shown above, a considerable number of scholars that characterize it as being often associated with ‘development authoritarianism’. For example, Woo-Cumings (1999) notes that the DS can be “good in terms of its effectiveness but it can also be ugly for its undemocratic and authoritarian tendencies, explicitly or implicitly” (19-20). Given such a normative depiction of the DSM as an authoritarian mode of governance, what would be the issues of incompatibility - at least in principle - that the application of the DSM in a FPS may raise given that the latter is often attributed to democratic governance that promotes political pluralism and multiparty democracy?

2.4.2. The DSM vs. a FPS: State Structure and Democratic Governance

As indicated above, the DSM is oftentimes associated with a centralized state structure and authoritarian mode of governance. Indeed most of the DSs, have had a unitary state structure. The activist developmental states in, in the prototypes of the DSM such as Japan, South Korea or Taiwan in Asia, and Mauritius and Botswana in Africa, unlike a federal polity, there is no constitutional limit on the central government as power is not constitutionally divided and allocated. In such unitary states, the central government had exclusive power to make and implement development policies as it wishes as there are no worries, constitutionally speaking, about division power, respecting constituent autonomy etc. Whereas, as already discussed above

(in Section 2.2) the normative and institutional underpinnings of a FPS advocates for some form of non-centralized state structure and multitier governance system, underpinned by a constitutionally delineated division of power between tiers of government based on the principles of self- and shared-rule. Such a structuring of a polity sets limits against the excessive concentration of power at the center and areas or domains of jurisdiction between tiers of government.

As a result, given such contending normative and institutional features between a FPS and the DSM, it is plausible to argue that from the outset that the two systems have some competing features when they are applied in tandem in a polity. Such contending interaction is more nuanced in relation to democracy and political pluralism as the DSM is most often associated with ‘authoritarianism’ while federalism with democracy. This is particularly the case with respect party system which is (a hegemonic party system) a driver of the DSM as seen earlier. Indeed party system is also very crucial in federal systems as they are among the various factors that determine the institutionalization and operation of multilevel development governance in a federation (Burgess & Gagnon, 2010). The way political parties are organized and the manner in which they act affects not only the politics of multiparty democracy but also the overall federal structure and its operation, including sub-national autonomy (Watts, 2015).²⁶

As to the role of parties in decentralized polity, strong parties in emerging federations have often been associated with facilitating representation, promoting innovation in policymaking, ensuring accountability, and enhancing government legitimacy (Menocal *et al.*, 2008).²⁷ The nature of the

²⁶ Some scholars argue that federal democracies in emerging federations are prone to instability if there is a weak system of governance not accompanied by an appropriate system of party politics. Scholars also suggest that one of the key requirements for a balanced federal system is the maintenance of a decentralized party system (Brooks, 2004).

²⁷ Overall, party politics as a determinant of the well-functioning of a federal polity depends on, *inter alia*, its contribution towards addressing the predicaments or severe limitations of an excessively centralized as well as disintegrated or fragmented governance system. It may help rectifying the problems of over-concentration or over-fragmentation of power, authority, and resources at the center or constituent units’ level. It may also address the problem of weak contact between government and local people, including civil society and the private sector. By promoting political pluralism, party system may contribute to realize the values of federal democracy by addressing

organization and structure of parties thus are vital indicators about the distribution of power within society as a whole.²⁸ For instance, in the Indian federation, until the 1980s, the National Congress Party followed a centrist hegemonic party, using different means, even to the extent of compromising the autonomy that the constituent states or units within the centralized Indian federation are constitutionally entitled to (Moscovich, 2014).²⁹

Given the fact that the DSM oftentimes favors hegemonic party system, it raises compatibility issues when it applied within a federal system such as Ethiopia which, theoretically speaking advances multiparty democracy that advances political pluralism. Based on the discussion made earlier (section 2.2 and 2.3) about the type of state structure and mode of governance that a FPS and DSM favors respectively, a summarized contrasting view of the nature of the normative interaction between a FPS and the DSM is depicted in Table 3.

the problem of equity the allocation of resources, the insufficient representation of various political, religious, ethnic and tribal groups in the decision making process; the inadequate exchange of information; and the inefficiency of service delivery modalities.

²⁸ When a single party dominates the whole politics in a country, then a considerable disquiet arises about the possibility of ‘the declining of responsiveness, loss of accountability, erosion of democratic order, and development of authoritarian rule’ (Brooks, 2004: 1).

²⁹ Generally, a centralized party is likely to – or even will inevitably – centralize state bureaucracy, suppress the constitutional order, and infringe up on the autonomy of local-level of governments. It is believed that the promises of federalization are in fact best served when the government comes closer to the people at the local level (Rodden, 2004). This, according to Rodden that party system and the nature of politics it advances is highly linked to democratization especially determining political spaces for citizens’ participation, policy innovation, provision of public goods and services and for ensuring good governance, accountability and responsiveness (*ib id*).

Table 3: A comparison of a FPS and the DSM

Parameter	FPS	DSM
State Structure	A non-centralized state structure	Unitary/centralized state structure
	State is organized with sovereignty divided between tiers of government	Centralized sovereignty
	Accommodation and/or trade-off of competing values	Little or no warranted regional/local autonomy
Mode of Governance	A democratic multiparty system	Authoritarianism
	A constitutionally guaranteed sub-national/local autonomy	Dominant veto power of the center
	Warranted intervention	A top-down, interventionist approach
Development Governance	Division of policy power between tiers of government	A hegemonic, 'economic development first' ideology
	Decentralized planning and administration of development	A big and activist state in governing development
	Combining big and small governance in perspectives	Pro-centralized planning and administration

Generally, the main points discussed about the normative interaction between a FPS and the DSM as briefly summarized and pinpointed in the table shows that the DSM for its normative tendency towards centralized state structure and authoritarian governance system, whereas, normatively, a FPS inclines towards a decentralized system of governance anchored on the notion of political pluralism.

Generally, given the competing normative nature of the interaction between a FPS and the DSM, adopting and constructing the DSM in federal polity such, as Ethiopia requires harmonization of some of the competing principles and institutional underpinnings of the model with that of the values and institutions of federal system. This and other related issues are discussed in subsequent chapters both in principle and in practice when the study examined the interaction two systems in Ethiopia in the thematic areas of this study.

2.5. Conclusion

Broadly construed, a FPS refers to the organization of a state structure and its mode of governance by combining self-governance with shared governance through constitutional division of state power between tiers of governments. Accordingly, multilevel development governance in a federation refers to, among other things, the constitutional division and allocation of power between national and subnational governments to formulate and execute development policies in their respective jurisdiction. In federation, thus constituent units are autonomous, constitutionally speaking, at least in one area, where they are autonomous to make and execute their development policies. This provides members of a federation with the authority to pursue their development policies that may be different from the national policies that cannot be unilaterally abrogated by a central government. This is the basic essence of multilevel development governance in a federation as well as in this study.

Likewise, the normative and institutional underpinnings of the DSM are discussed in this chapter. The core ideological and institutional defining features of the DSM are oftentimes associated with a centrist, interventionist, and authoritarian mode of governance system or which is called 'authoritarian developmentalism'. As a result, it is often widely argued that pursuing DSM within a FPS poses a compatibility challenge, at least from a normative perspective, as the latter usually attributed to, in theory, with constitutionally decentralized state structured anchored on federal democracy. Indeed, centralism and authoritarianism are not necessarily inherent features of the DSM. Even though the DSM is predominantly centrist and authoritarian, there are, nevertheless, some successful experiments with the model in a decentralized and democratic state such as Brazil, India, and South Africa. Hence, though the dominant general assertion that claims DSM tends to be centrist and authoritarian holds water, and its practice within a federation may pose challenges of compatibility, it is still essential to have a case-by-case analysis based on the experience of each developmental state. This is why this work sought to empirically investigate whether and how Ethiopia's experiment with the DSM under the leadership of the EPRDF has impacted the country's federal and democratic state structure, as enshrined under the FDRE Constitution (see Chapters Five and Six).

CHAPTER THREE

AN OVERVIEW OF MULTILEVEL DEVELOPMENT GOVERNANCE SYSTEM IN THE ETHIOPIAN FEDERATION

3.1. Introduction

Governing development and the nature of state structure and its mode of governance are highly intertwined (Heywood, 1997). Thus, in examining the impact of the DSM against the Ethiopian federal system thus requires studying state structure and its mode of governance concerning development governance. This is even more compelling as scholars such as Clapham (2006) have suggested, a study of the DSM in Ethiopia under the EPRDF's rule should be seen within the broader historical context of the 'politics of emulation' that successive regimes in Ethiopia have been following since the mid-19th century. As a result, the discussion on multilevel development governance under the 1995 FDRE Constitution is preceded by a brief discussion on the interplay between state structure and its mode of development governance in pre-and post-1991 Ethiopia. The aim is to give a piece of background information on the fact that the adoption of federalism in Ethiopia sought to depart, at least in theory, from the centralized state structure and governance system which had been the hallmarks of the modern Ethiopian state especially since the early-mid-20th century until 1991.

Accordingly, the chapter is organized into six sections including this introductory section. Section two unpacks the linkages between state structure and development governance in the country's modernization project. Section three is about the driving factors and rationale in the federalization of the post-1991 Ethiopian state. Section four gives a general overview of the major ideological and institutional underpinnings of multilevel development governance in the Ethiopian federation. In section five, the constitutional mandate and limits on the federal government's policy power in

governing development as well as the regional states are discussed³⁰. This is carried out by navigating through the FDRE Constitution that outlines the respective policy mandate of the federal government *vis-à-vis* the sub-national states in governing development. Finally, section six concludes the chapter by recapitulating the major arguments and findings of the chapter.

3.2. State Structure and Development Governance in pre-1991 Modern Ethiopian History

The pre-1991 Ethiopian state, especially the regimes since the first half of the 20th century, are known for the excessive centralization of power and top-down authoritarian governance system (Clapham, 2006). Commenting on such centralization of political governance in Ethiopia, Merera (2007: 86-87), for instance, remarks, ‘the state structure and its mode of governance is highly intertwined with the state-building process as venture ensued through centralization that favors assimilation with new forms of political control that replaced the traditional self-governing mechanisms in the newly incorporated territories.’ The defining features of the modernization projects thus often carried on through, among other means, building centralized state, bureaucracy, military and resources (Clapham, 2006). This and other related issues on structuring the state and the functioning of the government with respect to governing development are briefly discussed below.

3.2.1. Development Governance and Modernization in pre-1991 Ethiopia

The adoption of the DSM in post-1991 Ethiopia is viewed by some as the continuation of the modernization projects of successive regimes in the country who tried to replicate the models of foreign countries conceived as modern (Clapham, 2006: 106). In this regard, , especially since the

³⁰ To investigate changes (centripetalism) brought against multilevel development governance due to the practice of developmentalism under the auspicious of the DSM as conceived and applied by the EPRDF-led government since late 2001, it is essential to have clarity on the constitutional essence of division of policy power between the federal government and regional states as outlined in the FDRE Constitution.

mid-19th century and afterwards, the references were principally from the Imperial Russia, the Meiji period of the Japanese Empire and the British Empire (*ibid.*). After the demise of the Ethiopian monarchy in 1974, the discourse of Ethiopian political elites on development, modernity, state reform and country transformation centered around the Soviet Union as a model to emulate (*ibid.*). Generally, importing foreign development models thus regarded as part of the modernization project of the Ethiopian state (Bahiru, 2014).

On modernization of the state and importation of foreign development, the Ethiopian elites were, according to Bahiru (2002), ‘pioneers of change’ in the country, sought to introduce changes and modernization in Ethiopia after the experience of foreign countries. Bahiru (2002) mentioned Geberehiwot Baykedagn (2009) as having given his advice to the then ruler of the Ethiopian Empire (i.e. Emperor Menelik II) urging for emulation of development (from civilized countries) and the need for structuring the state in a such way that enables it to do governance and development better and thereby guarantee the viability of the state. This was noted by Baykedagn as ‘If our Ethiopia accepts European mind, no one would dare attack her; if not, she will disintegrate and be enslaved. Hence, let us hope that Menelik’s heir would examine and follow the example of the Japanese government’ (Baykedagn, 2009). In the words of Clapham (2006: 112), what Baykedagn has been urging seems “the ‘lesson’ of Japan was that a powerful Emperor could create a united country, and that this would in turn promote the blessings of development and preserve the country’s independence.

In depicting the motives and goals of emulation of effective models of development governance pursued by successive Ethiopian regimes s follows Clapham (2006) states:

Ethiopia’s development trajectory correspondingly be seen as a series of attempts by ‘modernizing’ Ethiopians to identify the mechanisms of developmental success of countries perceived as having some similarity to their own. The idea was to draw from these countries’ experiences in order to re-create Ethiopia in the resulting image of modernity. This is what I have termed ‘the politics of emulation’ (Clapham, 2006: 109).

What Clapham claims about imported models of development seems valid if one see the various measures taken by Ethiopian rulers, since the Emperor Tewodros II, in structuring state and its governance system as part of governing development to modernize the state and society. The rise, in the 19th century of Emperor Tewodros II, often mentioned by scholars as heralding the inception of a modern, centralized state in Ethiopia (Bahiru, 1991). To realize a unified Ethiopia, Tewodros embarked on the task of modernizing the Ethiopian state first through his attempts in establishing a centralized state structure, a standing (national) army, administrative organization and measures to separate the church from the state and limit the former's power (Clapham, 2006: 109). This, as Bahiru notes, has laid the foundation for 'the creation of modern Ethiopia [which] was started by Tewodros (II), continued by Yohannes (IV), consolidated by Menelik (II) and completed by Haileselassie (I)' (Bahiru, 1991).

Tewodros II, is one of the "towering figures" of the nineteenth century, who is best remembered for his heroic efforts to end the divisive politics of the Zemene Mesafint (the Era of the Princes) and unite Ethiopia under a strong central government (Pankhurst, 1990: 233; Bahru, 1998: 150; Abir, 1968: 183; Marcus, 1994: 68). His unification policy was interwoven with another equally appealing reform modernization. Among other things, Tewodros attempted to abolish slavery and the slave trade, polygamy, as well as robbery. He was also determined to introduce land and religious reforms. Above all, Tewodros set to introduce European technology to Ethiopia so as to put the country on an equal footing with European powers (Rubenson, 1976: 178; Crummey, 1972: 119-120). Mainly due to the internal instability and the external threat from Egypt, Tewodros gave precedence to his military reform over other issues. His overriding concern was, therefore, the creation of a well-organized, highly disciplined and better-armed standing national army (Bahru, 2002: 28, 32; Rubenson, 1966: 62)

As part of his political and administrative reforms, the Emperor reduced the status of the regional governorship to Meslane (representatives/agents of the center) with the objective to break down the traditional powers of the regional lords by appointing loyal indigenous aristocrats to rule their local 14 areas. The Meslanes had little military and fiscal powers. Their prime responsibilities

included, among others, to maintain local law and order, to provide justice and to collect tithes and taxes on behalf of the Central Government (Jones & Monroe, 1970: 131; Shifereaw, 1990: 303).

The Emperor attempted to abolish the military powers of the regional lords by establishing a salaried national army. As part of his economic and social reforms, the Emperor introduced land reforms to mobilize resources for his army, limited church lands and the number of clergy for a church to liberate the peasantry from the exploitation of the Coptic church; introduced salaried public officials; established a territorial police forces to ensure peace and order; and attempted to build an ammunition plant by employing foreigners at Gaffat, north Wello, declared anti-slavery (Keller, 2005:94). Couple of things seemed to motivate emperor Tewodros II for a strong central government: (i) to protect the sovereignty of the empire from the imminent and long standing expansionist policy threat of the Ottoman/Egyptian's to control the source of Blue Nile, and ii) to see a stable and modern Ethiopia by abolishing the dark age of Zemene-Mesafint (are of princes) characterized by civil wars among the regional lords and backwardness (*ibid*). However, many of his political, economic and social reforms did not endure, due to the strong resistance of regional nobilities, conspiracy of the Coptic Church, brutal gross measures against the peasantry and the British military campaign in 1868 against the Emperor. And, therefore, all his modernization initiatives and endeavors remained futile (Keller, 2005: 94).

In a nutshell, Emperor Tewodros' era is known, among other things, aligning centralism, modernity and development capability specially in establishing centralized army and attempted to separate state and religion, by reducing the influence of the Church over the state, his intense desire to import western civilization in the country.³¹ His pioneering attempts of 'emulation of development' from the west. Emperor Tewodros, in the words of Clapham (2006):

was the first Ethiopian ruler, perhaps the first Ethiopian, with a project of modernity, a conception at least of Ethiopia as a developed state, along the lines of

³¹ The Emperor Tewodros made repeated pleas to western powers for technological transfer and even forcing his captive foreigners to build a canon (Clapham, 2006: 108).

states in Europe. The way in which he went about trying to achieve that modernity (centralism, bureaucracy and technology) has a resonance in Ethiopian development thinking that continues to this day – as, sadly, does his failure’ (2006: 109).

After Tewodros’ death in 1868, Yohannes IV (1872-1889) became an Emperor in 1872 pursued his predecessor’s policy of unification nevertheless, as some noted that his way was more of ‘federal-like’ arrangement where, as long as the regional nobility were ready to recognize his authority and pay their tribute regularly, they were entitled to autonomously rule in their respective provinces (Bahiru, 1991; Assefa, 2007). As Bahiru (1991: 50) stated the era of Yohannes, the king devolves power to some regional aristocrats who recognized his status as *'Neguse Negast'* (king of kings).

In building the Ethiopian state at the demise of era of princes, the successor Yohannes IV, Menelik II (1889-1913) mentioned for further consolidating the twin policies ‘state building’: modernization and centralization of the state structure as a means of entrenching his unified governance (Bahiru, 1991). These includes series of military conquests expanding the frontiers of the country to the south, west and east that ensued the emergence of Ethiopia with its present geographic shape, capital and ethnic makeup, needless to say leading and wing the battle of Adwa in 1896 in which Ethiopian forces defeated the Italians led to international recognition of the boundaries of the country (Bahru 1991: 60). At the height of its power emperor Menelik II war of conquest ultimately created the longest and the largest feudal and multi-ethnic state in Africa (Tilahune, 2016; Marcus, 1995; Teshale, 1995).

The state building projects pursued by Menelik, which have been and still continue to be the subject of furious debates and disagreements, are often attributed to the current geo-political shape and demographic composition of the Ethiopian state. In this respect, Bahiru notes:

Menelik undertook a series of military conquests expanding the frontiers of the country to the south, west and east. Indeed, his lasting legacy has been the emergence of Ethiopia with its present geographic shape, capital city and ethnic

makeup. The battle of Adwa (1896) in which Ethiopian forces defeated the Italians led to international recognition of the boundaries of the country (Bahiru, 1991: 60).

Indeed, the era of Menelik II often mentioned the second phase of empire building as the modern Ethiopian Empire takes its present territorial shape from conquered territories of the south, south west and east of Shewa and the various border agreements made between Ethiopia on the one hand, and Italy, British and France respectively on the other hand (Bahru, 2001; Teshale, 1995).

It is often mentioned that in terms of governance, Menelik II pursued pragmatic centralized and decentralized governance policies where on territories gained through conquest, he abolished sovereignty of the local administration, established permanent his own settlements in the newly annexed territories and instituted his appointees from the center as administrators (Bahru, 2001). On the other hand, those territories submitted to his rule peacefully were largely given internal autonomy as long as they pay tributes and homage to the central government (Bahru, 2001).

Like Tewodros II, Menelik's era pursued state building project by intertwining state centralism, bureaucracy, modernization and development. Centralized state structure viewed as essential for enduring the country's sovereignty, installing modern bureaucracy also necessitated if the state to be centralized needless to say these to features helped the state to extract more resources which in its turn consolidated the central rule across the vast territory. Thus, centralism, bureaucracy and development have intertwined relation in reinforcing one another, and eventually led to building a modern centralized state. These are more visible if one see the successive measures taken by Menelik II where he attempted to introduce European institutions by customizing to the Ethiopian context.

Menelik II established European style Ministerial Council in 1907 with the objective to ensure smooth power succession, and to avoid battling among the strong nobilities for power (Marcus, 1975: 227- 228). He also introduced new tax base (for example tobacco and post stamp) as revenue sources to finance government expenditures. Menelik II was also known for his keen interest to transfer European technologies to Ethiopia. Accordingly, he established Djibouti-Addis Ababa railway, introduced telephone, telegraph and postal services in the emerging towns of the time.

Moreover, Ethiopia joined the World Postal and telecommunication organizations. He opened modern education and hospital, the Bank of Abyssinia and issued coins and one Birr note to introduce monetary economy, established a Ministerial Council (Alemayehu, 2003).

Generally as Donald Levin (1965: 74) noted the state building project since Tewodros II in Ethiopia is highly intertwined with the political culture of traditional feudal elites which is as hierarchical and vertically stratified. This according to Levin (*ibid*) is the features of the governance system that dominated by socio-political landscape of stiff competition, intrigue, and sectarianism among elites that repeatedly affected the continuity and effectiveness of the Ethiopian state building project. Let us now look into issues related to development governance in historic but modern Ethiopia's state building trajectory. Given the influence Emperor Haile Selassie I era in shaping the course of state building in general its development governance through policy of centralization, below a brief presentation is made to show the interplay between structuring a state as centralized polity and affairs of governing development in modern Ethiopia during his reign.

3.2.2. State Structure and Development Governance under Emperor Haile Selassie I

Emperor Haile Selassie I regime has dominated much of the 20th century history of the country with the overarching impacts in institutionalizing a highly centralized and bureaucratized state structure (Bahiru, 1991). It was during Emperor Haile Selassie I where the first written constitution introduced in the country in 1931 as part of laminating the state building project through legal edifices. The 1931 Imperial Ethiopia Constitution takes to higher level in institutionalizing a highly centralized and bureaucratized state structure under the absolute and divine rule of the emperor (*ibid*). There are two factors behind the Emperor in having the 1931 constitution external and internal driving forces. The external factor as some viewed is that the emperor sought to convey the impression that his empire is modern where the state structure and organization, its mode of governance, commitment for human rights and democracy are entrenched in a legal framework that abide his government (Clapham, 1993: 29). The internal factor for the 1931 Constitution, which was even more important one was to have a legal instrument that concretize the centralization of state power at the hands of the emperor and his successors while limiting the then

time authority of the regional nobilities nobility. It was intended to secure the formal submission of nobility to the emperor (*ibid*).³²

The centralization of state power and its governance under the whim and will of the emperor are stated in various forms in the constitution. For example, in stating the absolute power of the Emperor, the 1931 constitution declared the sanctity; divinity and sovereignty of the emperor as the sole divine ruler with all earthly power (see: Art. 3 of the 1931 Constitution). The constitution also declared that the emperor is the ultimate giver of law, its enforcer and adjudicator in such a way that brought unprecedented levels of centralization in the history of the country (*ibid.*). This is noted by Assefa (2007) as follows:

[t]he 1931 Constitution marks a new epoch. On the one hand this epoch reinforced the traditional position of the emperor as Siyume Egziabiher, Niguse Negast Za-Ethiopia which literally means: Elect of God, King of Kings of Ethiopia“ but on the other marked the end of the role of the nobility or at least the gradual reduction of their role in local leadership, the traditional check against the power of the king of kings, to insignificance (Assefa, 2007: 23).

Consequently, the Emperor abrogated all forms of traditional regional and local administrations and their traditional rulers, and installed new administrations known as provinces crafted by the center whose administrators also appointed by the emperor himself. In describing the major consequences and outcomes of the 1931 Constitution in consolidating centralized state structure and the absolute hegemonic power of the emperor, Assefa stated that

The 1931 Constitution major outcome was its ability to establish the legal framework within which governmental power was to be channeled and distributed. It was aimed against the personal, arbitrary and ill-defined powers traditionally held by the nobility. It reflected the traditional principle of absolute imperial power

³² For more information on this see the contribution by Christopher Clapham at: Clapham, C. (1993, May). Constitutions and governance in Ethiopian political history. In *Constitutionalism: Reflections and Recommendations, Symposium on the Making of the New Ethiopian Constitution* (pp. 29-40).

without any practical limitations. The Emperor was granted full executive power over both central and provincial government and the nobility and provincial governors were granted no independent authority (Assefa, 2007: 23)

The consolidation of power at the hands of the Emperor and the centralization of state structure and its governance system was furthered and enhanced in the 1955 revised constitution. This is noted by Assefa (2007) as follows:

A basic development in the revised Constitution compared to its predecessor was the introduction of the representative principle for the chamber of Deputies whose members were elected on the basis of universal adult suffrage. But parliament was granted no control over the ministers indirectly or collectively, who remained responsible to the Emperor. A measure of population representation with divine right of kings was resolved decisively in favor of the latter, with the Emperor retaining direct control over the executive, with the power to appoint ministers and regulate the whole of the executive branch. While one of the two chambers of parliament was popularly elected, it was balanced by the senate, which was appointed by the Emperor (Assefa, 2007: 24).

For instance, Article 130 of the 1955 Constitution states that “all property not held and possessed in the name of a person, natural or legal, including all land in escheat, and all abandoned properties, whether real or personal, as well as products of subsoil, all forests and all grazing lands, water resources, lakes and territorial waters, are State Domain”. Generally, it was through the 1931 and 1955 revised constitution that the era of Emperor Haile Selassie I unleashed various measures that enhanced the centralization of power and its governance including the various development policies made and enforced as part his ambition to consolidate his power as well modernization objectives. Both modernization and centralization measures are interlinked as one reinforce the other centralized army, bureaucracy and education gives the Emperor the power to control and dictate the state building project, amass resource and wield his power and vises versa. We shall now turn to considering some of the core development policies pursued by Emperor Haile Selassie I and its interplay with the centralization of state and its governance.

I. Development Policies under Emperor Haile Selassie I (1960-1974)

During Emperor Haile Selassie I's rule, the major milestone in governing development which heralded national development policies and plans attributed to the first national development plan, prepared in 1961 (Teshome, 2015). This plan known as the First Five-Year Development Plan implemented between 1957 and 1961, prioritized education and infrastructure development (Teshome, 2015: 2-3). The First Five-Year Plan, driven by the doctrine of 'big push' that emphasized on the interdependence between agriculture and industry and envisaged development on agriculture to supply input or raw materials to the industry and vice versa, by taking various measures to stimulate industrial growth (*ibid.*). The plan in the First Five-Year Plan was to achieve industrial development through the development of import-substituting light industries, which produced consumer goods for the domestic market anticipating that foreign direct private investment would play the leading role in financing the investment capital required for the sector (*ibid.*).

Two more five-year plans, the Second Five-Year Plan and the Third Five-Year Plan launched between 1963 and 1973 (Clapham, 2006: 105-106). In the Second Five-Year Plan (1962-67), it was for the development infrastructure more attention given while in the Third Five-Year Plan (1968-73) agriculture regain more attention and various programs applied to enhance peasant productivity and modernize the agricultural sector (Clapham, 2006; Teshome 2015). It was during the Second Five-Year Plan that more attention was given to the manufacturing sector where various activities taken under the 'big push' program expanded and enhanced (*ibid.*).³³ The plan stated roles for the government in boosting the industrial development, including infrastructure

³³ In this regard, various policy measures were introduced to encourage investment in the manufacturing sector, including, among others, the protection of local industries through imposing high tariffs and banning of certain imports, fiscal incentives, and provision of credit. This resembles with the EDSM in post-1991 Ethiopia where the Ethiopian government focused on the manufacturing sector indeed within agricultural-development-led industrialization framework (see Chapter Four).

and human resource development and direct investment in selected sectors, mainly those that require higher capital, such as oil refinery, cement, sugar, and textile (Muleta, 2015).

Generally, the driving philosophy of development governance during the imperial period seems to favor of the market and the private sector but sought gaps wherein the government should play a role, including direct ownership in selected sectors (Clapham, 2006; Teshome, 2015). The development policies of the imperial period, in a largely agrarian Ethiopian society with a subsistence-based economy, could not attain the objectives aspired and most state farms were largely inefficient and subsidized (Clapham, 2006). The policies largely influenced by the ‘dependency theory’ and import-substitution policies could not lead to a significant economic development (Muleta, 2015).

As modernization and centralization of the imperial regime strengthened by Emperor Haile Selassie I by expanding modern education the traditional feudal system embroiled in a conflict with progressive students who are the product of the system itself (Raphaeli, 1967; Cohen, 1973). Even after the failed coup attempt of the 1960s, steps taken to improve the overall feudal system were minimal and led to the beginning of the student movement and the subsequent, Ethiopian revolution (1974) that ended the longest traditional feudal regime.

3.2.3. Socialism as a Mode of Development Governance during the *Derg* Era (1974-1991)

In 1974, revolutionary upheavals rocked the country against the imperial regime, whose structures failed to handle the increasing, demands for change coming from the various corners of the country that eventually overthrown by a popular revolution in September 1974 (Clapham, 1988: 32). The core force behind the 1974 revolution was the student movement of the 1960s which came to be famously known as the ‘Ethiopian student movement,’ most of whose members were hardline Marxists, analyzed the situation of the country through the Marxist-Leninist ideological lens (Markakis, 1987). The student movement articulated and advocated for political, economic, and social justice questions in the name of ‘land to the tiller’, equality among ethnic groups, and establishment of democratic governance that become an organizing principle and instrument of

struggle for emerging political parties (Bahru, 2007; Messay, 2008). The students then rallied around what they had perceived to be the two most important causes of injustice by the imperial regime – class-based oppression and national oppression (Andargachew, 1993). The military group *Derg*³⁴, as the only organized entity at that time, assumed state power with promise to respond to growing demands of the students and the wider marginalized members of the Ethiopian society as a whole through the lens of Ethiopian socialism’ (*ibid.*).³⁵

The *Derg*, in December, 1974 issued Declaration of Socialism, which foresaw a one-party state, public ownership of the main sectors of the economy, and collective agriculture (Mekuria, 1997). In addition, the declaration also recognized the ethno-linguistic diversity of the country and demands for national unity and equal opportunity for all ethnic, cultural, and religious groups (Marcus, 2002). To gain the hearts and minds of the majority of Ethiopians, the *Derg* conceived a radical land reform to remedy the land expropriations that had occurred during the imperial regimes. Fulfilling the revolution’s leading motto, ‘Land to the Tiller’, the *Derg* destroyed the political economy of land lord-tenant relationships and the development of capitalistic agriculture in the country (see Proclamation No. 31/1975).³⁶

Generally, the economic model followed by the Military government was command economy where all privately owned business nationalized, private business above half million Ethiopian birr capital were barred and it was the government became the only entity to deliver goods and services

³⁴ *Derg* means ‘committee’ in Amharic, usually refer Mengistu Haile-Mariam’s regime/government, and the military regime/government.

³⁵ At the initial stage, the military regime of the *Derg* tried to find a middle ground by declaring ‘Ethiopian Socialism’, as had been the case in many other African countries pursuing their own local versions of socialism (Young, 1996).

³⁶ The government established the Institute of Nationalities with the mandate to study the situation of the nationality groups and recommend solutions. For some though it is true that the land reform proclamation and measures taken towards the equal recognition of the ethno-linguistic, cultural identity of various ethnic groups in the country is one major shift, but still there has been no significant departure from previous regimes as far as addressing the ‘national question’ for self-determination concerned (Mekuria, 1997: 53).

in the country (Teshome, 2015). The state's absolute monopoly under the command economy pursued by the military government as noted by Teshome (2015: 5) was 'the private entrepreneurs may participate in only one venture. Price controls were instituted covering a wide range of products and the labor market highly regulated. The imports were also subjected to quantitative restrictions and higher tariffs in this period'.

In terms of national development policies, the Military administration introduced a command economy induced national development plan in 1984. The plan called Ten-Year Perspective Plan - (1984/85-1993/94) and issued by the central planning body, which was established in 1984 (Teshome, 2015: 7). Its development orientation was promoting import-substitution and labour-intensive industries as the main focus of the industrial development plan in the Ten-Year Perspective Plan in addition to the consideration of investment in the public sector as a way toward progress through industrialization (*ibid.*).

Indeed, on March 1990, the *Derg* declared mixed economic policy as a shift from a centrally managed economy to a modest liberal economy. It was however too late, as it was removed from power by the EPRDF's forces on May 1991 (*ibid.*). Overall, development governance during Military rule (1974-1991) guided by a command economic system whereby the state was the sole economic actor driven by centralized and top-down administration of development that curtailed competition, closed the economy and vanquished the private sector.

In a nutshell, the approach of development governance adopted during imperial regime and military rule can be characterized as being predominantly defined by the practice of a centrist and top-down policymaking and administration. The defining characteristics of the state structure and development governance in pre-1991 Ethiopian regimes are summarized in Table 4 (next page).

Table 4: Major features of state structure and development governance in pre-1991 Ethiopia

Pre-1991 Ethiopian Regimes	Criteria		
	State Structure	Development Policies	Driving Ideology and Mode of Governance
The Monarchical Regimes (1855 – 1974)	Empire centralized unitary state No devolved governance and regional autonomy Relationship is personalized and centralized	Emulation from western world (USA and western Europe) Feudalistic and exploitive Top-down and ‘one-size-fits-all’ policies	Divine and absolute monarchy No recognition of diversity, subjugation and assimilation Absence and prohibition of political pluralism
The Military Regime of the Derg (1974 – 1991)	Socialist Unitary State with tight central control of the administrative units	Command development Emulation of USSR, eastern Europe, North Korea Top-down and ‘one-size-fits-all’, centralized policy	Military dictatorship Socialist workers one party state No representative democracy

Source: Author’s elaboration of pre-1991 Ethiopia policy documents

Generally, as seen above, all of the pre-1991 Ethiopian regimes’ modernization efforts in the 20th century immensely intertwined with structuring of the state as unitary centralized which was viewed as entrenching state’s strength and survival as a sovereign country. The centralization of the state structure and governance system was often justified on the grounds of its congeniality to form a strong state that is capable of defending the sovereignty of the country and pursuing development. Thus, doing development and realizing modernization were often associated with the structuring of the state as centralized and hierarchical where power is concentrated at the center (Young, 1996).

Overall, the pre-1991 Ethiopian regimes has been castigated by many for their excessive centralization and authoritarian governance that eventually ushered in a new era of federalization of the Ethiopian state according to the interests of the wining ethno-nationalist armed forces,

principally the EPRDF, as of May, 1991. This phenomenon has been noted by Huntington (1993) thus:

Given the legacy of ethno-linguistic domination and Ethiopian past political history, the forces that toppled *Derg* opted for ethno-linguistic federalism. And it has to be noted that ‘political parties reflect the principal social identities and cleavages within society. In Ethiopia the principal cleavage appears to be ethno-linguistic...and regional [cleavages]’ (1993: 267).

The political landscape of the post-1991 Ethiopia which has therefore been dominated by the politics of self-determination and led to the deconstruction of the unitary state structure that dominated the pre-1991 Ethiopian state and, as we shall see below, its reconstruction as federal state structure and decentralized governance system (Assefa, 2007).

3.3. The Transition to a Federation: the Post-1991 Ethiopian State

As discussed in the preceding sections, centralized and authoritarian governance system dominated the pre-1991 Ethiopian state. Even though *Derg* assumed state power to address pressing issues such as self-determination and development, it responded with more centralization and an unprecedented level of repression (Young, 1996). Generally, as stated by Young (1996: 534) the military rule had no any intention to decentralize power and allow meaningful mass participation in the government. This led to 17 years protracted civil war that culminated in May 1991 when the EPRDF forces controlled Addis Ababa. This marked not only the end of the military rule but also the end of the long centralization project (*ibid.*). This was seen in the adoption of Transitional Government Charter (TGC) which established a transitional government the Transitional Government of Ethiopia to rule the country until a constitution is drafted by the conference known as ‘Peace and Democracy Conference’ which was convened in June, 1991 in Addis Ababa (Young, 1996; Assefa, 2010). The TGC was one of the outcomes of the June 1991 conference that gave its official blessing to ethnic federalism as the way to reconfigure the country’s state structure (Merera, 2007; Bahiru, 2014). Thus, the TGC established 14 regional states with the view to confer self-governance the country’s ethno-linguistic and cultural groups recognizing their right for self-determination (Markakis, 2003).

Overall trajectory in structuring the state and its mode of governance of the post-1991 Ethiopian state passed through the following major critical junctures: (1) *transition and stabilization* (1991-1994), (2) *federalization* (in 1995), and (3) *district level decentralizations* since 2000 (Abbink, 2011a: 598). In all of such measures, as principle, it was aimed at dismantling the unitary state apparatus to FPS *de facto* (1991-1994) and, since 1995 *de jure* federalization of the state structure and decentralization of its governance system.

The adoption of a federal political arrangement in Ethiopia taken as a means to accommodate the country's ethno-linguistic, cultural and religious diversity by conferring a level of autonomy to predominantly ethnic-based regional governments as well as a recognition of their language and culture (Pausewang, 1994: 219). As a result, the FDRE constitution ratified in 1994 and entered into force in 1995 established a federal democratic republic that structured into nine regional states organized along ethno-linguistic lines and one city administration called Addis Ababa the capital city of the federation (see: Articles 1 and 47 of the FDRE Constitution). It defines the respective powers of the federal and the regional governments and clearly pronounces that they respect each other's powers (see: Article 50/8).

In what appears to be a bold and unprecedented move, the Constitution recognizes the right of nations, nationalities, and peoples of Ethiopia to self-determination, including the right to secession (see: Article 39 of the FDRE Constitution). The Constitution does not only recognize the right to self-government of ethnic groups but also ensures 'equitable representation in local and federal governments' (see: FDRE Constitution: Articles 8, 39, 50, 51, 52, 85 88, 89, 90, 91 and 92). Under the FDRE Constitution, ethno-linguistic communities are, the ultimate sovereign entities where constitutional power of both federal and regional states rest (see Art. 8), and secondly, they are constitutionally entitled to establish a regional state of their own, and to even form their own state independent from Ethiopia (see: Article 39 (1)).

The self-determination right of the nation, nationalities and peoples of Ethiopia as outlined in the FDRE Constitution also includes the power to make and execute development policies in pursuing their rights to development as provided under Article 43 of the same Constitution. Such

constitutional recognition is the part of addressing the struggle against class oppression spearheaded during the Ethiopian students' movement . In conferring constitutional recognition freedom to make and execute policies at sub-national and local level. By entrenching multilevel development governance system, the FDRE Constitution seems the federal system in Ethiopia sought to rectify a perceived unfair relationship between those at the centre of power on the one hand and a poverty-stricken population with a chronic lack of social, economic and political power on the other (Assefa, 2015). Thus, in the Ethiopian federation as it seeks to address the ethno-linguistic, cultural and regional groups' demands for recognition, self-determination and self-administration, it also embraces the right of ethnic groups to govern development to make and execute policies in their respective jurisdiction as provided in various provisions of the FDRE Constitution [Articles 39 (1-3), 50, 51, 52, 85 88, 89-92] (Assefa & Zemelak, 2017). A brief depiction of the distinctive features of the federation provided below.

3.4. The Ethiopian Federation: An Overview

In line with federal traditions the FDRE Constitution stipulated two layers of legislative, executive and judicial organs at federal and regional states (see FDRE Constitution Art. 50 /1/). Accordingly, at federal level a parliamentary government is set up with bicameral legislature along also an executive organ led by a Prime Minister whose office is accountable for the House of Peoples Representatives (HoPR).³⁷ Judicial power is also divided between the federal government and regional states with the supreme federal judicial authority vested in the Federal Supreme Court is established (see FDRE Constitution's Articles 78-80).

In the Ethiopian federation, in addition to the three organs of government, various constitutionally mandated institutions are also established. These institutions are: the Council of Constitutional Inquiry (CCI) with the mandate to investigate constitutional disputes with no final authority but

³⁷ On the organization of the federation, parliament and executive organs, generally see: FDRE Constitution's provisions: Articles 45-47; 50- 56; 61 and 72-74.

recommend to the HoF, which is mandated to interpret the Constitution and resolve disputes (FDRE Constitution, Arts. ,82-84); the Office of the Auditor General; the National Election Board of Ethiopia (NEBE); National Census Commission (FDRE Constitution, Arts.,101-103); and National Human Rights Commission and the Office of the Ombudsperson FDRE (Art. 55/13-14/) are established under the FDRE Constitution. In line with the federal tradition, the respective powers of member states and the federal government are distributed by the federal constitution.

With respect to layers of governments and the vertical and horizontal relationship, it is often argued that the federation looks like more of a dual federation but also having some elements of interlocking federalism in some areas, for example land governance, law and order maintenance, judicial power, both levels of government cooperate and coordinate (Assefa, 2015; Yonatan & Zemelak, 2014). Accordingly, both levels of government have exclusive competences in relation to which they are authorized to exercise both legislative and executive powers of government to respect each other's powers and functions (FDRE Constitution, Art. 50/8/). With respect to the constitutional division of power between the federal government and regional states and among the later- their relationship vertically and horizontally can be described as symmetrical as "Member states have equal rights and powers" (Assefa, 2015).

As a general principle the member states exercise all powers that are not expressly granted to the federal government alone (FDRE Constitution, Art. 52/1/). Accordingly, member states have concurrent power as well as all powers which are not given to the federal government exclusively or concurrently, or otherwise known as residual power. The states have legislative, executive and judicial powers where the state legislative organ, State Council, is the highest organs of state authority and have the mandate to legislate on matters of state jurisdiction states can thus enact and execute state constitutions and laws (FDRE Constitution, Art. 50/4-7). In particular, they can legislate and execute on a wide variety of matters including state civil service and their condition

of work; state police force and maintenance of public order and peace within the state (see: FDRE Constitution. Art. 52).³⁸

A Judicial power of the states is vested in courts. While states legislative power is limited to areas that are clearly domestic and local or areas not covered by the federal government; state courts might, on delegation, exercise federal judicial power. The constitution obliges both the federal government and states to respect the power of the other.

3.5. Democratic Multilevel Development Governance in the Ethiopian Federation

The notion of multilevel development governance in federations is, as indicated in chapter two (Sub-section 2.2.5) related with the presence of layers/tires of governments which are constitutionally entitled at least in one area to formulate and implement their own development policies (legislations, plans, projects etc.). Hence multilevel development governance system in federation determined, among other things, by the form and type of division of power provided in a constitution. In this regard for example in dual federations such as the USA and Canada, the nature of the division of power allows the existence of two governments exercising their power in parallel so that the type of the multilevel governance system (Peterson, 1995; Poirier, 2005). On the other side, in integrated/cooperative federations, there is such federation known as cooperative or integrated federations (Schmitt, 2012). The manner and scope of multilevel development governance –policymaking and execution power also can have such categorical features where, in dual federations, parallel policymaking power and competency is the rule while in integrated federation the multilevel governance cooperative policymaking in which the central/federal government makes policies and the sub-national governments have administrative function.

³⁸ As the highest executive of the states, the state administration has the power to administer the state police force, maintains public order and peace with in the state, formulates and executes economic, social and development policies, facilitates self-rule, democracy, rule of law and constitutionalism in the state and performs all the executive duties stipulated in the state constitution (see: FDRE Constitution, Arts. 50/4-7/ & 52).

Similarly, the notion of multilevel development governance takes along the pattern of the constitutional division of power between the federal government and regional states. The FDRE Constitution provides both tiers of government with legislative, executive, adjudicative and fiscal power (see: Arts. 50/8/ together with Art. 51 and 52). This gives the federation a dualistic feature, at least constitutionally speaking. Indeed, there are various areas that provide interlocking relation and require the cooperation of the two governments such as on land governance, security matters, tax etc. (see: Assefa, 2007). As indicated earlier, the powers of the federal government are primarily listed under Article 51 while the powers of the regional states, which includes residual powers – that is, powers not mentioned under Article 51 and indicated in the Constitution as belonging to the regional states, are listed under Article 52 (of the FDRE Constitution). However, it is worth noting that the powers granted to the federal government are not just limited to those listed under Article 51, but also include additional powers entrusted to the federal government indicated in other provisions of the Constitution. So the powers reserved for the regional states can only be established after making a cautious accounting of all the powers of the federal government scattered throughout the various sections of the FDRE Constitution.

Generally, the FDRE Constitution empowers the federal government (under Article 51(2)) to “formulate and implement the country’s policies, strategies and plans in respect of overall economic, social and development matters...; ...establish and implement national standards and basic policy criteria for public health, education, science and technology...”. At the same time, for regional state, the Constitution confers the power to “formulate and implement development policies, strategies and plans in respect of overall economic, social and development matters of the regional states” [FDRE Constitution, Article 52(2-c)]. The wording of Article 52(2-c) seems to suggest that the regional states entrusted not just with administrative powers but with the power to formulate and execute economic, social and development policies as well. This gives the impression that the two levels of government have concurrent power to make policies covering the bulk of social, economic and development spheres (Assefa & Zemelak, 2017). In nutshell, multilevel development governance in the Ethiopian federation basically entrenched under Articles 51(2) and 52(2-c).

However, from the reading of the provisions of the FDRE Constitution (Arts. 51/2/ vis-à-vis 52/2-c/), it is not clear where the federal government's power to make development policy begins and ends and that of regional states began. This creates an overlap of policymaking powers between tiers of government, as both tiers of government appear to have the same powers on the same issues (Yonatan & Zemelak, 2014).

It is not clear that to what extent the federal government can outline the national standards and policy criteria, the scope and limits of its power to make policies, strategies and plans in respect of overall economic, social and development matters. This obviously needs to be cleared before any attempts to investigate the impacts of federal development policies under the EDSM against the constitutional division of power in general and sub-national autonomy in particular (which are the main thrust of this dissertation in Chapter Five and Chapter Six). Before addressing these issues however let's look at the democratic aspects of multilevel development governance first and the delimiting the overlap of power on development policies follows (see: Sections 3.5.1).

In entrenching multilevel development governance in the Ethiopian federation, the FDRE Constitution does not stop by merely outlining division of power. It has also provided the democratic principles based on which the process of development governance (policy formulation and execution by any level of government needs to adhere (Meheret, 2002; Zemelak, 2011; Daniel, 2015). The FDRE Constitution provides that governance including development governance needs to be carry out in transparent, accountable, participatory, responsive manner (see the FDRE Constitution, for example, Articles 12, 52(1-a &2-c), 43 (2) and 89(6)), offering adequate platform that enable the grassroots better to exercise their democratic rights. Specifically, under its Chapter 10, the FDRE Constitution provides for the respective tiers of governments in the federation, the objectives of and governing principles in the formulations and executions of development policies on economic, social and environmental matters (see: Article 85 of the FDRE Constitution).

Specifically, the FDRE Constitution under Article 88 (1) provides that development governance in the federation needs to promote the people's right to self-rule as one of the political objectives of the federation. This needs to be done in a manner, as provided in Sub-Article 2 of same provision

that respects the distinct identity of the nations, nationalities and peoples and strengthens equality, unity and fraternity between and among the nations, nationalities and peoples. This is further reinforced under Article 89, where it is stated that the government shall ensure equal opportunity for economic development and equitable distribution of wealth for all Ethiopians as well as formulating policies that can ensure the benefit of all Ethiopians from the country's legacy of intellectual and material resources, which apparently includes land and natural resources in the country (FDRE Constitution, Article 34). Hence, it is constitutional obligation (as provided under Article 9 of the FDRE Constitution) development governance (the formulation and implementation of national, regional and sector policies and strategies) within the framework of the constitutional principles and values are compatible with the local objective realities at all levels.

Generally, therefore, the democratic aspect of multilevel development governance, according to the FDRE Constitution, needs to ensure that people at various levels needs to have the means, directly through their participation or indirectly by their elected representative at their constituencies, in the planning and execution of development policies. That essence of multilevel development governance system within the Ethiopian federal system thus related to both the decentralized and democratic policy making and execution system. This is to be able to provide for direct participation by the broader citizenry (through devolution of sufficient powers to lower administrative levels) as well as indirectly through their representatives at regional and federal level to influence the governance of economic and social development affairs of the country. This is what the democratic essence of multilevel development governance signifies under the FDRE Constitution as well as in this dissertation.

3.5.1. The Problem of Policy Overlap under the FDRE Constitution

It is indicated that in the Ethiopian federation, development governance entrenched in the FDRE Constitution in where the power to make and execute development policies are divided and shared between the federal government and regional states (see: Articles 51/2/ and 52/2-c/of the FDRE Constitution). However, as hinted earlier, the fact that the FDRE Constitution empowers both the federal government and regional states, to formulate and implement development policies,

strategies and plans without specifying the limits and qualifications that demarcates and delimits the scope of such power. This is as noted by Yonatan & Zemelak (2016: 97):

Obviously creates an overlap between federal and state government powers. The overlap is complicated by the fact that the Constitution uses the same wording with regard to each of the levels; moreover, it fails to delineate boundaries between them by way of qualifications that would have helped in determining where the power of the federal government ends and where that of the regional government begins.

As the result, the issues that need clarity are where the power of the federal government's policy power ends and that of the regional states began and when do we say that the scope of the federal government policies are within or outside from its mandate? Moreover, in order to determine this, what are the considerations needs to be taken to qualify the scope of the federal government constitutional mandate, for example, in making development policies. In other words what are the parameters to be employed in delimiting the division of policy power between the federal government and regional states? Having constitutional provisions or jurisprudence in that at facilitates the delimitation of concurrent power to determine the presence or absence of constitutional unwarranted intervention between the federal government and regional states is essential. In matured federations such as Canada, India, South Africa, there are either constitutional provisions or well developed jurisprudence that provides the means to address such kinds of problems (Anderson, 2008). In these federations a necessary and supremacy clause allows the federal government's acts to prevail over regional states in the area of concurrent power at the time of contradiction between regional states' with that of the federal government (Dziedzic & Saunders, 2017). In the absence of such clauses the supreme/constitutional courts provides interpretations which also serve as precedent or jurisprudence that help settle problems of such kinds in the future (Watts, 2002). Whereas in the Ethiopian federation, there is no 'necessary and implied and supremacy clauses in the FDRE Constitution or well developed jurisprudence that may provide assistance to address such kinds of overlap of power or issues that needs clarity (see: Yonantan & Zemelak, 2016).

Having clarity on the constitutional mandate of the federal government's powers in formulating and implementing development policies is essential for the dissertation when it analysis in subsequent chapters to reveal the impacts of DSM-driven federal policies against multilevel development governance in the Ethiopia's federation. To address this problem it is imperative to look into the experience of some of the matured federations in dealing with the problem of policy overlap mentioned above. Hence a brief exposition of on comparative federalism in the area of power division specifically on concurrent power is made here with the aim to develop the considerations to be taken into account in deciding the scope and limits to concurrent policy power between the federal government and regional states within the Ethiopian federation.

At this juncture, it needs to be clear from the outset that the discussion and survey on comparative federalism in the jurisprudence of federalism and federal states' experience on allocation of power and umpiring issues and disputes on division of power, specifically concurrent power and intervention of one level of government over the other level general one. The purpose is just to point out some general principles that will be used as parameter for reference, later in this study when the scope of the federal government development policies and acts under the EDSM are examined to determine the presence/ absence of federal intervention and relegation the constitutional division of power and sub-national states autonomy.

3.5.2. Qualifying the Division of Policy power on Development under the FDRE Constitution

As noted earlier, the FDRE Constitution empowers the federal government (under Article 51(2)) to “formulate and implement the country's policies, strategies and plans in respect of overall economic, social and development matters [...] establish and implement national standards and basic policy criteria for public health, education, science and technology...” At the same time, for regional states, the Constitution confers the power to “formulate and implement development policies, strategies and plans in respect of overall economic, social and development matters of the regional states” [FDRE Constitution, Article 52 (2-c)]. This makes development governance in the FDRE Constitution a matter of concurrency (Yonantan & Zemelak, 2016).

In the area of concurrent power, there are different forms based on which the federal government and regional states may exercise their power jointly, in parallel, within a framework or with separate function (Dziedzic & Saunders, 2017.³⁹ In the case of list concurrency, both levels of government exercise powers listed to them in the FDRE Constitution.⁴⁰ In the case of framework concurrent power, the federal government make general framework (general directions) while regional left with the power to make detailed laws albeit within the guidelines set by the federal legislation (Dziedzic & Saunders, 2017). The other form of concurrency according to is division of function than power where the federal government makes the law and regional states execute them (*ibid.*). The other form is implied concurrency which is not fall in either of the forms mentioned but inferred from the constitutional provisions as may entrenched impliedly (*ibid.*).

In federations with such concurrency, the scope and limits to the power of, for example, the federal government employing principles such as subsidiarity (also known as territoriality), necessary and incidental power (Leroy & Saunders, 2006). The territorial principle circumscribes the nature and scope of federal policies by suggesting that only matters that can - not be fully regulated by the states may be the subject matter of federal policies: social, economic and developmental matters that can be regulated appropriately within the state must be left in the domain of state governments (*ibid.*). This means the state can develop and adopt policies on economic, social and development matters as long as those matters do not have an extra-state dimension.

In deciding the scope and limits within concurrent power the principles territoriality can help a lot (see: Chapter Two, Section 2.2.2 and 2.2.3). According to the principles of territoriality, the federal government may justify its acts within the concurrent power division when its acts are relates to

³⁹ For more detailed analysis on concurrent power in the Ethiopian federation see: Assefa Fiseha, & Zemelak Ayele (2017). Concurrent powers in the Ethiopian federal system. In: Steytler, N. (Ed.), Concurrent Powers in Federal Systems: Meaning, Making, Managing pp. 241-260. Koninklijke Brill Nv, Leiden, The Netherlands

⁴⁰ In this regard, for example see the FDRE Constitution Joint taxation power and royalties (see Article 98 of the Constitution and judicial adjudication power as stated under Article 80 (2 & 4).

the exercise of the country's external sovereignty (for example, international relations, defense, foreign investment, international trade); spills over state and region borders and cannot effectively be handled by states and regions acting individually [for example, trade between states and regions, interstate river systems, aviation); and requires uniform regulation across the country (for example, currency or corporations law] (Fabbrini, 2016).

On the other hand, when a certain power if they can be handled within the borders of a state or region (for example, school education, local roads, abattoirs); deals with matters of local concern (e.g. culture, local infrastructure); and involves matters on which diversity, innovation, or constructive competition between states and regions would be useful (e.g. waste reduction, tourism] (Anderson, 2008). Thus, such grounds in the case of concurrent power the act of a regional state can justified both to validate regions acts and limit the acts of the federal or central government. Moreover, even within the principles of territoriality there might be cases that justify the act of one level government on the grounds that its act is justified on other grounds along and other than territoriality (Brouillet & Ryder 2017). Such grounds generally regarded as principles of necessary and incidental power. Thus, in determining the scope and limits of concurrent power, the principles of necessary and incidental power justifies the act of one level of government (Dziedzic & Saunders, 2017).

In the case of necessary and incidental power, the exercise of power by one level of government is for essential and reasonable to discharge its responsibilities provided exclusively or concurrently. In this case for instance, the 1996 Constitution of South Africa, stated that the national or a provincial government may exercise legislative competence on matters that are necessary for or incidental to the effective exercise of matters that are allocated to them (Fabbrini, 2016).

Within the necessary and incidental principle in Canada begins with determining whether the challenged provision is regulating or dealing with matters that fall under the exclusive jurisdiction of another level of government. Once an intrusion is established, the next step is "to establish the extent of the incursion." Establishing an incursion requires one to determine the broader legislative

scheme of the legislation in question and examine “the relationship between the particular impugned provision and the ‘scheme’. “The court then asks ‘[h]ow well the provision [is] integrated into the scheme of the legislation and how important [it is] for the efficacy of the legislation’.” According to Bronstein, [t]he more the provision encroaches, the more essential the provision must be to an otherwise valid legislative scheme in order to be considered incidental. The less it intrudes, the easier it will be to persuade a court that it should survive (see: Yonatan & Zemelak, 2016: 92).

The principles mentioned above are general guiding principle which needs to be corroborated by an empirical case-by-case investigation for such principles to serve their purposes. As areas where concurrent power as well as other forms of power such as exclusive and residual are exercised in various diverse areas what is necessary, implied/incidental and apposite in different scenarios and cases.

In the Ethiopian federation, as indicated earlier there is no constitutional rule and no adequate constitutional jurisprudence that provides the qualifications to determine the scope and limit of the federal government power policy power for our case. As a result, the principles of territoriality, the necessary and incidental principles, as discussed above, can serve as a parameter in delimiting the scope and limits of the federal government power to make and execute development policies. Generally, therefore, these principles used as consideration in determining the scope and limits of the federal government vis-à-vis the regional states power as stated under Arts. 51 and 52 in general, specifically Arts. 51(2) and 52 (2/2-c). Such principles also used in examining additional legislative power of the federal government scattered across the FDRE Constitution (Arts. 55) including its power to enact civil laws the HoF deems necessary for establishing and sustaining “one economic community [see Article 55(6) of the FDRE Constitution].⁴¹

⁴¹ For more detailed analysis on the grounds for HoF to allow the federal government to make legislation on the ground of building one economic community – see: Yonatan Tesfaye & Zemelak Ayele (2016). “Who is the Boss?”

It, however, should be made clear that such principles to determine whether the act of the federal government is within or beyond its power needs to be assessed case by cases taking into consideration the peculiarity of each policy areas that justify the act of one level of government be it federal or regional states in exercising their policy power. Such case by case analysis is carried out in chapter five and six when the dissertation deals with the federal government developmental policies in the case of LSCF, IPD and urban development policies which are the specific cases for this study.

3.6. Conclusion

The main thrust of this chapter was to pinpoint the constitutional underpinnings of multilevel development governance under the Ethiopian federation as outlined within the FDRE Constitution. As scholars such as Clapham (2006) have suggested, a study of the DSM in Ethiopia under the EPRDF's rule should be seen within the broader historical context of the 'politics of emulation' that successive regimes in Ethiopia have been following since the mid-19th century. Thus, the examination of the constitutional underpinnings of multilevel development governance within the Ethiopian federal system is preceded by a brief retrospective overview of the interplay between state structure and development governance in the 20th century pre 1991 Ethiopian state. Such overview of the historical trajectory of development governance and the structure and nature of a state was carried out to give a background insight o the federalization of the Ethiopian state since 1991 which aimed, as seen, to rectify the centralized and top-down authoritarian governance of development when the country was an empire and unitary state under socialist dictum from 1974 until May, 1991.

Questioning the Constitutional Authority of Federal Regulation of Local Government. *Ethiopian Journal of Federal Studies (EJFS)*, 3(1), 81-109'.

Accordingly, the chapter showed that development governance in pre-1991 Ethiopia was highly intertwined with unitary structuring of the state, centralized and authoritarian, top-down governance, both during the (pre-1974) monarchical and the (1974-1991) socialist military *Derg* regimes. It was also indicated that the regimes in the pre-1991 Ethiopian state, centralization of power was considered as essential for the state-building project, and consolidating its unity and strength not to mention the fact that it has been part and parcel of the top-down modernization project of the country. Such ideology and practices that dominated the pre-1991 Ethiopia regimes, as argued in the chapter, was among the various factors that eventually led to their demise the regimes.

In discussing the post-1991 Ethiopian state in general and the issue of development governance in particular, the chapter discussed the place and importance of issues of self- and shared governance of development in the federalization of the Ethiopian state. Accordingly, attempt has been made point out why and how the excessively centralized and authoritarian mode of development governance employed by the pre-1991 Ethiopian regimes contributed its part in creating resentment among the diverse ethno-linguistic groups within the country that have long complained of being marginalized by the central government and being denied the right to equitable development and have their say on matters that affect them.

The Chapter also made a brief presentation on the basic features of the Ethiopian federation in terms of the organization of its constituent units, pillars of the constitution and distinctive aspects of the federal polity. Most of all, the chapter tried to look into the constitutional essence of multilevel development governance in the Ethiopian federal system. In this regard, the chapter underlined that the *de jure* federalization of the post-1995 Ethiopian state is, *inter alia*, an act of recognition of the cultural and ethno-linguistic diversity that exists in the country as well as the equality of the nations, nationalities and peoples of Ethiopia where their right to self- and shared governance at local, regional and national levels are constitutionally guaranteed. As the Ethiopian federal polity is primarily meant to address the ethno-linguistic, cultural and religious rights of regions for self-determination and self-administration, it also embraces their right to govern development as part and parcel of the federal and democratic state arrangement where republicanism is the driver of its

governance system. Regarding the nomenclature of the State, Article 1 of the Constitution states, “[t]his Constitution establishes “a Federal and Democratic State structure”. Accordingly, the present study argues that the phrase ‘federal democracy’ is meant to refer to embracing the federal idea of diffusion, division, allocation and/or sharing of state power between and among tiers of government and democracy serves as a driver of the federal ideal in such a way that it upholds the core values of a FPS, namely, multiple centers of power, choice and accountability, laboratory of states, responsive and innovative governance, and bringing government and people closer to each other.

Moreover, the chapter showed that the FDRE Constitution has enshrined the fundamental principles of democratic multilevel development governance anchored on the essence and values of a federal democratic system by guaranteeing a decentralized, participatory and responsive governance of development at multiple centers as provided in various provisions of the FDRE Constitution. Meanwhile, in an attempt to determine the constitutional mandate of the federal government on development policymaking, the chapter examined the constitutional matrix on the division of power on development governance, between the federal government and regional states within the Ethiopian federation, and it was showed that the FDRE Constitution does not clearly state the boundaries between the mandate and/or powers of the federal government and that of regional states as well as the nature of the relationship between them. Thus, the absence of a ‘federal supremacy’ clause in the event of conflicts of jurisdiction between the federal government and regional states is a major constitutional loophole in this regard and thus makes the issue a bit complicated. This condition, it was argued, inevitably requires carefully navigating through the wordings of the specific provisions, particularly those that directly address the issue, i.e. Articles 51 and 52, so as to be able to make sense of the vertical division of power on development – the mandate and scope of policymaking and execution power between and among the federal government and regional states with respect to the governance of development.

In qualifying the division of policy power on development provided in the FDRE Constitution, to address the overlap of power in governing development, the chapter employed the general guiding

principles derived from literature on federalism that sets jurisprudence in this regard as well as the experience of matured federations as identified under Chapter Two (Section 2.2.3 and 2.2.4.).

Accordingly, principles such as territoriality, necessary and incidental power as well as the need to build one economic community under the auspicious of HoF as provided in the 1995 federal constitution, the chapter attempted to delimit generally the scope and limits on policy power of the federal government. These principles, as discussed in the Chapter Two, serve as a yardstick to justify or criticise federal intervention into the sphere of regional states provided that whether the acts are un/justifiable within the principle of territoriality where the act is an inter-states matter; based on the principle of necessary it is essential to do so for the federal government to discharge its exclusive power or it is unintended interact intervention. The chapter also indicated that the federal government may act upon the recommendation by the HoF on civil matters that are considered necessary to forge one economic community. The chapter however underlined that there is no fast and hard rule in this regard but needed a case-by-case analysis. This is done under Chapter Six in examining the scope of core federal developmental policies in the areas on IPD, LSCF and urban development when the study investigated whether the developmental policies of the federal government propelled by the ethos and principles of the DSM undermined the constitutional division of power in the FDRE Constitution.

CHAPTER FOUR

ENTRENCHING DSM WITHIN THE FEDERAL SYSTEM IN ETHIOPIA: CONCEPT, COURSE AND CONTESTS

4.1. Introduction

By examining the course of building the DSM in Ethiopia, the chapter examines the core normative and institutional underpinnings of the EDSM. It also investigates and puts in their perspectives as ‘compatibility and ‘incompatibility thesis, the core debates and contest on the experiment with the EDSM by EPRDF in relation to the federal and democratic state structure and governance system enshrined in the FDRE Constitution. The chapter specifically focuses on the democratic multilevel development governance system when it examines the compatibility that DSM have with the Ethiopia’s federal system, which is the second research question that the study sought to address in this chapter- *What are the major (in)compatibility issues and questions between the DSM vis-à-vis Ethiopia’s federal system?*.

The chapter is organized into six sections, including this introductory section. Section two discusses the background on the development of the EDSM – the socio-economic and political context and rationale in the adoption of the DSM in Ethiopia. Section three discusses the key ideological and institutional underpinnings of the EDSM. The focus in this section is on the major strands of the EDSM – core ideological dispensation and institutional arrangement that the EPRDF used and installed in its endeavors to build and entrench an activist a developmentalist state in Ethiopia. The section four provides a brief analysis on the manifestations of developmentalism within the specific policy areas identified by this work as cases for its investigation - IPD, LSCF and Urbanization. In section five, the chapter points out the major (in) compatibility issues posed by the experiment of the DSM within the Ethiopian federal system. Finally, section six concludes the chapter by recapping its major arguments and findings.

4.2. The Course of Building the DSM in Ethiopia: An Overview

Following the transition, stabilization and federalization political-economic stages the adoption of the DSM in Ethiopia is often characterized as a milestone that marks the fourth major stage in the political trajectory of the post-1991 Ethiopian state, (Abbink, 2011a). The government claims that DSM is an apt alternative development path to tackle poverty and bring about economic development (Meles, 2006). In fact, there is controversy and debate as to the context and the exact motive that led to the adoption of the DSM in Ethiopia. The experimentation with the DSM by EPRDF sparked various, often contradicting, views and explanations where the protagonists argue that the adoption of the EDSM is largely associated with the growing interest, particularly since the late 1990s, in many African countries for an alternative path of development to what they saw as the failed neo-liberal model (Bereket, 2011; Teshome, 2012; Meles Zenawi Foundation, 2017). Whereas, those who are critical of the EDSM argue that it is just another form of decoy by the EPRDF to fulfill its desire to ensure its cling onto power and unrivaled domination in the country's political landscape (Bach, 2011; Messay, 2011; Lefort, 2012; Fantini, 2013).

Indeed, Meles (2006) argued that the DSM holds the greatest promise for Africa since the neo-liberal economic reform prescriptions by the so called Bretton Woods Institutions – the IMF and the WB – failed to bring the desired changes (Meles, 2006). Accordingly, the proponents of the DSM as an alternative path to realize Ethiopia's renaissance, often argued that in addition to the pervasive market inefficiencies, the fact that there is extremely low infrastructure development and rampant chronic and poverty in the country necessitates a big, activist and strong state that plays a key role in the economy, as opposed to the small and passive state as advocated by market-led economic principles (Bereket, 2011). Invoking the experience of the early stages of the developmental experiences of east Asian countries, Meles (2011: 70) has argued that “the neoliberal model's insistence on reducing the role of the state in the economy to just that of a ‘night watchman’ is inappropriate in the case of Ethiopia as the pervasive market inefficiencies requires just the opposite i.e., the DSM that advocates a strong role of the state in directing, leading and

regulating the economy. It is thus only the DSM that clears the way for the ball of development to roll in the right direction (EPRDF, 2006; EPRDF, 2010).⁴²

According to the Ethiopian government's line of argument, the DSM is then considered as the right way for delivering fast economic growth outpacing the perceived imminent danger posed. This is as the EPRDF has argued using the metaphor of the Ethiopian state as a man running through to escape the falling cliff, i.e. chronic poverty, and its ramifications such as instability, even disintegration, of the country that could possibly occur as a result of underdevelopment (Bereket, 2011).

Generally, the adoption of the DSM in Ethiopia arose against the background the need for strong state that address the pervasive market inefficiencies and the need to correct it through an activist DS that proactively leads the course of development to bring about structural transformation. This is conceived by the EPRDF as a 'new beginning' in favor of a state-led capitalism in the country by following the path of development enshrined in the ethos of the DSM (Meles Foundation, 2017). The EPRDF-led government of Ethiopia therefore has made strides where the virtues of the DSM were extensively incorporated and extolled in various party documents and government policies issued since late 2002, including Rural and Agricultural Development Policy, IDS, Foreign Affairs and National Security Policy (De Waal, 2013). In the IDS, for example, the ethos of the DSM have been reflected in the ruling party's indoctrination materials or documents regarding the realization of the ADLI Policy, focusing on the manufacturing sector such as agro-processing, textile and leather industries (Altenburg, 2010).

⁴² The pervasive market failure in the country that impeded and bottlenecks to development in Ethiopia due to the primitive stage of capitalism and technology accumulation capability are the triggering contextual factors that compelled the adoption of the DSM in Ethiopia more than any other things (EPRDF, 2010). He conceived development primarily as a political process. As such, he contended that a conducive political environment is a *sin qua non* to launch an accelerated development. For him thus, it is only through the characteristics of the DSM which one can create such an environment in developing countries such as Ethiopia where patron-client networks and rent-seeking activities are pervasive (Meles, 2011: 170).

Contrary to the above view as to what led to Ethiopia's subscription to the DSM, there are some who argue that the context that led to the adoption of the DSM in Ethiopia under the EPRDF-led government, was primarily is as scheme for political domination by the EPRDF (for example see-Ayenachew, 2014; Melisew & Cochrane, 2018). Accordingly, the adoption of the DSM is thus meant for such political ends, rather than a genuine attempt to address market inefficiencies or to implement a state-driven capitalism in the country (see, for example, Lefort, 2013; Messay, 2011). As very critical of the adoption of the DSM by the EPRDF, Messay argued that the adoption of the DSM in Ethiopia under the leadership of the EPRDF is nothing but fulfilling its desire to stay in power for long by establishing one-party hegemony in the country. According to Messay (2011: 1-2), Meles had designed the package of *developmentalism* with an ulterior motive of establishing a one-party hegemony in the country and a desire to stay in power indefinitely, and the DSM was opted as a right strategy to ensure the dominance of the ruling party while allowing nominal political pluralism in the country (Bach, 2011; Lefort, 2013).

Some also ascribed neopatrimonial developmental politics to the EDSM. The other important features ascribed to the EDSM are its patrimonial aspect i.e. 'developmental patrimonialism'. Some even viewed the experiment with the DSM by EPRDF as patrimonial elements in the Ethiopian state represented by the continued prominence of individuals associated with the TPLF's liberation war supplemented by the emergence of a technocratic class (Paulos, 2007). There also others who viewed the EPRDF's adoption of the DSM in the 21st century Ethiopia as continuation of Ethiopia's modernization and development projects characterized by the 'politics of emulation' (see Clapham, 2006).

Generally, leaving aside the debates on the motive behind the adoption of the DSM, since the early 2000s, the Ethiopian government has been taking different policy measures and development interventions underpinned by the ideals and institutions of the DSM. The course of building DSM in Ethiopia is carried out encompassing a broad range of political, economic and social capacity building efforts and reforms as outlined in various national policy and strategy documents. ADLI is one of such principal policy tools used by the government as the overarching development policy framework of the country, which has been concretely translated into action by various sub-sector

strategies and plans such as: Poverty Reduction Strategy Paper (PRSP), Plan for Accelerated and Sustainable Development to End Poverty (PASDEP - 2005-2010), and two, five-year strategic development plans – GTP I: 2010-15 and GTP II: 2015-20 (MoFED, 2002a&b; MoFED, 2006; MoFED, 2010a&b;NPC; 2016). These and other measures thus aimed at, one way or the other, entrenching DSM in Ethiopia,

As recorded in various party and official government documents, the EPRDF's DSM largely draws on the emulation of the development path of the NICs, such as South Korea and Taiwan that had proclaimed the essence and aspects of its hegemonic developmentalism under its DSM (Altenburg, 2010; Abbink, 2011a). In this regard, for example, the Ethiopian government had invited Japanese and Korean experts to advise the country on industrial policy (Altenburg, 2010). The ADLI, IDS and GTPs prepared by the federal government exhibit policy parallels with that of the east Asian DSs where they state, as their pillars, early focus on boosting agricultural productivity to accumulate capital; increasing supply for agro-industries; providing incentives for export-orientation; and implementing 'carrot and stick' policies for enterprises (Abbink, 2011a). In this regard, as stated by Abbink (2011a: 598) ADLI, IDS and GTPs, along with other party documents, are the best indication that the adoption of the DSM in Ethiopia marks the fourth phase in reforming and shaping the post-1991 Ethiopian state.

In the various measures taken and implemented under the auspicious of the EDSM under the EPRDF's leadership, the party, and the state become the principal investor and decision-maker other actors such as the private sector only plays an intermediary role between the two actors (Zekarais, 2018: 126). The realms of developmental states ideology under the EPRDF invited a firm intervention of the state in all spheres of where the government, if not the party, has been endowed with the unlimited power of determining the direction and pace of the economic development in Ethiopia (*ibid.*).

Overall, it is safe to argue you that the experiment with the DSM in Ethiopia is one of the important developments in the country's trajectory of development governance where the government has made efforts in elevating a developmentalist state orientation above anything else (Zekarias, 2018).

The EPRDF sought and acted in building DSM, the ideology of developmentalism under the EDSM to be the hegemonic ideology that governs the political economy of the country (Hagmann & Abbink, 2011). This takes as to investigation of the core features and drivers of the EDSM.

4.3. Key Features and Drivers of the EDSM

As pointed out earlier, the adoption of the DSM in Ethiopia has the primary objective of tackling the chronic and rampant poverty in the country, and ultimately ensures structural transformation from a primarily agrarian economy towards a manufacturing-led industrialization. Such objective is believed to be achieved, according to the EPRDF (2010), through active state/government that assumes the principal role in governing development. To that effect, the active role of the state under the DSM, as advocated and implemented by the EPRDF, has devised two key strategies: (i) restructuring of a rent-seeking political economy into a competitive and productive one through selective state intervention in the economy; and (ii) building hegemonic developmentalism to realize the first strategy (Fantini, 2013: 1-7). This is based on the core underpinnings or principles of the DSM, as shown in Chapter Two, where it is underscored that the role of the state in undertaking development is not limited at policy level but also encompasses guiding, dictating and regulating the overall development activities in the country as well as making sure that these and other actors' efforts are aligned with its developmental objectives.

From economic perspective, the EPRDF's two key strategies depicted above thus are part of building an active DS that takes various measures such as 'carrot-and-stick' approach to create conducive environment for industrial growth (Altenburg, 2010; Addis Alem, 2013; Muleta, 2017). As will be seen quite shortly, the various development policies made by the Ethiopian government subsequent to the adoption of the EDSM were, one way or the other, aimed, at least in theory, at encouraging owners of manufacturing industries to ensure that their production goals are in line with the developmental objectives of the state; subsidizing investments in strategic sectors and discouraging undesirable acts and behaviors such as non-productive rent creation and seeking and distribution (Meles Zenawi Foundation, 2017).

Thus, while having economic and political frontiers, as often argued by the EPRDF (2010), the DS that the party sought to build in Ethiopia has at least three core features (EPRDF, 2010; Meles Zenawi Foundation, 2017). These are: a firm conviction that development must be considered and treated as an existential question; political and economic independence of the state or government from the influence of the economic elite; and ensuring the hegemony of developmental thinking. According to EPRDF, by embracing these principles and features, the EDSM will eventually help to extricate the country from poverty, with a goal to attain a middle-income economy as of 2020-2023 (EPRDF, 2010: 45). Consequently, undertaking development and bringing about structural transformation is considered to be not only an economic objective but also – perhaps primarily – a political one as well (Altenburg, 2010; Abbink, 2011). This, as some argue, is an indication of the EPRDF’s motive and intent that it had sought legitimacy to stay in power that is derived not from the ballot box but principally on its developmental success (Bach, 2011: 641-663).

The government designated by the EPRDF to be fully in charge of making rational, development-oriented policies and strategies aimed at realizing a rapid economic development in the country as propagated by the ethos and institution of the DSM (Fantini, 2013; Eyob, 2018; Endalkachew, 2018). This is sought to be implemented by the EPRDF by blending its old political program known as ‘revolutionary democracy’ where it is designated to propel the broad ADLI economic policy in Ethiopia within the umbrella of the DSM which it had sought to make a hegemonic ideology to govern the political economy of the country. Generally, therefore, one can conclude that the EDSM has had as its core objectives building a hegemonic developmentalism, as *modus operandi* in governing development as propelled by attempting to entrench developmental policies and party politics. In this regard, the EPRDF old held as revolutionary democracy and democratic centralism has played their role in entrenching the EDSM as well as in propelling developmental policies that meant to mainstream the DSM in governing development in the country.

4.3.1. Building the EDSM: A Revolutionary Democracy-Blended Developmentalism

In its endeavor to build DSM in Ethiopia, EPRDF widely used party politics and development policies which are tuned by the ethos of developmentalism (Fantini, 2013). One of the driver of the EDSM as such is EPRDF's aspiration to turn itself as a developmental party that dominate the political arena of the country to remain in power longer enough to achieve its development aspiration (Bereket, 2011). As indicated in Chapter Two, at the backdrop to the theory of the DSM there is an assumption that in transitional economies, ideals of political and economic liberalism lead development do not work unless some degree of economic development is primarily achieved (Leftwich, 1995: 406). As a result, democracy generally viewed as secondary issue to be considered after some degree of economic development has been achieved. Hence ensuring the dominance of development hegemonism i.e. economic growth first usually becomes the principal agenda of an activist developmental state.

Under the DSM in propelling the developmentalism ideology therefore politics in general, particularly the dominance of a developmental party that enable a DS to exercise its developmental role widely viewed as crucial in designing, enforcing and entrenching development policies and strategies under the DSM (Liftwich, 1995). This is why the DSM often depicted is a political as much as it is an economic ideology where the party system under the DSM is attributed to and highly correlated with the level of the efficiency of an active, capitalist state (*ibid.*).⁴³ In this regard, as noted in the previous chapters, the presence of hegemonic/dominant party with key role of

⁴³ It is through the party that assumed state power that the DSM was translated into practice, as has been the case in Japan (Johnson, 1987). The developmental success of these countries' DSM that brought about structural transformation towards industrialization is largely attributed to the parties that had reigned during the first three decades of the 'developmentalism period' of these countries (Kim, 2009). For instance, the development success recorded in Japan, Taiwan and Singapore on the one hand and that recorded in China on the other hand are attributed to the National Development Party (NDP) and the Communist Party of China (CPC), respectively (Robinson & White, 2002: 1-13).

driving the activist DSs, as has been observed in East Asian DSMs, namely, South Korea, Taiwan, Japan and Singapore, until the late 1980s.⁴⁴

In a similar vein, in Ethiopia building the DSM is accompanied with the need to realize the dominance of developmental party system as aspired by the EPRDF as essential to ensure the hegemonic status of the DSM's ideology (Fantini, 2013). This is underlined in one of the front political document as "The Developmental State Model needs a developmentally-oriented dominant party that would stay in power until and up to its developmentalist mission is achieved when the core tents of developmental objectives are realized"(EPRDF, 2010: 45). The institutionalization of a developmental politics as the dominant driver of developmentalism sought not only for effective developmental policymaking and execution but also the continuous and sustainable implementation of such policies until and up to the realization of structural transformation in the country (EPRDF, 2006; Lefort, 2013). As with the Asian NIC's experience during the early stage of their developmentalism, EPRDF in emulating the East Asian DSM experience sought to replicate itself as hegemonic party (Clapham, 2006: 137-150). Due to this, developmental party politics often associated with the project of constructing the DSM in Ethiopia by the EPRDF, and even viewed as the driver of the EDSM as well (Fantini, 2013: 4-5).

Consequently, as some have argued that the course of building DSM in Ethiopia have seen various measures taken by the EPRDF which aimed at turning itself as dominant party which is viewed by the front an imperative in entrenching the EDSM (see: Abbink, 2011b; Bach, 2011). Hence, building a dominant or hegemonic system of party politics is the other core feature of the EDSM. The EPRDF's project of building a dominant party system, however, was carried out in the context of the party's own conception of democracy, class struggle, and most of all, addressing the 'question of nationalities' by blending the DSM with its long held revolutionary democracy (Bach,

⁴⁴ Explaining the dominant pattern of party politics and political system in the successful NICs, some prominent scholars have asserted that the successful transition of such countries from poor societies to industrialized ones through high rates of economic growth attributable, among other things, to the philosophy and practices of development-oriented authoritarianism (see: Huntington, 1987: 14-15; Leftwich, 2008: 105-111).

2011; Lefort, 2013). Indeed, the EPRDF has often argued that its political unflinching line is revolutionary democracy (Meles Zenawi Foundation, 2017). This obviously affects the experimentation with the DSM in the country (Batch, 2011).

Basically, the notion of revolutionary democracy is believed to have originated from Lenin's conviction that the enlightened elites should lead the unconscious masses towards a social revolution (Bach, 2011: 641). In the EPRDF's discourse of revolutionary democracy, it overtly propagated for the need for a vanguard party propelled by the principle of 'democratic centralism'. This vanguard party is needed to carry out the burden its shouldered to bring peace, democracy and development which cannot be conceivable by the 'unconscious masses' unless guided by a vanguard party (*ibid.*). It is along this line of argument that the EPRDF conceived its party program dubbed 'revolutionary democracy' anchored on 'democratic centralism' which sought by the front to serve as an ideological basis to dictate its governance with a profound influence on all affairs of governance projected and implemented by the EPRDF, including the in the course of entrenching the EDSM (Bach, 2011; Fantini, 2013). As Lefort (2013: 460-461) argued, the EPRDF's conception of the notion of revolutionary democracy is based on the assumption that the masses are 'backward, uneducated, and unorganized' and hence would easily fall into the trap of socially wasteful rent-seeking behaviors. The logical remedy is then the mass should be 'mobilized, organized and coordinated' by a vanguard party and its political leadership towards the desired goal (*ibid.*). Hence, the ruling elites have the responsibility to identify the needs and aspirations of the masses and envision and articulate a roadmap for the transformation of the country into a sustainable market economy. The implication of such thinking in entrenching the DSM by the EPRDF is well noted by Lefort (2013) thus:

For Meles, a 'strong state' was not solely a state with extensive powers and very wide scope of action but also a state whose actions are dictated by the dominant party because 'development is a political process first'. Although the party initially led the state, the former quickly swallowed up the latter. Ethiopia lives under a 'monolithic party-state system' governed by a so-called 'Revolutionary Democracy' (2013: 461).

Indeed, as can be gleaned from major party and government policy documents, such as democracy and development (2006), rural development and transformation (2002), capacity building (reforms on civil service, education, justice sector) etc., the influence of revolutionary democracy tuned developmentalism is apparent. As some argued, by blending the ethos and institutions of the DSM and revolutionary democracy together, it seems the EPRDF sought to project itself as a vanguard party and sought to obtain 'legitimacy' from its developmental success through the proper implementation of the DSM (Abbink, 2011b: 596-618). Hence, as Lefort (2013) noted that the EPRDF in its effort to institutionalize the DSM in Ethiopia includes undertakings to build a vanguard capitalist state where the party (EPRDF) is the omniscient and omnipresent propeller of the political-economy of the state, along the principles, paths and goals of developmentalism.

Indeed, the EPRDF has often attributed its developmental success to its strict adherence to the ideology and actual implementation of developmentalism within the framework of revolutionary democracy (see: Meles Zenawi Foundation, 2017: 165-282). Some even attributed the EPRDF's long established tradition of formidability and internal discipline behind its impressive ability to control and manage political processes in the country in the past two decades and even argued that such formidability of the EPRDF is a key factor and essential for ensuring political stability required for economic development and attracting foreign investment in Ethiopia (for example-- Semir, 2019: 26).

In general, one of the core ideological underpinnings of the EDSM is its being blended with revolutionary democracy that sought to build a vanguard capitalist party or also known as dominant developmental party that devises the development paths, and guides and ensures their enforcement in line with the ideals and objectives of the DSM (Lefort, 2012; Fantini, 2013; Ayenachew, 2014).

The need for developmental party system under the DSM is usually justified for expedient development policymaking and execution for which building a hegemonic party system by incumbents as was the case in most of East Asian developmental states early stages development experience (Leftwich, 1995). As much as dominant party system is largely viewed as essential

driver of a DSM so that is development governance, specifically crafting, having and enforcing development policies under the auspicious of the ideology and institutions of developmentalism (*ibid.*). Indeed, as noted before, development policy making and execution at the center of in the affairs of development governance. This due to the fact that it is through public policies that the government sets its development objectives into action so that a monopoly on public policymaking and execution by a DS is considered as an essential element for the success of the DSM (Leftwich, 1995: 406). Similarly, one of the features of the EDSM, whilst emulating the Asian DSs, is building state hegemony on development policymaking and administration (Fantini, 2013).

Hence, as indicated earlier the adoption of DSM in Ethiopia has led to the enactment of various policies by the EPRDF-led government since 2002 (Fantini, 2013; Ayenachew, 2014; Clapham, 2017). Thus as much as developmental hegemonic party have been very instrument in propelling the EDSM so that EPRDF used national development policies such as the ADLI, GTPs, IDS etc., as driver of developmentalism (Meles Zenawi Foundation, 2017).. Similar to the experience of East Asian DSs special agencies that used as the motor of their mission of developmentalism, in Ethiopia they are MoFED since 2002 and the National Plan Commission (now renamed as Federal Plan and Development Commission) since have been designated and acting as special agencies to propel the EDSM at federal level. Indeed these organizations, especially MoFED (now renamed as Ministry of Economy) largely dictate and have huge leverage on the counter regional states finance and economic development bureaus or plan commissions be it in relation to budget (MoFED), cascading plans (NPC), trainings etc., served as federal under the auspicious of EPRDF's executive committee (Teshome, 2012; Eyob, 2018). As spearheads of the EDSM, let us briefly see some of the core policies of the federal government in the thematic areas of this study (agriculture, industry and urbanization) which are made and enforced following the adoption of the DSM whose purpose is to entrench developmentalism in Ethiopia.

4.3.2. Major National Development Policy Propellers of the EDSM

The EDSM has been conceived with the aim to modernize the agriculture sector which the bulk of the population resides in rural areas earning a livelihood from land and the objective is linking agriculture with industry and enhance its productivity in terms of output, employment, and export earnings” (MoFED, 2002b: 1-4). As indicated, the introduction of ADLI policy was one of the early steps taken by the Ethiopian government in heralding the experiment of the DSM in the country development trajectories (MoFED, 2002b; Ohno, 2009). ADLI as development strategy takes agriculture as its point of departure and the growth engine of the economy with development strategy in recognition of Ethiopia as an agrarian society (Muleta, 2015). To that effect, ADLI considered labor and land as the relatively main and abundant factors of production and their effective use should generate rapid and sustainable development (*ibid.*). Therefore, the rationale behind ADLI is ‘to bring about a structural transformation in the productivity and production of peasant agriculture’ and so to ‘streamline and reconstruct the manufacturing sector’ which eventually leads to industrialization and urbanization (Chinigò, 2014).

Furthermore, the Ethiopian government viewed ADLI as ‘an evolving development strategy subject to pragmatic experimentation and adjustment’ based on a ‘learning by doing’ approach rather than an immutable approach (MoFED, 2002b). This led to the formulation of other policies such as the GTPs (GTP I and GTP II) that further elaborate and concretize the ideals and objectives of ADLI. Thus, the core national development policies intended to mainstream the DSM in Ethiopia thus includes ADLI, GTPs I and II (Muleta, 2017). Basically, it through these policies that the various mega development projects have also been designed and implemented as part of the development objective of the EDSM aimed at bringing about structural transformation through agricultural development-led industrial takeoff (Meles Zenawi Foundation, 2017). The mega developmental projects comprised in these transformational developmental policies include LSCF; IPD and rural-urban integrated programs and projects; and large hydropower dams to mention few them (Muleta, 2017).

One can note that the policy and institutions and other successive measure introduced under the EDSM were basically inspired by lessons obtained from the practical experiences of the NICs of East Asia (*Ibid.*). As sectoral development policy in the industry sector, for example, the IDS basically is a result of the EPRDF's aspiration to emulate the DSM experience of the Asian NICs as depicted in a document issued by the EPRDF as follows:

... the government have taken and drawn lessons (from Korea and Taiwan) on such policy issues including: early focus on productivity growth in agriculture in order to accumulate capital, increase supply for agro-industries and generate demand for manufactured goods, restriction on ownership of land, put in place a nationalized banking system which enables government to channel credit from rent-seeking to value-creating activities, promote incentives for export-orientation, 'carrot and stick' policies for enterprises, e.g. setting productivity and export targets, a focus on export-led industrialization and learning from China's policymaking and industrialization (EPRDF, 2010: 52).⁴⁵

In this regard, for example, the Ethiopian government had copied experiences on government private sector support initiatives of the Korean DSM during the 1970s where, using platforms put in place by the government, such as the Export Steering Committee, regular consultations were held between the government and the private sector, with the aim of addressing the concerns of industry owners engaged in the national priority area of the manufacturing sector, which is a national priority (Altenburg, 2010). Likewise, benchmarking Japan's early years of developmental experience, the Ethiopian government also launched a civil service capacity building program in 2003, in which a civil service reform program known as Business Process Reengineering (BPR) was implemented in all public institutions across the country, and later, kaizen – a philosophy based on the continuous improvement of work processes within an organization – drawing on lessons and experiences from Japan's DSM country (Mengesha *et al.*, 2007; Ayenachew, 2014).

⁴⁵ The document originally written and prepared by the then Office of Government Communication Affairs as በኢትዮጵያ የዲሞክራሲ ሰርአት ግባታ ጉዳዮች ታሰስ 2003 ዓ .ም አዲስ አበባ in Amharic and translated by the author.

The major national development policies that sought to mainstream the DSM in Ethiopia such as ADLI, PASDEP, IDS, GTPs etc., elaborated further by sectoral policies and strategies that specify in much more detail the plans and strategies of the EDSM at federal level and subsequently adopted by regional states (Arkebe, 2016). Generally, among other policies, the GTPs (I and II) and IDS have been very instrumental development policies in propelling the DSM in the realm of agriculture, manufacture and urban development sectors in the country (Teshome, 2012; Eyob, 2018). Therefore, below a closer examination is made on these core national development policies designed to streamline the DSM in Ethiopia, and discern the strategic pillars used to advance developmentalism in the country⁴⁶.

4.3.2.1. Industrial Development Strategy under the EDSM

In the industry sector the IDS was adopted right after the official declaration by the Ethiopian Government that it had adopted the DSM as its development path (Teshome, 2012; Altuberg, 2010; Arkebe, 2016). This makes the IDS an overarching sectoral policy made by the federal government to mainstream the DSM in the industry sector by setting national development priority areas. The IDS is often mentioned as the ‘first comprehensive and focused’ industrial development strategy, adopted immediately following the official declaration and adoption of the DSM by the EPRDF-led government in 2001 as a developmental path that drives the political economy of the country (see: Altuberg, 2010; Arkeb, 2016). Being the antithesis of the neoliberal paradigm, the IDS apparently argues for a strong role of the state, which is manifested not only in facilitating conditions for undertaking various businesses but also in proactively leading the entire process of business and economic activity within the country i.e., providing direct support in coordinating and guiding the private sector (Arkebe, 2016). To that effect, the state is supposed to play a leading role in the governance of the affairs of development within the industry sector. Anchored on the developmentalist ethos and institutions as espoused under the DSM, the IDS (MoFED, 2002: 4-

⁴⁶ Thus, the present study used these policies to examine of the impact of the DSM on a multilevel development governance system in the Ethiopian federation, as enshrined under the FDRE Constitution.

89) generally underlined the need for a strong, active state that while creating conducive business environment for the development of the private sector, needs to intervene in:

- a. Maintaining macroeconomic stability;
- b. Building a functioning and well-regulated financial sector;
- c. Creating dependable infrastructure services;
- d. Developing skilled and effective human resource;
- e. Creating efficient civil service and legal framework; and
- f. Developing industrial zones in major cities and towns with all required infrastructure facilities

Furthermore, the IDS set the conditions under which the industrial development path needs to proceed towards an eventual industrial take-off (MoFED, 2002: 1 -5). The policy document also identified the priority sectors that will be directly supported by the government, which include textile and garment; meat, leather and leather products; other agro-processing industries such as sugar and sugar related industries; the construction industry; and small and micro enterprises (SMEs) as national development priority areas (*ibid.*).

The IDS, under its section that depicts crosscutting policy issues, states that in order to create conducive environment for industrial takeoff, the need for deep reforms on the country's institutions (MoFED, 2002: 220-224). Accordingly, in its assessment of the country's institutions, especially the bureaucracy, the IDS states that it would be a challenge for building an effective DSM in the country as the weak and ill-organized bureaucracy and the civil service have been a major impediment for its limitations in terms of human resource capacity such as competent, motivated and autonomous public servants (*ibid.*).

Generally, the assessment of the government on the government bureaucracy as Arkebe (2016: 22) notes, "the work force within the country's civil service appears to be non-transparent, bureaucratic as well as having an anti-democratic tendency. In an attempt to overcome the challenges faced in

this regard, the government embarked on major reform initiatives and measures, both at federal and regional levels, under an overarching reform package called National Capacity Building Program (NCBP), which includes Civil Service Reform, BPR, as well as reform initiatives in the area of trade which includes introducing business registration, substantial revisions to the investment code, modernizing the tax regime, introducing value added tax (VAT), and competition law and customs administration (Mengesha *et al.*, 2006: 367-380). Such reforms have often been associated by government as part of its measures in building an effective DSM in Ethiopia whose ultimate goal is to bring about a structural transformation of the Ethiopian economy and people to attain a middle income status by 2020-23 (Arkebe, 2016; Eyob, 2018).

In mainstreaming the DSM within the industry sector, the IDS generally points out the principles and areas where the state intervenes and takes the leading role so as to achieve the objectives of the EDSM – to bring about industrial takeoff which eventually leads to a structural transformation from hand-to-mouth primary subsistence rain-fed agriculture to manufacturing-based middle-income county (MoFED, 2002: 44-54). The strategic pillars of the IDS meant to streamline the DSM in Ethiopia are depicted in Table 5 (next page).

Table 5: IDS's developmental guiding principles within the industry sector

No.	Pillars of the IDS	The Role of the Developmentalist State
1	Agriculture-led industrial take-off	Ensuring policy linkage (back-forth interplay) through mutual dependence of agriculture-industry development with forward backward linkages
2	A leading role of the private sector	Paving the way for private sector to flourish by selected state investment and building efficient bureaucracy
3	Emphasis for labor-intensive industries	Setting areas of to utilize that comparative that provides large and cheap labor and labor management
4	Export led industrial development	Providing preferential treatment from the state for the industrialists investing in the national development priority areas for export purpose the
5	Mobilization of national resources towards industrial development	Creating and supporting developmental actors by organizing developmental armies (farmers, civil servants, journalists and the like)
6	Productive rent-creation and distribution	Employing 'carrot-stick' approach- promoting productive rent-creation and distribution for developmental capitalists by providing direct support while discouraging the unproductive rent behavior

Based on the above policy pillars of the industry sector, the federal government issued various development plans that further elaborated the IDS with detailed plan such as PASDEP (2005-2010).⁴⁷ Generally, the IDS introduced the ideology and institutions of the DSM within the industry sector in Ethiopia where the government sought to achieve a fast industrial development that aimed at bringing about a structural transformation in a country that has so far been dominated

⁴⁷ The PASDEP as IDS's immediate follow up is anchored on the following key considerations: (a) building an all-inclusive implementation capacity; (b) a massive push to accelerate growth; (c) maintaining a balance between economic development and population growth; (d) unleashing the potentials of Ethiopia's women; (e) strengthening the infrastructure of the country; (f) strengthening human resource development; (g) managing risk and volatility; and (h) creating employment opportunities (MoFED, 2006).

by a largely agrarian and rural-based population, towards an urbanized, middle income society and economy.

As much it serves as comprehensive national strategy in the industry sector, IDS has also served as important milestone based on which the Ethiopian government embarked in the formulation of GTP I and GTP II (NPC, 2016). Hence, among other policies, it is through the GTPs that the pillars of the IDS translated into a national transformation plans that aimed to bring structural transformation from subsistence, primary-sector-based economy to a manufacturing-based industrialization (*ibid.*).

4.3.2.2. The GTPs as Spearhead Instruments under the EDSM

GTP I and GTP II are among the important policy documents formulated and implemented under the EDSM. In this regard, it has been pointed out, for example in GTP I, “ensuring a developmental political economy and achieving development” (NPC, 2016: 45). In GTP I, it is promised to lay the foundation for the DSM and serve as a launch pad for an industrial take-off (MoFED, 2010). Thus, the main objective of the government’s development strategy, as stated in GTP I was to promote inclusive growth through massive public-driven infrastructure investments (MoFED, 2010: 21). Moreover, the GTP I envisaged the agricultural sector as the major source of growth and thereby laid the foundation for rapid industrialization and economic structural transformation by developing the industry sector more rapidly than the agricultural sector (*ibid.*).

Likewise, in GTP II, the Ethiopian government underlined this goal of realizing a fundamental structural shift within the country’s economy:

...the government, as a developmental state, is fully committed to mobilize the necessary resources, including capacity for implementation of the Plan. Modernization in the development of the agriculture sector, expansion of industrial development with primary focus on light manufacturing, and a significant shift in export development are at the core of GTP II. GTP II is an important milestone towards realizing Ethiopia’s vision of becoming a lower middle-income country by 2025 (NPC, 2016: 47).

Accordingly, as stated in GTP II, the government envisaged to realize Ethiopia's vision of becoming a lower middle-income country by 2025 where GTP II is considered as an important milestone fulfills such vision.

Generally, in the GTP II, the government stated the plan as the spearhead of DSM in the country where the government officially declared, planned and working to achieve structural transformation towards manufactured based industrialization from agricultural based primarily economy (NPC, 2016: 2). This is conspicuously stated as 'deepening the hegemony of developmental political economy by strengthening a stable democratic developmental state' is one of the cardinal objectives of GTP II (NPC, 2016: 79-80). Following the two GTPs, the government set-up institutions to create enabling physical infrastructure that facilitate industrial take-off as envisaged under the EDSM. Some of the institutions and their respective role pointed out in briefly in the table 6 (next Page).

Table 6: Major institutional measures taken to advance industrialization under the EDSM

No.	Institutional Measures Taken	Year	Intended Objectives of the Measures
1	National Export Coordinating Council chaired by the Prime Minister	2005	To coordinate export-related matters to enhance exports
2	Establishing of the Ethiopian Investment Board (EIB) – chaired by the Prime Minister	2014	To provide close oversight and follow up on investment and industrial policies with critical role in guiding industrial policy
3	Reforming of key regulatory and policy institutions such as banks and state owned enterprises	2005-14	To provide a subsidized industrial financing of manufacturing and agriculture (private sector); finances public housing and infrastructure development projects
4	Establishing of the Ethiopian Investment Commission (EIC)	2012	To render a single window service to attract new investment; support investors; propose and administer incentives
5	Establishing of the Industrial Parks Development Corporation (IPDC)	2014	Development and operation of industrial parks; Support for private developers; custodian of land and fostering targeted productive investment and agglomeration industrial parks
6	Establishing of various sectoral institutes and agencies: Ethiopian Leather Industry Association , Ethiopian Textile and Garment Association , Institutes for Metal, Meat and Dairy etc.	2005	To serve as sectoral focal agencies to lead specific priority sectors (textile, leather, metals, meat and dairy, horticulture etc.)

Source: Author’s compilation from Ethiopian Investment Commission annual reports

The GTPs made by the federal government were designed and implemented into two slots (GTP I: 2010-15 and GTP II: 2015-20) and they have been described as ambitious (for they comprised huge plans both in volume and dimensions)⁴⁸ national development transformational plans highly

⁴⁸ GTPs I and II cover a range of broad developmental issues, from agriculture and rural development to social issues and governance. Having bigger coverage in the plan, the development of the economic sector has been given a prominent role in eradicating poverty and reaching a middle-income status. It can be concluded that the Ethiopian government aims to generate concrete growth within the agriculture and industrial sectors, under state guidance rather than generally confining itself to the provision of primary education, health care and a good business environment, and letting the market do the rest (NPC, 2016).

influenced by the ethos and institutions of DSM as conceived by the EPRDF-led government (Meles Zenawi Foundation, 2017).

4.3.2.3. Urban Development Policy under the EDSM

The EDSM that aims to put the country in the lower middle income category targeted expansion of urban centers and urbanization as part of the structural transformation projection and pursued urban development as part of its developmentalism objective. Urbanization is thus the part of the EDSM's structural transformation plan envisioned in the core national development plans such as the GTPs as well as IDS. This is indicated in one of the federal policy document as "...to enhance the role and contribution of urban centers towards economic development and therefore to improve the living conditions of their residents" (National Urban Planning Institute: 2003). Thus, in the GTP II, it is stated that to accelerate sustainable urban development and industrialization by identifying major achievable programs in the urban centers of the country. For example in the GTP II it is stated that "[t]o guide the sustainable urban development during the period of GTP II and beyond. The envisaged expansion of manufacturing and industrial development could not be thought of without sustainable development of urban centers. Hence, utmost emphasis will be given to the urban development process (NPC, 2016: 157- 62).

Accordingly, the national urban policy was introduced and approved for the first time by the Council of Ministers in March 2005 and revised on May 2014. At federal level, based on the revised urban development policy, various urban development related measures such as urban manuals, packages and programs were formulated at the federal level to enhance urban development of the country (NPC, 2016). Urban planning and implementation manual; the 1st and 2nd Urban Local Government Development Programs; Resettlement System Guidelines for Urban Local governments (3rd Draft of March 2008) and the Rural-Urban Linkage Manual are some of the various manuals introduced by the federal government (NPC, 2016: 57- 62).

Moreover, to expedite the industry-urban development linkage, effective urban land administration and use system is considered as crucial factor for rapid urbanization. The government thus has

taken measures such as urban land legislations to harmonize the linkages with rural land legislations. As indicated in the GTP II, ensuring efficiency in land use is underlined as key direction of the plan where it incorporated as strategic directions to bring better condition for financing, integrating and providing quality urban infrastructure that adequately support the envisaged rapid urbanization (NPC, 2016:157-62). Furthermore, in order to reduce the mismatch between housing demand and supply, to upgrade the urban centers, and to ensure sustainable development envisaged in GTPII not to mention green development strategic direction to ensure sustainable urban development and to speed up green economic development (NPC, 2016: 57- 62).

Overall, as part of expedite implementation of the national development scheme of the EDSM in the area of urbanization⁴⁹, as the federal government made various legislations with the view to install a unified and more efficient system of urban development (planning, land administration, Housing etc.) such as: Proclamation No. 455/2005, which is about expropriation of landholdings for public purposes and payment of compensation; Proclamation No. 574/2008 regulates urban planning in Ethiopia; Proclamation No. 818/2014, which is about urban landholding registration and Proclamation 721/2011, stipulated urban lands lease holdings⁵⁰.

Moreover, in setting up the necessary institutions the federal government on urban land entrusted to Ministry of Urban Development and Construction (MoUDC), created in 2005 to implement the government's urban development policy. In its role as the coordinator of the urban affairs of the country through its Land Development and Administration Department, MoUDC supports urban

⁴⁹ As an illustration, one can cite industrial park development projects that are linked one way or the other with urbanization and needless to say giving more attraction to investors (NPC, 2016:57-62).

⁵⁰ The main objectives of such measures includes: facilitate the continuous provision and expansion of integrated urban infrastructure by strengthening infrastructure financing capacity and transferring skills and technology; to ensure the use right of urban land by organizing and strengthening urban land information system with modern technology; and to realize urban development and urban good governance through active public engagement, building strong urban development army and labour-based approach to public works and o develop and manage climatic resilient urban green infrastructure so as to create conducive working and living environment for citizens and to realize the vision of green economy as well.

local governments with policy, planning, capacity building, and guidelines, providing land information, land development, and administration.⁵¹

In short, the federal government attempted to provide, via legislations, manuals, guidelines etc., the master plan that guides the overall urban planning system in the country under the umbrella of the EDSM's industrialization policies of rapid urbanization (NPC, 2016: 157). Overall, efficient land administration and use as principal components of the industrialization cum urbanization recognized as key direction of GTP II (NPC, 2016: 157).

4.3.3. Mega National Development Projects under the EDSM

Generally, as seen above, various national development policies are designed under the ethos and institutions of DSM to give the impression that Ethiopia, like the “Asian Tigers” designated the state to act as a promoter of development whose role to climb higher on the development ladder that emphasized agricultural development-led industrialization including urbanization (Gebremariam *et al.*, 2017). In an attempt to streamline these policies into practice, the government has been launching various mega development projects such as the such as IPD, LSCF, large hydropower dams etc. (Muleta, 2015). The launching of IPD and LSCF projects as a tool for accelerating industrialization and economic development following the adoption of DSM in Ethiopia is thus some of the cases in this regard (Muleta, 2017; Gebremariam, *et al.*, 2017; Tsegaye, 2017). As the Ethiopian government often justifies its investments and special attention to IPD and LSCF on the ground that Ethiopia has no or little deposits of lucrative commodities such as fossil fuels, gold or other natural mineral resources, devising and implementing policies that creates favourable condition to attract FDI based on the peculiar potential context of the

⁵¹ Urban Management Institute at federal level established which is replicated by regional states with the objective of to guide and coordinate urban development and good governance as well as to provide capacity building activities.

country is an indispensable task of framers of the DSM (Teshome, 2012; Addis Alem, 2013; Muleta, 2017).

In the case of IPD projects, the government aimed to improve the business climate to enable the private sector to growth and employment creation, in Ethiopia the designated industrial zones and built industrial parks as part of government's efforts in attracting foreign investment to the country (Arkebe, 2015; Zhang *et al.*, 2018).). To this end, the establishment of industrial development zones both state and private run, with favorable investment, tax, and infrastructure incentives for the key priority investment areas have been introduced. The government established an institution, the Ethiopian Industrial Zone Corporation under the Ministry of Industry to oversee the construction and regulation of the industrial zones and parks. The key priority areas in industry sector are textile and garment, leather, sugar, cement, metal and engineering, chemical, pharmaceutical and agro-processing (Mulu, 2014; Zhang *et al.*, 2018). There are currently more than 22 industrial parks owned by the government and private developers and there are plans to expand these projects in various parts of the country (Ethiopian Investment Commission (2019)

The establishment of Industrial Zone in Ethiopia is not new practices rather it is in line to the experiences of the East Asian DSa as well as Mauritius from Sub-Saharan Africa built Export Processing Zones or Special Economic Zones (MoFED, 2013). These EPZs or SEZs set up to attract labor-intensive and export based manufactured FDI via granted various preferential treatments. Such FDI-led "take-off" at the beginning stage of catch-up has been effective in the labor-abundant emerging economies subject to advanced industrialization depends increasingly on knowledge and demands sophisticated approach (Addis Alem, 2013).

Generally, industrial parks aim to facilitate the economic development and prosperity of the host country through the promotion of trade and investment. However, the specific rationale for establishing industrial zones may differ between countries depending on their economic strength, degree of transparency, stage of development, openness to private investment, and geographical and environmental conditions (Tesfaye *et al.*, 2017). Furthermore, there are several policy, economic and infrastructure-related rationales for the establishment of industrial parks in a given

country. However, the basic reason for the creation of an industrial zone is largely associated with the potential benefits that the clustering together of various industries and businesses in a specific area is hoped to generate. Such clustering or agglomeration of different businesses in one location will positively affect the performance and growth of the business in many ways (Zhang *et al.*, 2018: 8-41). It is widely accepted that the concentration of firms in geographical proximity will lead to an innovative and conducive business environment which contributes to their development. Moreover, industrial parks create a favorable business environment by reducing limitations in terms of better provision of infrastructure, legal framework, access to market, production capacity and the like (*ibid.*).

Similar is the case with LSCF where the government sought to attract FDI. It is to be noted that the rationale behind promoting LSCF is to attract FDI and have access to foreign hard currency to alleviate the bottleneck in this regard (MoFED, 2014). Hence, to attract FDI under the EDSM, the government gives special investment incentives to create a favorable environment for foreign capital such as leasing virgin farmlands and bestowing tax holidays and tax relief to foreign investors to promote LSCF. This has been also the practice in some states that follows DSM (Muleta, 2015: 105-110). For instance, Mauritius and the second-tiers of the Southeast Asian developmental states used FDI successfully in this way, including public investment in infrastructure, training, and skills to attract it into sectors producing goods and services with a high value-added component (UNCTAD, 2005).

Likewise, in the case of urban development under the EDSM, one of the policy features of the urbanization developmentalism is the place it gives for urban-rural interface development approach. Accordingly, the federal government in various major policies mainstreaming developmental ethos (for example in the GTPs) underscored for seamless rural and urban development integration⁵². This is stated in GTP II as follows:

⁵²See Urban Development plans of the in the GTPI&II (FPC, 2016)

[t]he supply of land for different urban development programs will be executed in an utmost transparency, accountability and fairness. All urban development programs and resultant urban expansions should ensure equity of farmers and pastoralists by guaranteeing not only sufficient compensation but also rehabilitating such households to warrant better livelihoods afterwards (NPC, 2016).

To this end, rural-urban integrated development plans, the federal government employed as instrument for Structural (Master) Development Plan (SDP). In the SDP the federal government employed, *inter alia*, as a mechanism for converting land rights of rural landholders into urban rights where as soon as any rural territory is slotted for urbanization by inclusion into a nearby city or urban center.⁵³

In all development policies and projects, be it in the urbanization IPD, LSCF and urban development policies and projects, land has been very crucial as such projects require the provision of huge size of lands and expedient administration.⁵⁴ Such objectives can be gleaned from GTP II where it states the provision of huge plots of land for projects such as industry zones and LSCF as depicted in Table 7 next page.

⁵³ To that effect the federal government underscored for seamless rural and urban development integration through projects such as rural-urban integrated development master plan, for which one the typical example of which is Addis Ababa-the surrounding ONRS's Special Zone.

⁵⁴ To facilitate land supply for these projects, the government has invested in the development of industrial land for private investment. In 2012/13, demand based industrial zones were developed in different regional states and city administrations with configuration of the entire necessary infrastructure (see: NPC, 2016).

Table 7: Plans for agro-processing industries and exportable items envisioned under GTP II

Plans on preparation of land for investment	Plans on exportable agro-processing items
<ul style="list-style-type: none"> • To prepare half a million hectares of additional land for investment and increase the total land identified for investment at national level to 4.315 million hectares by 2019/20 • To increase the total area of land identified and brought into the federal land bank from 2.2 million hectares in 2014/15 to 2.54 million hectares in 2019/20 • To increase the total area of land to be transferred to investors 3.1 million hectares by the end of 2019/20 	<ul style="list-style-type: none"> • To increase land covered by flower development to 3066.4 hectares in 2020 in by the end of the plan period • To increase land covered by vegetable development from 2325.4 hectares in 2020 • To increase land covered by fruit development from 10779 hectares in 2014/15 to 11314.8 hectares by the end of the plan period

As already indicated above, in an attempt to realize the above plans on the ground, the federal government introduced various developmentally-oriented land administration legislations that meant to help achieve its development plans envisioned within the DSM. More specifically, the federal government enacted laws on land governance, including, among others, Proclamation No. 455/2005 for the expropriation of land holdings for public use purposes and payment of compensation, and Proclamation No. 456/2005 on rural land administration and land use.⁵⁵ These laws are meant to set up the necessary institutions to facilitate the provision, regulation and expropriation of land for investment be it for establishing industry zones to be used for building

⁵⁵ Indeed, it is the federal government mandate to make laws on land legislations and also regional states to administer land in their respective regions. However, the scope and content of these legislation are examined in Chapter Six to show some centripetal tendencies in the land governance due to the ethos and institutions developmentalism.

industrial parks or leasing out land for foreign and domestic investors for LSCF projects on agro-processing manufacturing industry (MoFED, 2014).

Generally, the development policies made within the ethos of the EDSM thus one way or the other, is linked with land (United Nations Development Program ((UNDP)), 2017; MoFED, 2010). This is not surprising, in comparative terms, labor and land are the main and abundant factors of production and, therefore, their effective utilization is quite instrumental to bring about rapid and sustainable development in Ethiopia as envisaged in its experiment with the DSM- ‘to bring about a structural transformation in the productivity and production of peasant agriculture’ and so as to ‘streamline and reconstruct the manufacturing sector’ (Chinigò, 2014: 40).

In the prototype DSM of the Asian states’ experiment with the DSM began with a focus on reforms on land and agriculture (Altenburg, 2010). Similarly, in the implementation of the DSM in Ethiopia, land has been an integral part of the ADLI national development strategy (NPC, 2016). Land is therefore an important instrument for the backward-and-forward linkages between agricultural productivity and industrial development. This is initially manifested with agriculture feeding the industry sector and the later enhancing productivity and leading to surplus commercial output and subsequent capital accumulation (Fana, 2014). Eventually, the industry sector takes the leading role by being at the center of the Ethiopian industrial policy. When it comes to the agriculture sector, the government has devised various legislations to attract both domestic and foreign capital for investment on agriculture, mining, industry, and urban development.

Hence, the industrialization program envisioned under the EDSM was anchored on agriculture development led industrialization, and apparently land, both of which were indispensable components in the designing and execution of development policies and projects (NPC, 2016). As a result, the national industrialization policies and plans (for example, ADLI, IDS, GTP I: 2010-15 and GTP II: 2015-20) have extensively relied on, targeted and incorporated land (Muleta, 2015). The importance of land as important resource in the national development policies as envisioned under the EDSM relates basically with the modernization of the agricultural sector both in terms of production and productivity development, especially in the area of agro-processing as well as

on such sectors (textile, leather, horticulture etc.) designated as national development priorities (Tewolde & Fana, 2014: 117-143).

Land is therefore an important resource in the industrialization policies and mega developmental projects, such as LSCF⁵⁶, large hydropower dams⁵⁷, and industrial parks (Abbink, 2011a: 513-535). The federal government considering this installed special land administration system to expedite investments on IDP, LSCF and urban development projects which some castigated for violating the land administration system in the Ethiopian federation as outlined in the FDRE Constitution (see, for example: Fana, 2016; Lavers, 2012a). Considering such a crucial place that land occupied in the IDPs under EDSM, the present study examined the state, the implication of the core developmental policies in the industry sector on the federal land governance system entrenched in the FDRE Constitution under sector. Hence, as part of the study's investigation on the impacts of the industrialization policies and plans of the EDSM, it also addresses the implication of the DSM on the division of power when it comes to the land governance system in the Ethiopian federation.

The above discussion on the main national development policies and projects under the EDSM, meant to pave the way for address issues of particular interest for the present study- whether such federal policies under EDSM fit into the multilevel development governance system enshrined in the FDRE Constitution. This would be an issue for detailed empirical discussion in the subsequent

⁵⁶ With respect to sugar industries, GTP I placed a high priority on cultivation and processing of sugarcane. In 2011, the state-owned Ethiopian Sugar Corporation (ESC) announced its intention to expand sugarcane cultivation/plantation across the country to 320,000 hectares. The Kuraz Sugar Development Project (KSDP) is perhaps the largest agricultural development scheme ever to be launched by the Ethiopian government. The KSDP would make up more than half of the estates projected in the GTPs to cover 175,000 hectares, and five processing factories (generally see: MoFED, 2010).

⁵⁷ To this end, since the turn of the millennium, the government has devised aggressive hydropower dam projects aimed at harnessing its estimated 45,000 MW of potential hydroelectric power. GTP II (from 2014/15-2019/20) aims to increase the domestic power generation capacity from 4,180 MW in 2014/15 to 17,208 MW by the end of the plan period. Out of this, 13,817 MW is planned to be generated from hydropower, mainly from large dams that are to be developed by the central government (NPC, 2016).

two chapters. Having seen the core political and policy drivers of the EDSM, in the subsequent sub-section brief investigation is made to depict the major discourses around (in)compatibility of the DSM with the Ethiopian federal system, particularly with the principles and institution of democratic multilevel development governance : division of power and democratic governance.

4.4. Major Issues and Questions of (In)compatibility between the DSM and a Democratic Federal System in Ethiopia

Unlike most of the East Asian DSs, which had a unitary state structure, in Ethiopia, the decentralized and democratic state structure, constitutionally speaking, poses unique challenges for the practicability of the model in the country. The competing or contradictory features of the two systems i.e., an FPS which favors a decentralized and democratic mode of governance, and the DSM, which tends towards a centrist, interventionist, and authoritarianism make the two systems susceptible, at least in theory, for incompatibility. Indeed, there are some, as seen in Chapter One, who argue that the DSM is not incompatible with Ethiopia's federal system and its application is in line with the federal system the country has been following and co-existed in such a way that has resulted in the continuous economic growth and development in the country (see: Chapter One, Section 1.2).

In short, the debates concerning the (in)compatibility of the DSM and the federal system in Ethiopia suggests the existence of divergent views where the proponents of the 'compatibility thesis' and incompatibility thesis' have their reasons and justifications for their stands on the nature of interaction between the EDSM and its federal system. Hence, it is important to examine the merits and demerits of such competing views and arguments with the support of empirical evidences that reveals the dominant features of the EDSM with the federal and democratic state structure established by the FDRE Constitution (see Arts. 1, 45 and 50 of the 1995 federal constitution). The investigation is emphasis two issues- the state's structure and its mode of, at least constitutionally speaking, governance. Accordingly, (in)compatibility of DSM with the federal system in Ethiopia revolve around issues such as the state structure as a constitutionally decentralized polity anchored on democratic governance.

It has also been discussed that the FDRE constitutional matrix provides for a division of power between tiers of government with respect to the affairs of governance in general and the governance of development in particular, based on the principles of self-rule and shared-rule within the country's federal system.⁵⁸ On the other hand, the DSM is, more often than not, associated with a centralized state structure and authoritarian governance system – dubbed ‘development authoritarianism’. This claim seems to be true given the fact that nearly all of the NICs have had a centralized system of governance under a unitary state structure where development activities and undertakings were run under a tight control from the central government.⁵⁹ For instance, unlike unitary states such as Japan, South Korea and Taiwan in Asia; and Botswana and Mauritius in Africa; DSs in federal polities where there is constitutional devolution of power between tiers of government, such as Brazil, South Africa and India, have been less successful (Chang, 2009).

Generally, the driving principle and practice under the DSM is a development-oriented authoritarianism where the state's ability to deliver economic growth is due to the centralization of power and stability. Unlike federal polities where the degree of autonomy of regional states is determined through negotiation and cooperation, the unitary state structure seems to allow the developmental governments in these countries an ideal platform and a favorable condition for expedite formulation and execution of development policies (Lefort, 2012). Therefore, unlike most of the East Asian DSs, which had a unitary state structure, Ethiopia's federal state structure poses

⁵⁸ Within the realm of development governance, for example, the federal government is mandated to formulate and implement broad policies on social, economic, and development matters (see Article 51(2) of the FDRE Constitution). Regional states are also entitled to similar powers but the scope of their jurisdiction is limited to regional matters (see Article 52(2-c)). See Chapter Three of this dissertation, which examines and identifies the form and scope of the division of development policymaking and administration power between and among the central government and regional states, as outlined under the FDRE Constitution).

⁵⁹ The activist state in these countries, unlike a federal polity, means the central government where there is no constitutionally delineated vertical division of power in the form of multilevel governance. Thus, in the prototypes of the DSM such as Japan, South Korea or Taiwan in Asia, and Mauritius and Botswana in Africa, the central governments have had exclusive power to make and implement development policies.

unique challenges for the practicability of the model in Ethiopia because it appears that there is an inherent contradiction, at least in theory, between the DSM and the country's federal system. Generally, while the EPRDF often argued that it built itself as dominant party within a DDSM set up, its critics however strongly argued that what the EPRDF built is hegemonic authoritarian party under authoritarian DSM.

Regarding the practice of the EDSM, the EPRDF has often claimed that it unleashed its way to the helm of power and remain in governing the country not by authoritarian means as its adversaries often would like to portray, rather adhering to the rules of the game set forth under the FDRE Constitution (EPRDF, 2010). That is by winning all successive national elections through which the majority of Ethiopian rural population expressed their recognition and approval for EPRDF's effort in promoting peace, democracy and development (see: Bereket, 2011 and 2017; Meles Zenawi Foundation, 2017). On the contrary, critics however have often castigated EPRDF for turning itself as a party-state in the name of developmentalism by undermining democratic federalism, specifically multiparty democracy, press freedom and freedom for civil societies in Ethiopia (Hagmann & Abbink, 2011; Lefort, 2017). In this view, regarding the practice, some described the EPRDF's DSM as being catastrophic to a federal democracy like Ethiopia, and blame it for dwarfing political pluralism and prevented democracy and genuine federalism from flourishing (Abbink, 2011a; Beeson, 2004; Fantini, 2013). This, as some have argued, is due to the EPRDF's hegemonic developmentalism and attempt to portray and establish itself as the only true developmentalist party that could realize Ethiopia's renaissance through its DSM (Bach, 2011; Lefort, 2012). As Messay (2011) observes, the DSM has been used by the EPRDF simply as a cover to establish its position as unrivaled party and stay in power indefinitely by portraying itself as the only savior of the country and threatening that the country would disintegrate if the EPRDF loses power.

Thus, for the critics of the EPRDF, the DSM has been implemented in the country whereby development policies were made in Addis Ababa by few top party leaders and cascaded to regions and other lower levels of governments usually through party channel in such a way that gave no or little heed for regional states' autonomy to govern themselves (Asnake, 2011a; Abbink, 2012;

Lefort, 2012). Moreover, criticisms have also been leveled against the EDSM for being used by the EPRDF to advance its interests for political power, entrenching development authoritarianism at the expense of federal democracy, by using the DS agenda to justify the party's anti-democratic measures, which have significantly narrowed the democratic space in the country (Asnake, 2011a; Messay, 2011; Lefort, 2015; Fantini, 2013). This is attributed to the fact that the DSM thrives more in an authoritarian context where economic development prioritized over democracy; multiparty democracy, freedom of the press or civil society have been viewed by the EPRDF as an impediment to the expedient implementation of its developmentalism (Alemneh, 2015; Lefort, 2013). Thus, democracy has been considered by the EPRDF to hinder the Ethiopian government's effort to escape from the falling cliffs of poverty that gives no time and make the democratic process of deliberation costly, if not luxurious (Bach, 2011; Ayenachew, 2014).

In short, the fact that the DSM oftentimes favors a centralized state structure and authoritarian mode of governance gives the impression that the model is incongruent, at least in theory, with a FPS, which favors a decentralized state structure and democratic mode of governance. Thus, from a normative standpoint, one of the challenges faced while building the DSM in Ethiopia emanates from the country's federal state structure which comprises a federal government and regional states, each with constitutionally defined jurisdictions that prohibits an undue intervention and dictation from the central government, provided that there is a genuine federal system in the country.⁶⁰

As seen before, the DSM advocates a centralized, top-down and authoritarian interventionist governance which contradicts the Ethiopian FPS given the fact that multilevel governance system in Ethiopia does not allow for one tier of government, for example, the federal government, to stretch its hand to effect any development policies that are beyond its constitutional jurisdiction,

⁶⁰ The DSM often prioritizes expediency on development governance and that is why it is often depicted as having a tendency of authoritarianism, contrary to a genuine federal system that embraces the values and principles of a federal democracy. Federal democracy, as seen Chapter Two, requires a process of consultation and deliberation of different federal and regional actors and their implementation is through cooperation and coordination.

irrespective of the intended economic developmental benefits that would accrue thereof unless the regional states have consented. It is thus become difficult for a developmentalist state in the Ethiopian federation to pursue its developmental policies in the manner that is similar with that of the unitary developmentalist states like South Korea, Singapore and Taiwan (Bonda, 2011).

As a result, in implementing the DSM in a federal state such as Ethiopia, the options available are to fit the model with the country's FPS or the other way around. In other words, in pursuing the DSM in contexts where there is a multilevel governance system like the Ethiopian federation, the central government either encroaches upon regional states' jurisdictions and undermines the multilevel governance system or acts constitutionally within the framework of multilevel development governance, or amicably negotiates, consults and cooperates and compromises with sub-national governments even if it takes a long time and process. The question that arises then is which way that the EPRDF followed in pursuing the EDSM. This is an issue that pertains to the practice of the DSM, which is dealt with in Chapter Five and Chapter Six.

Overall, this dissertation argued that with development authoritarianism as its hallmark, the implementation of the DSM in the Ethiopian federation raises so many issues of compatibility with the country's FPS, at least in theory, that further investigation on the practical execution of the model is required to see its impacts on multilevel development governance within the Ethiopian federation. In this regard, how the developmental interventions through federal government's policies such as the IDS and the GTPs based on the principles of expediency as practiced by the EPRDF's hegemonic developmentalism has impacted a democratic multilevel development governance system, as provided in the FDRE Constitution an important issue that examined in the subsequent two chapters. Hence, within the context of the major (in)compatibility issues and questions pointed out in this sub-section and using the constitutional framework of multilevel development governance, the scope of the core industrial development policies, strategies and plans (the IDS and the GTPs) and projects (IPD and LSCF) under the EDSM, as well as the process of their formulation and implementation will be examined in Chapter Five and Chapter Six, respectively.

4.5. Conclusion

The chapter explained the course of building the DSM by the EPRDF along the normative and institutional underpinnings of the EDSM perspective, the major compatibility issues between the DSM and the federal system in Ethiopia, specifically in the realm of state structure and mode of governance. The chapter noted and underlined the fact that Ethiopia's experiment with the DSM, which is often associated with East Asian unitary and authoritarian states, is one of a bone of contentions for its compatibility, both in principle and practice, with the democratic federal system enshrined in the FDRE constitution. This is as indicated, unlike the Ethiopian federal system; the DSM oftentends to embrace centrist state structure, interventionist and authoritarian governance. This also propagated by, albeit in general manner, the numerous criticisms in scholarly works that considered the experiment of the DSM by the EPRDF resulted in redefining the federal system through the lens of the DSM that prioritize development more than anything else even freedom and democracy.

Indeed, the chapter also mentioned that there are contrary view against the incompatibility thesis on the relationship between the DSM and the federal system in Ethiopia. Some, however few they are argued that the experiment with the DSM not only co-existed harmoniously with the federal system in the country bur heralded Ethiopian renaissance, and therefore it is a pillar of the state together with the federal system. Despite the argument that the EPRDF's experiment with the model is DDSM compatible with the federal system, the chapter however argued that the defining features of the EDSM as centrist, top-down and hegemonic practice had made the model susceptible to incongruence, at least in principle, both with the decentralized and democratic state structure and governance system underpinned in the 1995 FDRE Constitution.

Overall, is argued in this chapter that even though from the outset the DSM and the federal system in Ethiopia seems incompatible, there still a need for an empirical, case-by-case investigation that reveals on what issues and how the EDSM ensued a centrist and authoritarian governance. This is carried out in the subsequent chapter five where the study made an investigation on the manifestation of authoritarianism under the EDSM and its implications on the democratic aspect

of multilevel development governance. While in Chapter Six, based on study of specific three policy areas (IPD, LSCF, and Urban development) as cases for its investigation, it examines the impact of the EDSM against the division of power under the FDRE Constitution.

CHAPTER FIVE

IMPLICATIONS OF THE EDSM ON A DEMOCRATIC MULTILEVEL DEVELOPMENT GOVERNANCE SYSTEM

By asking if the DSM could ever be democratic, if someone means democracy some form of state accountability to the representatives of the majority of citizens combined with respect for the rights of minorities, the answer is probably no. (Johnson, 1999: 53).

5.1. Introduction

This chapter investigates the course of entrenching DSM within the Ethiopian federation. The aim is to show the implications of building DSM on democratic multilevel development governance system enshrined in the FDRE Constitution.⁶¹ Consequently, it addresses the third specific research question: *What are the manifestations of authoritarianism under the EDSM and the implications thereof on a democratic multilevel development governance system within the Ethiopian federation.*

The chapter is organized in four sections including this introductory section. Section two questions whether entrenching DSM in Ethiopia is carried out adhering to the principles of democratic governance in general. It, shows how the experiment with the EDSM implicated in authoritarian (elitist, top-down and coercive) development governance system that dominated much of EPRDF's rule in the past two decades. Section three presents the overall ramifications of developmentalism under the auspices of the DSM against federal-regions relations and development governance at Sub-national level. Finally section four concludes the chapter by recapping its core argument and findings.

⁶¹ On the constitutional underpinnings of democratic multilevel development governance in the Ethiopian federation, see Chapter Three, sub-section 3.5.

5.2. Building the EDSM *vis-à-vis* a Democratic Multilevel Governance System

EPRDF has often claimed that the successes recorded over the past two decades in promoting peace, democracy and development are the result of its efforts and effective leadership in building DDSM in Ethiopia (EPRDF, 2010).⁶² In this view, EPRDF become the dominant party as the result of legitimacy conferred to the front by the general public who expressed their approval in recognition to its developmental path as seen in the successive national elections held in the country since 2001 (EPRDF, 2010; Bereket, 2017). In this regard, the EPRDF characterize its experiment of the DSM with that of NDP's in post-war Japan, and the ANC's dominance in post-apartheid Republic of South Africa (*ibid.*). Hence the front oftentimes claim that the EPRDF unleashed its way to the helm of power and remain in governing the country not by authoritarian means as its adversaries often would like to portray, rather adhering to the rules of the game set forth under the FDRE Constitution.

In sharp contrast to the above view, opposition party leaders strongly argued that EPRDF's DSM experiment by and large is authoritarian through which the front became hegemonic party by turning itself, in the name of developmentalism, as a party-state (IP₁). This also shared by another key informant who was the only opposition party member of HoPR in the 2015 national election who also explained the authoritarian feature of the DSM. For critics the DSM pursued by EPRDF associated in association with the enactment of the draconian laws: such as the electoral proclamation, civil society, anti-terrorism proclamation and the press law; which largely used by EPRDF to consolidate its power especially after the 2005 national election (IP₁; IP₂; IP₃). Indeed, such laws and their application often linked by scholars also for undermining democratic

⁶² Such achievements often mentioned by the EPRDF led-government as the source of its legitimacy to the front to remain power and lead the country as recognition for its developmental success (see Chapter Four, sub-section 4.3).

federalism specifically multiparty democracy, press freedom and freedom for civil societies in Ethiopia (see for example-Hagmann & Abbink, 2011; Lefort, 2017).⁶³

Thus, the issue that needs to be cleared is whether the course of building the DSM by the EPRDF has been carried out within the framework of democratic federalism, more specifically whether the front turned itself as dominant ruler as the result of pursuing democratic or authoritarian DSM. Indeed, the difference between an authoritarian or a democratic DSM, specifically between dominant party and hegemonic party system basically related to, among other things, on the nature of electoral contest and outcomes (Bogaards, 2004). In most of the cases within dominant party system one party stays in power for long by winning electoral competition with less predictable outcome while in hegemonic party system a party cling onto power with less/no competitive election its outcome is most likely predictable the opposite is true in the case of the later (Bogaards, 2004). Moreover, unlike in the case of dominant party systems, in a hegemonic system it is unlikely that the incumbent party relinquishes power in the event of an electoral defeat and there is no guarantee that it will not use intimidation and force to reverse the outcomes of the elections (*ibid.*).

When we come to the dominant features in DSMs with respect to a party system, it is indicated earlier that the model oftentimes associated to embodied hegemonic party system which is why the DSM attributed with authoritarianism. However, there are few cases of a DDSM that embraced dominant party system where ruling parties became dominant parties within democratic setup. Some of such experiments include the Congress Party in India since late 1970s, NDP in post-war Japan and the African Congress Party in the Post-Apartheid Republic of South Africa (see: Brooks, 2004).⁶⁴

Let's then examine the course of followed by the EPRDF in experimenting the EDSM i.e., whether entrenching DSM in Ethiopia by the EPRDF carried-out adhering to the basic essence of

⁶³ For more on such debates on contestations, see Chapter Four, Sub-section 4.3.

⁶⁴ For More on this see Chapter Two, sub-section 2.3.4.

democratic governance, as the EPRDF has often claimed or in authoritarian fashion as had been once largely case with the prototype East Asian authoritarian DSMs.

5.2.1. Manifestations of Authoritarianism in the EDSM

I do not believe in these bedtime stories and contrived arguments linking economic growth with democracy. There is no basis for it in history. And you cannot have democracy in an empty belly. (Meles, as quoted in De Waal, 2018: 5).

Oftentimes, the course of entrenching the DSM by the EPRDF associated with the front relentless effort in creating state-party merger and electoral-authoritarianism which critics linked it with the engineering and rise of a de facto one party state that undermined both democratic governance and federalism (Merera, 2018). The EPRDF's opponents commonly shared the view that in pursuing and entrenching DSM in Ethiopia especially after the 2005 national elections, the EPRDF used state-party merger and dominance in elector tactics and succeeded to remain in power for nearly three decades (IP₁; IP₂; IP₃). They expressed that the two tactics are the two sides of a coin that reinforce each other where the party-state merger provides the resources for EPRDF for cooptation or coercion to win elections while election provides legitimacy and access to resources that further embedded the party (IP₁; IP₂; IP₃).

As some have argued, the adverse consequences of the EPRDF's manner of implementation of the DSM in Ethiopia began to unleash adverse effects in the country's political arena and the democratization process, particularly following the much-contested 2005 general elections (Merera, 2018). The 2005 general election is often viewed as a watershed moment that saw a rise and deepening of the DSM discourse in the country's political-economy, with the model beginning to take root on a practical level (IP₁; IP₂; IP₃).

Indeed, following the federalization of the Ethiopian state in 1995, five national elections have been conducted every five years; with the last election held in 2015.⁶⁵ Except the 2005 general elections, which saw a relatively stronger contest and a considerable electoral victory by the opposition, the EPRDF has been the winner in all of the other general elections held in the country (see: Abbink, 2017). This is as note by one key informant who was opposition member of the HoPR in the 2010 national election, states his observation as “the post-2005 election period saw the emergence of an omnipresent and all-embracing totalitarian state and party structure where the EPRDF meticulously worked to restrict the political space that eventually left it with no real opposition force to challenge its rule”. (IP₂). This view also reiterated by another key informant, official and member of ANDM’s central committee (IF₄). He explains the measures taken by EPRDF following the 2005 national election as follows:

After the lessons the front learned in the aftermath of the aftermath of the 2005 elections; EPRDF’s top leadership gave a clear direction to the party’s cadres to make sure the party’s domination by any means necessary in each and every domain of public affairs, including through mass recruitment of party members, coopting active opposition figures and business entities etc. to support the party”. (IF₄).

Generally, there seems an agreement that the post-2005 elections period represents the climax of the EPRDF’s hegemonic rule as well as a milestone that marks an apparent regression on multiparty democracy that saw a complete closure of the political space in the country. This, as one informant indicates, is:

a result of the EPRDF’s castigation of opposition parties as incapable to be developmental due to the inherent rent seeking culture embedded within the parties. Thus, EPRDF relentless work after 2005 to make the DSM a hegemonic governing ideology is related to self-assumed responsibility by the front, and its attempt to position itself as the only party that can shoulder the burden of transforming the

⁶⁵ See Table 8 at page 145.

country's political economy by ensuring that stays as a dominant party for at least four decades.(IF₅)

Such a practice of dominant party politics followed by the EPRDF under the guise of a pursuing a DSM has been widely criticized for undermining political pluralism as the party's hegemonic developmental discourse and practice largely adhered to exclusionary politics and policies (IP₁ IP₂). How such exclusionary politics has been the *modus operandi* of his party for the past two decades, an informant notes

The intention and the practice on the ground has been to keep an iron grip on political power where the EPRDF has for long been controlling the political space and all of the state apparatus. The EPRDF, especially following the 2005 elections, has been unleashing widespread smear campaigns against the political opposition, independent media, civil society and the like. Using such humiliating labels as 'enemies of developmental path', 'agents of neo-liberalism', 'anti-peace elements', and, in the worst cases, branding them as terrorists, the EPRDF has often tried to make them a legitimate target of its clampdown measures in the name of pursuing developmentalism (IP₂).

The above view is also shared by another informant from the opposition camp argues DSM is one of the EPRDF's deceiving mechanisms to fulfill, as he notes:

Its ambition to stay in power indefinitely but tried to decoy the public as if its nearly 100% electoral victory in the 2010 general elections and its successfully winning 100% of the votes in the 2015 general elections was the prize that it got from the public as a recognition of its developmental and revolutionary democracy. But its domination was not the result of a democratic process. (IP₃).

Indeed, following the 2005 elections, a series of measures were taken effectively weakening the opposition parties, including the enactment of infamous laws that successfully crippled the activities of opposition parties, civil societies and the free press (see Brechenmacher, 2017). This seems to hold water as the measures taken by the EPRDF to solidify its cling onto power to carry on with its developmental visions resulted in its total control of the country's legislative bodies both at federal and regional levels. This becomes apparent when one looks at the trajectories of

national elections held in the country since the adoption of the FDRE Constitution and the regression in multiparty democracy that followed, especially during the 2005, the 2010 and the 2015 general elections, as depicted in Table 8.

Table 8: Outcomes of national elections held in Ethiopia since 1995

No.	National elections held	Federal parliamentary seats won by the EPRDF and its affiliates (out of 547)		Federal parliamentary seats won by opposition parties and independent candidates (out of 547)	
		No. of seats	%	No. of seats	%
1	The 1995 general elections	483	88.2%	54	11.8%
2	The 2000 general elections	518	95%	28	5%
3	The 2005 general elections	372	68%	172	31%
4	The 2010 general elections	545	99.6%	1	0.4%
5	The 2015 general elections	538	100%	0	0%

Source: Author's compilation from NEBE reports

As it can be gleaned from Table 8 above, the adoption and implementation of the DSM in Ethiopia seems to have brought a regression in the country's electoral democracy landscape. It led to a reversal of the growing trend of a progressive increase in representation of opposition parties in parliament witnessed during the first three consecutive national elections prior to 2010. It eventually culminated with literally no representation of the opposition, during the 2015 general elections. Such a scenario seems to be consistent with the prevailing view in DSM discourses that the DS will have to be undemocratic in order to stay in power for long enough to successfully accomplish its development agenda (FDG₂).

Despite the apparent regression on political pluralism as enshrined in a supposed multiparty democracy, at least within the realm of electoral democracy, some would argue otherwise. As the proponents of the EDSM pursued by the EPRDF have often argued, the mere fact that all these

national elections were held periodically represents a democratic process which is attributable to the EPRDF's remarkable achievement in both delivering democracy and development. In this regard, one key informant states

[The party] has won the hearts and minds of the rural majority that led to its victory in the last four general elections held in the country. And its long political dominance in holding public office to govern the country is a result of changes in the political culture in the country that marks the entering into a new era of one dominant party – the EPRDF – which played the game according to its rule in a way that paves the way for its pinnacle within the context of a multiparty setting, as envisioned under the [FDRE] Constitution (IF₆).

According to the above view, the EPRDF's DSM practices are similar to the experience of some countries such as Japan and South Africa where a dominant party system has been exercised within a democratic setting. Hence, they try to justify their claim by equating the EPRDF with the ANC in South Africa and the NDP in Japan as if the EPRDF has unleashed its way to the helm of power under a multi-party competitive context and where state power is assumed and governed by the rules of the game set forth under the FDRE Constitution.

For these critics, the EPRDF's politics does not fall within the ambit of a dominant party but a hegemonic party system within an authoritarian setup where there are nominal elections whose outcomes are a foregone conclusion besides an absence of strong opposition parties. Such a view, however, is fiercely opposed by the critics of the EPRDF who see its DSM in general and dominant party politics in particular as a cover up to its iron-clad, authoritarian rule (IP₁; IP₂; IP₃).

Indeed, the EPRDF has often stated as a justification for pursuing the DSM the extreme urgency to address the chronic poverty in country, which it views as an existential threat for the country's integrity that can only be averted by bringing about accelerated economic growth via the active involvement and intervention of the state (IF₆). Accordingly, to ensure the dominance of the DSM, one of the strategies that appear to have been pursued by the EPRDF was the conception of multiparty democracy through the lens of the DSM where political parties that are in a position to better advance the DS's ideology and deliver its developmental goals would compete for public

office (Lefort, 2013). This is also noted by an informant who stated: “[a]ny political entities that do not subscribe to the ideology of the DSM, regardless of their support base and electoral or political success, would be automatically rejected and tainted with such labels as enemies of change, neo-liberalists, terrorists, mercenaries etc.” (IP₂).

Moreover, the EPRDF has had a firm conviction that such parties must be defeated by all means necessary, as evidenced by the enactment of all those draconian laws and subsequent measures taken by government that narrowed the political space in the country, including forcing many of the real power contenders out of the country and putting them behind bars as well as taking other repressive measures akin to state sanctioned terrorism (IP₁; IP₂; IP₃). As the country’s current leader, Abiy Ahmed, himself has officially acknowledged, “[t]he government itself has been committing acts of terrorism when it tortured, abducted, forcefully disappeared, unlawfully detained many political dissidents and other persons under its custody”.⁶⁶

In describing state and party relationship under the EPRDF’s rule, an informant from HoPR’s Legal, Justice And Democracy Affairs Standing Committee explains: “[t]he EPRDF’s party apparatus and its ideology – revolutionary democracy – which operates on the principle of democratic centralism, have been made to engross all branches of the federal and regional states’ machineries to such an extent that it is hardly possible to distinguish the party from the state”. (IF₅).

While some observers (for example, IP₁; IP₂; IP₃; Lefort, 2015) view the overwhelming merger of party and state as undermining both the federal system and democracy in the country, others (for example, IF₆; Arkebe, 2015) maintain that it was essential to realize the developmental objectives in the face of an alarming surge of rent-seeking private actors, considerable bottlenecks and severe

⁶⁶ Abiy Ahmed (2018, April 2) speech to the Ethiopian Parliament 2 April 2018. Available at, <<https://www.youtube.com/watch?v=Ulc17714uh4>>. Last checked on the 20th of August 2020.

deficiencies in the capacity of the state bureaucracy (Arkebe, 2015: 75-77). In this regard, an informant argued that, in the absence of a strong bureaucracy and the limitations of the reforms introduced within the civil service, the EPRDF's developmental hegemonic active intervention in the country's political economy has as effectively filled such gaps (IF₆). In this view, the party structure that the EPRDF had crafted and installed within the formal state structure has filled the gap that has existed due to the weak bureaucracy and the dominant rent-seeking culture in the private sector.

On the contrary, one informant from GPNRS argued that EPRDF's party politics undermined federalism and democracy, especially in regions ruled by affiliate parties where the front, in the name of capacity building; intervened, dictate and even rule directly (IG₇). Another informant, from GPNRS's agriculture bureau, mentions development projects such as LSCF, as evidence which are exclusively designed and implemented coercively by EPRDF's apparatus installed in the region's administration, with little or no say from region (IG₃₂). Similarly, informant from the ONRS Planning Commission vehemently criticized the party-state relation under the EPRDF's rule claiming that it is impeding the development of genuine federalism in the country (IO₈). Similarly, informant from the ANRS's Office of Chief Administrator describes the repercussion of the state-party merger under the EPRDF's hegemonic rule to have "resulted in uniform and centrist development policies at the expense of policy experiment and innovation at region's as the practice have been replication of federal policies" (IA₉). Moreover, an informant from office of the speaker of the SNNPR's state council expressed his concerns over the economic efficiency and sustainability, environmental feasibility, fair distribution and equitable benefit sharing at national, regional and local levels as policies and projects are in most cases designed at the center and executed hierarchically from federal government level downwards to regional and local government level (IS₁₀).

All in all the post-2005 national election have seen a sliding back on the relative gains in electoral democracy of the three national elections prior to 2010, culminating in a 100% win of the federal parliamentary seats by the EPRDF and its affiliates (Merera, 2018). Such an electoral victory cannot be imagined even in situations where there is a deep horizontal (i.e. between ethnic groups)

and vertical (i.e. between citizens and the state) division and suspicion even in homogeneous society with no or little cleavages.

The above-mentioned and other similar measures taken following the growing rhetoric of the hegemony of the DSM by the EPRDF, significantly contributed to the absolute domination of the country's political landscape by the front at the cost of both democracy and federalism (IP₁; IP₂; Merera, 2018) This has been clearly evidenced in the regression in electoral democracy. Consequently, the EPRDF's aspiration and practical attempt to establish itself as a dominant ruling party under the ideological frame of the DSM resulted in the dwarfing of alternative political views or contending forces in the country's political sphere, which is one of the anomalies with the essence of a federal democracy espoused under the FDRE Constitution (see for example Merera, 2028). This is also true in the case of intra-party democracy within the EPRDF itself, especially after the 2001 split within the TPLF, which was exacerbated further in the aftermath of 2005 general elections where the party completely fell under a one-man dictatorship of the late Prime Minister Meles Zenawi (IP₁; IF₄).

Generally, though the argument that compares the dominance of the EPRDF with that of the ANC in South Africa or the NDP in Japan has some grain of truth, it is far from capturing the full story. It fails to point out important differences when it comes to the system of party politics followed by the EPRDF on the one hand and the ANC and the NDP on the other (see: Lefort, 2015). The EPRDF's system of party politics under the EDSM is, by many measures, more of a hegemonic type than it is a dominant party politics, akin to the experience in post-war Japan under the NDP and in post-Apartheid South Africa under the ANC (IP₁; IP₂; IP₃). This is particularly true given the regression in electoral democracy in Ethiopia and the subsequent narrowing of the political space via a variety of draconian laws, stifling any dissenting voices, including opposition parties, the free press and civil society.

In Japan, the foundation for the DSM was laid during the reign of the Meiji autocratic rule where the monarchs and the Samurai were key players in pursuing the reformation of Japan's political economy towards a western-like modernization rooted in Japan's cultural context (Jonson, 1982).

In South Africa, it is a fact that the constitutional principles and the ANC's strict central control via the party chairpersons of the respective provinces has made the elected premiers answerable to the ANC's leader, who appoints and indirectly controls the legislature and executive bodies of the provinces (Redy, 2005). Such compromises in the constitutional principles for a better governance, however, is by far incomparable with the Ethiopian experience given the fact that in the case of South Africa, there have been some provinces and local units where opposition parties have either been governing or had considerable seats in the councils (Ahmad, 2007). .

In short, the course of building the EDSM by the EPRDF, unlike dominant party system, was carried out under a hegemonic developmental party politics, often through non-constitutional means, which eventually led to swift measures akin to a reversal of democracy (Merara, 2018). This was evidenced by the current leader Abiy Ahmed recognized in his second parliamentary appearance after his premiership (IF₅).

5.3. The EDSM vs. a Democratic Multilevel Development Governance System

As noted, democratic multilevel development governance is embedded within the FDRE Constitution by which the constitution espouses, at least in theory; development governance needs to be carry out in transparent, accountable, participatory and responsive.⁶⁷ Specifically, under its Chapter 10, the FDRE Constitution provides for the respective tiers of governments in the federation, the objectives of and governing principles in the formulations and executions of development policies on economic, social and environmental matters (see Article 85 of the Constitution). The issue is then how the authoritarian governance system that dominated EPRDF's developmentalism (as seen above) affected democratic multilevel development governance.

⁶⁷ On this see the FDRE Constitution, for example, Articles 12, 52(1-a & 2-c), 43 (2) and 89(6)), offering adequate platform that enable the grassroots better to exercise their democratic rights.

More specifically, regarding the development policies and projects implemented under the EDSM and its impacts on and anomalies with some values of a multilevel governance structure, as provided under the Ethiopian FPS, one of the key informants puts his observation as follows

Once decision has been reached on a certain issue be it development policies, plan or project deemed necessary to be applied across the country, by people at the highest echelons of power within the EPRDF's leadership, that is, the party's Executive Committee in Addis Ababa, regional governments and local authorities have little, if at all, or no space to challenge that decision. Hence, the policies, plans or projects need to be enforced and anyone who challenges this would be castigated for breaking party discipline and would be reprimanded if he or she continued criticizing or opposing the decision of the party. As a result, whatever developmental policies and decisions are made by the EPRDF, they are supposed to be applied across the country (IF₁₁).

Informants from the GPNRS and the BGNRS underscored the fact that the overarching influence of the EPRDF's party apparatus is much more stringent in the 'emerging regions' such as the GPNRS and the BGNRS, both of which are officially ruled not by the EPRDF but by regional parties that are not a member of the front and had no chance to engage in the party's deliberations and decisions (IG₇; IB₃₈). In this regard, one of the informants from the GPNRS's ruling party states the following

[It] is characterized by a top-down policymaking and execution by the Executive Committee of the EPRDF, underpinned by the urge for expediting development governance with little heed to regions' participation in the conception, design and adoption of development policies and projection which eventually forced on emerging region to enforce it under the control and supervision of the federal government securitization, as has often been pointed out as a justification by the party (IG₁₂).

Similarly, an informant from the ONRS's Planning Commission describes the common trend in policymaking thus: "[d]ecisions are first passed by the EPRDF's Central Committee and then by the federal government via the Council of Ministers and eventually applied across the country, down to Kebele level" (IO₁₈). This view is also shared by another informant from the SNNPR's

state council, whereby often more than not, the role of regional government official as such is simply facilitating the necessary conditions in the implementation of those projects, particularly in the areas of ensuring security and settlement of compensations (IS₂₉).

The negative impacts of such an elitist, top-down and non-participatory approach to development governance has often been widely reported in the case of agriculture investment where, for instance, the process through which land is leased out to LSCF projects has been criticized for violating the rights of ‘indigenous peoples’ found in the surrounding areas where the projects are undertaken (see: IG₃₂; Dessalegn, 2014). As some reports by human rights group have shown, not only were most of these projects undertaken without conducting a social and environmental impact assessment and holding consultations with the local communities (HRW, 2012a & 2013b). Consequently, many people residing in the surrounding areas of the project sites were also forcibly evicted and relocated through the government’s ‘resettlement programs’ and their rights were violated in the process of establishing these farms in Gambella (IG₇; IG₂₀; IG₃₂).

From the foregoing discussion, one can note that, under the EDSM, the approach adopted by the then ruling party in the sphere of development governance was largely a top-down, centralized and authoritative in nature. Generally, development policies and plans were simply set by the ruling-party’s top leadership at the center. As a result, little or no attention is given to the consent and the interests of the local communities in the design and implementation of various development projects (IB₁₃). This is apparently against the cardinal principles of a multilevel governance in a federal polity. As such, it constitutes a clear violation of the FDRE Constitution’s provisions on the rights of people at the grassroots level to have a platform that brings the government and the local people closer to help ensure an adequately democratic and responsive governance and their rights to have a say and fair compensation in the implementation of development projects (FGD₁; IF₃₇).

The government, which has taken the DSM as the right path for its modernization project of the Ethiopian society towards a technology-driven industrialization within a period of four or five decades, pursued development as a technical enterprise where technocratic, top-down

policymaking becomes the *modus operandi* within the sphere of development governance under the DSM (Mosley & Watson, 2016). This can be seen, for instance, from the design and execution of mega development projects such as LSCFs, large hydropower dams, industrial parks and the like (IF₁₁; IF₁₄). Indeed, under its pursuit of the DSM, the EPRDF's main achievements with respect to the various mega development projects within the agriculture, industry and infrastructure sectors is to a large extent is, as officials from BGNRS and GPNRS indicate, attributable to the overwhelming dominance and involvement of the federal government's agencies, underpinned by a top-down and highly centralized approach in the formulation and execution of the projects (IG₁₂; IB₃₈). Most of the mega development projects have often been pursued at the expense of the interests of the local communities who are depicted as having been victims of 'developmental land alienation (IF₃₇). Hence, it can be noted that the execution of the EDSM has resulted in the dislocation and displacement of the local communities from their lands, often without having adequate consultation and providing compensation or alternative means of livelihood (FGD₁).

Generally, the EPRDF-led regime executed the DSM in Ethiopia in such an authoritarian manner where the design and execution of development policies, plans and projects has been largely carried out under the absolute control of the party, and by extension the state, as the former and latter have largely been one and the same (IP₁; IP₂; IG₇). These trends have led to a situation where development policymaking and administration have been largely carried out without public debates, consultations and negotiation at regional and local levels, which eventually deprived the government's policies legitimacy by the larger section of the public (FGD_{1&2}). One of the main downsides of such an approach of development governance relate with its relegation of the values of a federal democracy manifested in the form of a devolved development governance that gives a better opportunity and platform for accommodating and taking into account the interests, concerns as well as the expertise and input of the local communities (IF₁₆).

As extensively discussed earlier (especially in Chapter Three, section 3.5), within the Ethiopian federal arrangement, the government's general policy directives, including those applicable in the realm of development governance, emanate from the Constitution (see: FDRE Constitution, Article 9). The FDRE Constitution provides for a multi-tier governance of development

underpinned by the principles and institutions of a federal democracy with the aim, *inter alia*, to promote the self and shared rule rights of the nations, nationalities and peoples to equal, fair and equitable development through an accountable, transparent, participatory and responsive system of public policy formulation and implementation process at federal, regional and local levels in such a way that promotes their right to fair economic and social development.

More specifically, as far as the implementation of a democratic mode of development governance is concerned, the FDRE Constitution embraces and emphasizes the importance of such values as transparent, accountable, participatory, responsive and empowering development governance and ensuring adequate platforms at various levels that enable the people to exercise their democratic rights. This means simply development governance needs to ensure that people at various levels have the means, directly through their participation and/or indirectly by their elected representatives, to participate in the planning and execution of development policies. The question then is whether and how far such constitutional principles have been entertained under the EPRDF's developmental hegemonic system of party politics. In other words, 'how has the EPRDF's hegemonic development governance shaped the manner of formulation and execution of the government's major industrialization policies within the country?'

As seen above, under the EPRDF-led EDSM, the government's development policy formulation and execution practices, including its industrialization policies, were largely non-participatory and exclusionary. Specifically, the government's practices in the formulation and execution of various development policies, plans and projects have often excluded such important stakeholders as civil societies and the media, independent experts and the wider public (see, for example, HRW, 2012a & 2013b).). About the process of parliamentary deliberation and approval of major development policies and plans of the federal government, such as the GTPs, specifically their freedom to discuss, criticize, oppose or reject the proposal submitted to the HoPR by the executive, as per the provisions of the FDRE Constitution (Article 54/4/), nearly all of the participants in an FGD₂ unanimously affirmed that matters of policy are basically decided by the executive committee of the ruling party – the EPRDF. In this regard, one informant from the HoPR notes:

Once a decision has been made by the executive branch especially EPRDF executive committee on certain policies, there was little chance for even members of parliament to have any say on substantive policy issue other than making comments or suggestions on less significant procedural issues or policy matters they required to accept the decision and approve it anyway as policy matters are for the party to decide' (IF₁₄).

Such trends as party discipline when it is violated would bring consequences explained by another informant from the HoPR as:

Even if discussions were held in parliament, they were not genuine ones as there was no room for open debates, criticisms and even oppositions by members of parliament. The deliberations were meant as mere formalities and their purpose was to tell, not to discuss and debate on substantive issues, and members of the house are supposed to simply endorse what has already been decided by people at the higher echelons of power within the EPRDF. If any one dares to oppose the decisions approved by the party, then it is automatically considered as a problem of attitude and this may entail potential reprisals which most of the members fear and warned via their respective one-to-five platforms (IF₁₅).

Indeed, one-to-five is a scheme that the EPRDF put in place allegedly to control the society down to the level of individual persons, by organizing them into groups, or cells, of five persons each – which is strictly monitored and controlled by the chief government whip in parliament to simply endorse and not to change the party's decision should a better idea arise in the discussions in parliament (IF₁₅). This seems to have stemmed from the expedient policymaking and implementation rhetoric of the EPRDF in its pursuit of securitization of development as an existential question (IF₁₆).

The hegemonic governance system as the practice of the EPRDF under its revolutionary democracy's principles of democratic centralism widely used in entrenching the DSM as well which as some (IF₁₆) claim that democratic process viewed by the EPRDF as an impediment to expedient policymaking and execution as it requires debates and criticisms. This is often justified by the party, as another key informant from HoPR's Public Enterprises Affairs' Standing Committee indicates, "[o]nce debate and criticisms on a certain policy has been done at the higher

echelons in the party, it is considered sufficient and further discussion viewed as dragging the expedient policy implementation which the country cannot afford as it needs accelerated development”. (IF₁₄). Such a trend seems to relate to the idea that ‘democracy is expensive with an empty belly,’ to refer back to the quote mentioned at the beginning of this chapter, which shows the late Prime Minister Meles’ view on the link between democracy and development. Such view along the practice it ensued- hegemonic development governance under the EDSM look anomalous with the essence of democratic multilevel democratic governance of development as espoused by the FDRE Constitution requiring an accountable, transparent, responsive and participatory approach in the formulation and implementation of development policies, which seem to have been relegated in the name of expedient developmentalism pursued by the DS-driven approach of the EPRDF-led government in Ethiopia.

Indeed the official narration is quite different as often the government claim that its policies are the results of democratic process (IF₆; EPRDF, 2010; Bereket, 2017). In the various government reports meant to illustrate the participatory approach adopted during the process of design and implementation of major development plans, such as the GTPs, the government has claimed that stakeholders from the regional states, NGOs, community organizations (including representatives from pastoralist communities, youth associations, women’s associations), associations, etc. were involved (IF₁₇). Such claims, however, have been criticized by many as a sham purely meant for political consumption to give a democratic picture and appearance to the government (IP₁; FGD_{1&2}). In this regard, nearly all participants in both FGDs noted that the processes of policy formulation, approval, execution and evaluation have inadequacies in providing platforms for participation of all concerned stakeholders, or such platforms are organized after the government and/or the party had already prepared the policies, and even then, only those groups and entities having allegiance to the party, often known as the EPRDF’s public wing and its supporters are invited to participate (FGD₁; FDG₂). Moreover, even if such consultation forums are held, the government is often not genuinely interested and willing to incorporate the views aired by concerned stakeholders (IP₁).

The manner of governing development under EPRDF's developmentalism largely dominated by extremely centralized policymaking and execution of policies that has been exercised by the center under the hegemonic rule of the EPRDF by scholars (see-Fantini, 2013; Abbink, 2017). This is also observed by the participants in the FGDs specifically by those who are members of the HoPR and regional councils who described the fact that it is a grave disciplinary offence to challenge policies endorsed by the party. This, as most of the participants of FGDs noted, was due to the unwritten rule that allows only challenges on issues related to performance but not on the policies themselves (FGD₁ & 2). According to one participant from the HoPR, "challenging policies thus tantamount challenging the party itself and it may lead to criticism and self –criticism and even sometimes disciplinary measures against those who persist their stand"(FGD₁).

Similarly, one informant from the ONRS stated his view as follows:

The EPRDF created a condition whereby, let alone for regional states to exercise their policymaking and implementation autonomy as clearly stated in the FDRE Constitution, they are not even allowed to have a say against policies made at the center, not during the preparation of the policy. Thus, once a given policy for endorsed by the party then it simply rolls down to regions by those few people at the highest echelons of power within the party and there is little or no chance to challenge such policies, for example *Addis Ababa City and the surrounding areas of the Oromia Regional State*, by regional officials but only to enforce it (IO₁₈).

Some indicates the fact that a tight party control further intensified, especially following the much-disputed 2005 national elections justifying the EPRDF's top-down intervention on the narratives of an urgent need to meet the national interest which deprives the platform for entertaining diverse views and critical voices that help to ensure a better empowerment and ownership of the projects by the public (IO₂₃). The EPRDF's exclusionary approach to development policy planning and execution as one informant described "hindered the building of common national development agenda" (IF₃₅). Hence, the developmental policies and projects under the DSM managed within an authoritarian political space justifying the EPRDF's top-down intervention on the narratives of an urgent need to meet the national interest" has undermined a democratic multilevel governance of development (IF₃₅). This obviously deprives the platform for entertaining diverse views and

critical voices that help to ensure a better empowerment and ownership of the projects by the public. The EPRDF's exclusionary approach to development policy planning and execution has thus hindered the building of common national development agenda.

The EPRDF seems to be attempting to execute the DSM in Ethiopia along its ages-old Leninist thinking of a vanguard political party guided by 'I know for you' logic' which contributed for the apparent lack of ownership among the public of the policies made by the central government not to mention the disfranchising of the grassroots and eroding the accountability of the regional and local administrations to the general public from below (Lefort, 2015). For example, the approach adopted with the LSCF projects which is based on geographical differentiation, is often mentioned as a typical case to the EPRDF-led government's elitist and exclusionary approach of development policy planning and execution. This projects oftentimes designed and executed with little or no consultation with the concerned bodies, be it regional and local administrators or the general public that will be affected by the policy (IB₁₃; IG₃₂). Some criticized the government's choice of lowland areas for LSCF projects for their intrusive and exclusionary approach (IG₇; IG₃₂). The government tried to justify by need to exploit the comparative advantages of these lowlands given the availability of vast expanses of land featuring flat topography that are particularly suitable for undertaking irrigated mechanized farming together with the sparse population density in these lowlands which lends political acceptability to such undertakings (IF₃₇). The government's preferred policy approach here has been promoting the leasing of land to foreign and domestic investors (MoFED, 2010). This approach, as one informant from the GPNRS comments, constitutes:

[a] double standard approach between the highland areas and the lowland areas that the people in the lowland areas, such as the GPNRS, have been at the periphery of the power relations with rulers at the center in Ethiopia since the 19th century. And the EPRDF has simply maintained this historically lopsided center-periphery political relations where the center dominates the peripheries and dictates or coerced the latter to execute its development plans formulated by the center with little or no consultation. (IG₂₀).

In a similar vein, another key informant from the BGNRS also noted that there has been a heretical relationship between the center led by the EPRDF and the peripheries led by affiliated parties (IG₁₂). It is clear that in development policymaking and execution, the EPRDF dominated the whole process in an apparent violation of what is enshrined in the FDRE Constitution, be it in the form of the sovereignty of nations nationalities and peoples as well as regional states' autonomy to make and execute their own development policies without any undue influence or domination by the center. The practice, however, is that the central government's development plans have resulted in a dispossession of resources from the peripheries for various mega development projects such as industry parks, dams, LSCF etc. In most of these projects or deals, for example in the case of LSCF the deals made with domestic and foreign companies excluding the regions and the people in the lowland areas such as the GPNRS and the BGNRS (IG₃₂; IB₂₁).

Indeed, as the facts on the ground tell, most of the federal government's land-intensive projects such as LSCFs were located in the lowland areas of the country, mostly in the BGNRS and GPNRS (Fana, 2016). The developmental approach followed by the federal government in the execution of such mega projects has indeed led to the acquisition of vast volumes of land by foreign investors. The exclusionary policymaking and execution approach that had dominated the developmentalism of the EPRDF-led central government thus, in addition to undermining regional states' autonomy in the lowland areas of the country, displaced the local peoples and ethnic groups from their lands they have inhabited for generations and built up settlement and use rights (see: Dessalegn, 2014; Fana, 2016).

Similarly, in the case of IPD projects, informants from the ANRS (IA₂₂) and the ONRS (I₂₃) IPD Agencies underscored that the federal government often obliges the regions to provide land (clearing lands, providing security, utilities for the construction etc.) for development of industry parks in their respective regions by the federal government, which designed by the federal government with little or no consultation from the beginning. The absence of based participation of the regional states in the planning and execution of development projects such as LSCF and IPD by the federal government, as one informant from the ONRS plan commission explains, 'closes up avenues that could create democratic and non-authoritarian social, political, and

economic relations between and among the federal government and regional states, eventually ensure that peoples' right to development and their freedoms and democratic rights are not undermined in the name of developmentalism as pursued by the EPRDF under the helm of DSM' (IO₈). Similarly, as informants from the SNNPR note, the absence of participation of regional states in the development policy and project designing at the federal level curtails conducive platform important, *inter alia*, to express regional interests and priorities as part of the self-determination and democratic self and shared governance right as enshrined in the FDRE Constitution nave of the participants and of their manner of being in society (IS₂₄).

The lack of participation and engagement of stakeholders and citizens often resulted in severe criticism and grievances which led EPRDF, according some observers (Clapham, 20017), to dig its own grave-yard as seen in the case of IAOMP⁶⁸ which often mentioned as typical case that shows the ramifications of the EDSM's authoritarian developmentalism (IO₂₅). The IAOMP has been widely castigated by many for being carried out under authoritarian manner as manifested, among other things, in the top-down and exclusionary development policy formulation governance and its coercive implementation with no or little consultations and consent from the concerned stakeholders such as the ONRS, local administrators and farmers (IO₁₈). This is, for instance, noted by Aberra Degefa as

The plan is imposed 'from above' as has always been, while a real development plan needs a free and informed consent of the affected people and includes measures to avoid or minimize any possible destruction to local communities. The designers of the Master Plan refuse to recognize examples from other parts of the world concerning legitimate development and ignore Oromo protests of unprecedented scale that has already led to hundreds of innocent victims. Such patterns are clear indicators of the designers' intent to destroy the Oromo identity

⁶⁸ IAOMP was the 10th sub-national integrated plan designed to be implemented from 2014 to 2037. The overall aim of the master plan as stated in the original document is to developmentally link Oromia special zones and the city of Addis Ababa to improve the quality of life of citizens as well as contribute to the economic growth and development of the nation" (see: AACPO /Addis Ababa City Planning Project Office/, 2017; Sima, 2018; Abebe, 2019).

in the area under the guise of the ‘Addis Ababa Integrated Master Plan’ (Aberra, 2019:37).

This is also mentioned by one informant from ONRS as he explained the IOAMP as

The problem with this the master plan is both in its content and manner of enforcement. When I say content, I mean the federal government does not have a power to make detailed plans such as the IAOMP and oblige regional states and local governments to enforce. The fact in the ground was that in the case of the master plan the administration in the ONRS pressured by the EPRDF’s officials at the party higher echelon to enforce the IAOMP which is prepared from the very beginning with little consultation and consent from the region which as seen later revealed in fierce disagreements between the EPRDF leadership and the OPDO (IO₂₈).

What makes the IAOMP that envisage rural-urban integration is the fact that the plans often prepared with little or no consultation with the stakeholders be them regional, local officials not to mention the grassroots affected by such plans (IO₂₅). Indicating what makes the IAOMP a typical example of EPRDF’s dictatorship in the name of developemntalism, most of the participants in both FGDs observe and confirmed the facts such as; the IAOMP prepared by few elites who designated, there was little if not non consultation, coordination and cooperation between the officials of the ONRS and Addis Abba from the inception of the plan up to the stages when it reached to implementation (IO₁₈). The IAOMP formulated within a small circles, largely by EPRDF big men at the executive committee and those few confidantes technocrats (IO₁₈; IO₂₅). In this regard, one informant from the ONRS’s plan and development commission indicates that “if you want to have a text book example for centralized governance pursued by EPRDF that apparently disregarded the federal system in general and regional state autonomy in particular is the case of the Addis Ababa-Oromia special zone integrated master plan” (IO₈).

It is indicated that the IAOMP is an example of the developmental aspiration of the EDSM at face value as the master plan was designed to be implemented within 1.1 million hectares of land in a life span of 25 years from 2014 to 2037 within a radius of 40 to 100 km from Addis Ababa. The plan was a comprehensive design that incorporated economic development and industrialization,

urban agriculture, infrastructure, housing, the structure of the city, environmental framework, and shopping and sports centers (see: AACPPO, 2017; Sima, 2018; Abebe, 2019)⁶⁹. Indeed, the case of Addis Ababa- ONRS's special zone integrated urban development master plan often mentioned by considerable scholars as a watershed that indicates the pinnacle and decline of the centrist, top-down and disengaging development governance pursued by the EPRDF (Aberra, 2019). Events that fallows after the announcement of the master plan provoked a mass public protest across the ONRS which eventually led to the disintegration of EPRDF democratic centralism and finally the resignation of Hailemariam Dessalegne in the early weeks of April 2018 (*ibid.*).

What oftentimes mentioned with IAOMP is the fact that the initiation and preparation of the master plan has serious procedural shortcomings of democratic participation as it was a top-down endeavor by few elites in the central government as the owner of the idea as well as the decision-maker was the central government (IO₈). In this regard, the same informant noted that stated that while the causes of the opposition to the master plan were wide-spread, the main cause was the lack of trust in government officials as he argued that EPRDF initiated the master plan without consulting the people and the Oromia regional officials as well (IP₁). Similarly, one official from ONRS urban development bureau noted that some of the Oromia regional officials who participated in the master plan preparation were held a different opinion from the beginning, while some protested against the plan; even the regional parliament has not discussed it properly (IO₂₅).

The then president of the ONRS, Muktar Kedir, in November 2015 press conference hinted at the existence of a procedural gap in preparation of the master plan where he stated that the transparency of issues related to the master plan has caused the public to doubt and question the plan as it is being carried out without openness, mutual consensus, and trust with the public, the

⁶⁹ The plan estimates 8 million future inhabitants in Addis Ababa and 5 million in Oromia special zone, a total of 13 million (see: AACPPO, 2017; Sima, 2018; Yonatan, 2020).

plan will not transit to the implementation phase.⁷⁰ Despite such observable doubt from the Oromia side, the central government was too pushy for the implementation of the plan. The central government has constantly labeled such complaints and differences of opinions as byproducts of anti-peace and anti-development forces (Horne, 2016). As indicated in the FGD₁ instead of negotiating and persuading; examining and revising the plan, EPRDF led government responded to anything with force and intimidation which made it an option to force arrest and detain those who oppose the master.

Overall, the discussion on the IAOMP substantiated the argument in this dissertation that the EDSM is largely practiced in authoritarian manner that promotes top-down, exclusionary and coercive policy making and execution undermining the democratic essence of development governance in such a way. Such a mode of undertaking of development has had its own contribution for the apparent lack of ownership among the public of the policies made by the central government not to mention the disfranchising of the grassroots and eroding the accountability of the regional and local administrations to the general public from below (Lefort, 2015).

As already seen, the essence of multilevel development governance within the Ethiopian federation is characterized by the establishment of regional states that are constitutionally entitled to govern their affairs of development by making and executing their own policies. One of the purposes of such constitutional arrangement is to pave the way for, among other things, responsive and innovative development policies that promote local solution for local problems (see: Chapter Three, Section 3.5). Contrary to this, propelled by the ethos of hegemonic developmentalism, the federal government have been largely cascading its policies towards regional states usually through the party channel in a manner that seems the center was a *de facto* authoritative power that dictates vital regional state political and economic operations. This is apparently the case as the

⁷⁰ Available at: <https://www.ethiotube.net/video/35064/ebc-news-ato-muktar-kedir-oromia-region-president-says-master-plan-won-t-be-implemented-unless-consensus-is-reached>.

study revealed in the survey it made on the GTPs of five regional states which are identified as source of data for the study- the ANRS, the BGNRS, the GPNRS, the ONRS, and the SNNPR.

Indeed, the result is the replication of federal policies in all regional states GTPs surveyed in this study in a manner that shows when it comes to development governance at regional state level, the influence of the DSM, as conceived and applied by the federal government, appears to be quite evident, particularly when one looks at the regional states' development policies are as identical as the policies pursued at federal government level. This is clearly reflected in the sectoral development policies and strategic plans of the regional states surveyed in the present study. In this regard, for example, in relation to the federal government's vision in GTP I is copied in the five regions' GTP I documents as all of them stated as the vision of their respective regions GTPs' vision "as to become a region where democratic rule, good-governance and social justice reigns, upon the involvement and free will of the region's peoples; and once extricating itself (the region) from poverty and becomes a middle-income economy region." Similarly on the objective of the GTPI, the GTPI documents of the five regions⁷¹ copied the four specific objectives of the federal government stated as: 1) Maintain at least an average real GDP growth rate of 11% and meet the Millennium Development goals, 2) Expand and ensure the qualities of education and health services thereby achieving the MDGs in the social sectors, 3). Establish favorable conditions for sustainable state building through the creation of stable democratic and developmental state; 4). Ensure growth sustainability by realizing all the above objectives within stable macroeconomic framework (MoFED, 2010:7).

Similarly, all of the five regions copied (as can be seen from the respective five regions⁷² GTP I document that outlines the pillars of their GTP I) the seven strategic pillars of the federal GTP I which are: (1) *sustaining faster and equitable economic growth*; (2) *maintaining agriculture as a*

⁷¹ See the objectives of the ANRS (GTP, I, -page 4), the BGNRS (GTP I, page 4-5), the GNRS (GTP I, Page-6), the ONRS (GTP I, page 5), and the SNNPR (GTP I, page 4).

⁷² *ibid.*

major source of economic growth; (3) creating favorable conditions for the industry to play key role in the economy; (4) enhancing expansion and quality of infrastructure development; (5) enhancing expansion and quality of social development; (6) building capacity and deepen good governance; (7) promoting women and youth empowerment and equitable benefit (MoFED, 2010: 7-8). You can find same pillars in both GTP I & GTP II documents of the regions in the part they stated the strategic pillars and directions.

Same is true for in the areas of sectoral development plans. For example, all of the five regional states surveyed in this study planned to achieve 11% annual economic growth in their respective region in their Economic Sector Development Plan which is the same as the federal government growth forecast. We can also see stark similarity on the focus and priorities set by the five regional states within the Social Sector Development Plan, Capacity Building and Good Governance, and Cross-Cutting Sectors Development Plan same as federal priorities.

Indeed, there are some attempts to contextualize the objectives of the federal GTPs into the regions realities. For example, in the case of BGNRS and GPNRS, the objectives of their GTP I includes strengthening the villageization program in order to increase the production and productivity of the agriculture sector in these two regions (see respectively the objective of the BGNRS - GTP I and the GPNRS - GTP I).

What we have observed with the replication of the federal government GTPI by regional states also repeated in the case of GTP II with little attempts made by regions to come up with their own innovative development plans. In this regard, the overarching objective of the federal GTP II is to sustain the accelerated growth and establish a spring board for economic structural transformation and thereby realizing the national vision of becoming a lower middle-income country by 2025 (NPC, 2016: 80). This overarching objectives of the federal government GTP II is copied by the five regional states GTP II including the following four specific objectives: i) Achieve an annual average real GDP growth rate of 11 percent towards the realization of Ethiopia's vision of becoming a lower middle income country by 2025, ii) Develop the domestic engineering and fabrication capacity and improve productivity, quality, and competitiveness of the domestic

productive sectors (agriculture and manufacturing industries) to speed up structural transformation; iii) Further solidify the on-going public mobilization and organized participation to ensure the public become both owners and beneficiaries from development outcomes and iv) Deepen the hegemony of developmental political economy by strengthening a stable democratic developmental state (NPC, 2016: 80-81).

Similar is the case with respect to the strategic pillars of the GTP II where all of the five regions copied the federal government's nine strategic pillars as the regions' GTP II strategic pillars. Indeed some regions such as the ANRS have ten strategic pillars in their GTP II⁷³ i) Sustain the rapid, broad based and equitable economic growth and development witnessed during the last decade; ii) Increase the productive capacity and efficiency to reach the economy's production possibility frontier through concurrently improving quality, productivity and competitiveness of productive sectors (agriculture and manufacturing industries); iii) Speed up and catalyze transformation of the domestic private sector and render them a capable development force; iv) Build the capacity of the domestic construction industry, bridge critical infrastructure gaps with particular focus on ensuring the quality of infrastructure services through strengthening the implementation capacity of the construction sector; v) Properly manage and administer the on-going rapid urbanization to unlock its potential for sustaining growth and structural transformation of the economy; vi) Accelerate human development and technological capacity building and ensure its sustainability; vii) Establish democratic and developmental good governance through enhancing implementation capacity of the public sector and mobilization of public participation; viii) Promote women and youth empowerment, ensure their participation in the development process and enable them equitably benefit from the outcomes of development; ix) Build climate resilient green economy.

73 See: the ANRS GTP II included special attention to parts of the region that lagged behind on development (ANRS Plan Commission, 2016: 54).

To be more specific, the federal government's plan (objectives, targets and activates) in relation to the three policy areas (which are selected in this study as cases for examination) - the agriculture sector (LSCF), Large scale commercial farming, Industry sector (IPD) and Urban development, it is not that difficult to grasp the fact that they are replicated in the five regional states GTP II. On large scale commercial farming for instance, the federal GTP II has as its objectives to transfer of huge size of land (2.3 million hectare) which are suitable for large scale farming for investors; improving productivity and production through regular land use assessment and support provision; identifying, organizing and appropriately transferring land to private investors (NPC, 2016: 126). In the case of industrial park development, for example, the federal GTP II stated as one of its objectives in the industry (manufacturing sub-sector) building an overall capacity; expanding industrial parks and establishing clusters, as well as creating linkages between domestic and foreign firms to facilitate transfer of technology, skill and other externalities ... [A]vail facilities at a fair rental price, provided a one stop service and cluster agglomeration of interlinked industries" (NPC, 2016: 136). In the urban development and housing sub-sector, the federal GTP II stated "to create urban development leadership at each level of urban administration; enable and support poor and food insecure section of the urban community to generate their own income and improve their livelihood; establish efficient and cost-effective urban planning and implementation system aimed at realizing the urban development and good governance" as its objectives (*ibid*: 157). These federal plans (objectives, target and activities) within the three subsectors under the economic development sector of GTP II replicated as the objectives, targets and activities as their GTP II⁷⁴.

For example, in the case of the BGNRS, the GTPs contain a word-for-word reproduction of the federal government's GTPs, specifically in terms of baseline objectives i.e. building a (BGNRS) developmental state; strategic policy pillars i.e. pursuing ADLI and urbanization; and priority

⁷⁴ Generally, see the five regional states (the ANRS, the BGNRS, the GPNRS, the ONRS, and the SNNPR) GTP II documents economic development sector plan, specifically the sub-sectoral plans on Agriculture and Rural Transformation, Manufacturing Industry and Urban Development and Housing sub-sector.

sectors i.e. expansion of light manufacturing industries in leather and leather products, textile and garment, sugar, cement, metals, agro-processing (see: BGNRS, 2010; BGNRS, 2016). The replication of the federal GTPs in the BGNRS GTPs is word by word in addition to the stark similarity in organization of the plans in terms of baseline, objectives (Establishing (BGN) Developmental Regional State (BGNRS, 2010) Realizing the MDGs), strategic pillars (Agricultural-Developmental Led Industrialization and Urbanization), priority sectors etc. One can see the regional GTP I plan on the economic sector especially the agriculture sector (see: BGpNRS - GTP I, 2010).

Likewise, in the case of the GPNRS, in both GTP I and GTP II, one can note stark similarities with those of the federal government, in terms of the pillars, objectives and goals; sectoral plans; priority areas etc. Specifically, the federal government's plans within the realm of commercial farming investments, villagization schemes and the like have been directly incorporated into the GPNRS's GTPs, with little or no element of policy innovation (see: GPNRS Finance and Economic Development Bureau, 2010; the GPNRS Finance and Economic Development Bureau, 2016).

It is possible to have different development vision, development objectives, development priority areas, strategic directions, growth forecasts by regional states when they prepare their respective regions' development plans. But the trend is the replication of the federal plans into regions as seen above as regions simply reproducing the federal government's plans objectives, pillars, priority sectors etc., in a manner that seems it is prohibited to have different vision, objectives, pillars of development from the federal government GTP II.

In explaining these trends, different justifications and reasons are given by regional officials and experts interviewed in this study. As one key informant from the ANRS Planning Commission explains, the region's GTP I was more or less directly taken from that of the federal government's and the justification for doing so was that "the federal GTPs are detailed enough and that it seems there was no need to make a separate plan for the regional state" (IA₂₆). This practice, as another informant from the ANRS's Planning Commission notes, seems to have improved in the case of GTP II: "the situation improved following the establishment of a regional planning commission in

the region, which played an instrumental role in the formulation of the ANRS GTP II in 2016, by adapting and contextualizing the federal government's GTP II according to the region's context" (IA₂₇).

In the case of ONRS, it is indicated that in preparing the region's plan, for example in GTP I, as one informant from the region's Finance and Economic Development Bureau states, "[the plan] was developed as cascaded from the federal government" (IO₂₈). Similarly, one key informant from the region's Finance and Economic Development Bureau explained the practice thus: "the federal plans are very detailed and the dominant trend has been to directly adopt and apply what was prepared and provided by the federal government as the region's quota from the national plan (IS₂₉). In a similar vein, a key informant, who is a member of the ANRS's state council, noted that through the party's so called 'development armies' organizational system, the EPRDF, via its regional wing in the ANRS – the ANDM – worked very hard to entrench developmental thinking as hegemonic guiding principle (IA₃₀).

The replication of federal policies and plans by regions attributed to the mode of governance pursued by the EPRDF under the EDSM is also shared by another informant from the ONRS regional council who claimed that the "DSM combined with revolutionary democracy has brought even a more sophisticated system of political control from Addis Ababa that goes down even to family level through the notorious 'one-to-five' network, which penetrates down to the level of individual persons" (IO₁₈). This views also shared by one of the key informants from the regional state council of the SNNPR, who expressed his view as follows: "the execution of the EDSM, especially the manner of development policymaking and execution is carried out under a tight control and dictation by federal government in such a way that compromised regional states' autonomy" (IS₃₁). This is also noted by another informant as follows:

As regional high officials among the regional executives of the four EPRDF party member regions are also members of both the council and the executive of EPRDF, they are strongly influenced by the decisions of the party's ideological plans and programs which they finally urged by the party to exclusively adopt policies, plans

and programs of the mother party as policies, plans and programs of their own (IS₃₆).

What mentioned above works for those regional parties who are also members of the EPRDF excluding regions such as the BGNRS and the GPNRS (IB₂₁; IG₂₀). Indeed, participants in the FGDs from the BGNRS and the GPNRS from both regions pointed out during FDGs, are the ones most affected by a strong control and dictation from the federal government, especially with respect to industrial development policies pursued by the federal government (FGD₁). The case of the federal government's influence and direct intervention appears to be even far greater in the BGNRS and the GPNRS than in those so called 'developed regions' mentioned earlier (IB₃₃; IG₁₂).

The extent of severity of the direct intervention from the federal government in the affairs of development governance was affirmed by one key informant, who had formerly served as a President of the GPNRS, as follows: "the GTPs in the regions are directly copied, under the instruction of the central government, from the federal government's GTPs, according to the quota or scheme allotted and determined by the federal government and deemed to fit us" (IG₃₂). Likewise, an informant from the BGNRS Finance and Economic Development Bureau remarked: "we did not make our own GTPs because we were not adequately competent and empowered to do so, so we avoided the burden of making our own policy and simply took that of the federal government whether we liked it or not" (IB₃₃).

All in all, the document analyses on the GTPs in the five regional states indicate that the only difference between the regions' GTPs and those of the federal government is essentially the names of the issuing authorities and the indicators of plans as the latter is a comprehensive plan from which regional states quota cascaded. The GTPs of all the regional states surveyed were directly copied from the GTPs prepared by the federal government, with just the names of the respective regional states and/or concerned offices attached before them. For the question posed to the participants during the FGDs as to why the regions tend to copy the federal plans instead of having their own innovative plans, most participants attributed this to the prevailing perception that regional states lack the technical capacity and expertise to prepare and administer their own policies, strategies

and plans and the lack of autonomy of regional states due to strong control and intervention by the federal government. This is depicted by one informant as “due to the modus operandi of democratic centralism where not following the party decisions tantamount to grave offence that may leads to grave consequences. Thus, having regional policy have been a taboo under the tight top-down rule of EPRDF.” (IS₂₅). Overall that the trend so far is to take the policies and approaches endorsed by the ruling party EPRDF as they are instead of making their own development policies.

It is true that the hegemonic authoritarian system implanted by the EPRDF has its own impact on the lack of innovative policies in such a way that realize the purpose and values of having multilevel development governance system in the Ethiopian federation at the first place. The lack of adequate practice of the federal system, for example in the area of vibrant regional policy innovation as part of their self-administration right/power, associated with inability or unwillingness from the part of regional elites to translate state autonomy into realities. The lack of initiatives to have once own development policies and plans according to regions specific context clearly visible when one looks into the answer for the question raised during the discussion with regional states officials about how they attempted, if they did so, to customize the essence developmentalism under the EDSM into the realities in their respective regions. The dominant thinking in the EPRDF is that an attempt to design policy documents at the regional level may invites discrepancy in the equitable development of regions hence undermine the constitutional aspiration to build one economic community (FGD_{1 & 2}). Thus, policies once adopted at the federal level, regional states are merely expected to adopt regionally expected to ensure smooth implementation of such macro-development policies and strategies.

Generally, the absence innovative regional development policies but the replication of federal policies in the regions often rationalized under the disguise of the federal macro-policy framework. Despite such limitations on the part of the regional states themselves, the influence of hegemonic developmentalism under the EDSM on multilevel development governance revealed that facts that the replication of federal policies in the regions instead of coming with innovative development policies.

Generally, Ethiopia's experiment with the DSM, as Aaron (2010) rightly puts it, sought for bringing fast-paced development through a centralized top-down planning model at the same time granting autonomy for ethnic groups that puts the approach and its institutional mechanisms at odds with each other. As a result, the interplay of these institutional frameworks in the Ethiopian developmental state strategic policy approach resulted in a mixed outcome. The centralized, top-down authoritarian developmental model delivered fast socio-economic growth. However, the political institutions of administrative autonomy and decentralization were seriously compromised.

All in all, it is safe to argue that, as discussed above, the rampant authoritarian developmentalism installed under the EDSM, due to the practice of hegemonic developmentalism under the auspicious of revolutionary democracy propelled DSM that pursued by EPRDF, the courageous move under the FDRE Constitution in entrenching political pluralism in the form of multiparty and electoral democracy as well as the values of self and shared rule seems to have turned out to be elusive.

5.4. Conclusion

This chapter investigated the course of building DSM within the Ethiopian federation, shown the manifestations of development authoritarianism, and indicated the overall implication of entrenching DSM by EPRDF against the underpinning's democratic federalism specifically in relation to multilevel development governance. The chapter pinpointed that how revolutionary democracy blended DSM undermines political pluralism in the area of multiparty electoral democracy in general, which eventually casted implication on the democratic multilevel development governance system envisaged under the FDRE Constitution. As indicated in this chapter, EPRDF worked to make the DSM to be the hegemonic ideology and the multiparty system to be conceived within this model. Due to measures taken based on such view, building DSM in Ethiopia unleashed draconian laws on press, election, civil society, terrorism that used to chased away many real power contenders abroad, locked in gulags intimidated them that eventually led to situation turned the EPRDF party as a *de facto* dominant party-state at the expense of multiparty

democracy. Hence as noted in this chapter, despite the promise of decentralized and democratic governance system that was installed following the adoption of a federal system in Ethiopia, the subsequent adoption of the DSM in the country opened a new chapter where authoritarianism has dominated the process of development policymaking and execution practices within the country. This contradicts the FDRE Constitution, which provides for democratic multilevel development governance underpinned by accountable, transparent, participatory and responsive public governance; on the contrary, EPRDF has been pursuing authoritarianism. As seen, under the EDSM the formulation and execution of development policies were carried out in a non-participatory, hierarchical, top-down and coercive manner as the case of IAOMP for example.

Furthermore as the study revealed on the GTPs documents of five regional states it they are found that all of them tend to replicate the federal government's policies instead of having their own innovative policies. Uniformity of policy implementation as propagated by EPRDF has in a number of ways prevented the regions from creatively and innovatively implementing policies or tailoring them to suit the needs of their regions This is attributed among other things on the wrong interpretation of the activist state propagated by the DSM by the EPRDF in singular sense in such a way that it means the federal government in the exclusion of regional states This is a challenge of building East Asian DSM by EPRDF in Ethiopia federal polity. As seen in this chapter the implication of the EDSM against democratic multilevel development governance enshrined under the FDRE is well captured by Clapham's (2015) observation which depicted the experiment of the EDSM as conceived and applied by the EPRDF tends to replace the primacy of democratic federalism in Ethiopia.

All in all, the EDSM pursued by EPRDF contributed its part in the closure of the political space and eventually to the demise of multiparty democracy in the country, which is the root cause for what has been happening not only to the EPRDF but to the broader political situation in the country today since late 2016 which culminated with the disintegration of the EPRDF itself and replace by

the rebranded party called Prosperity Party (PP)⁷⁵. Based on the findings in this chapter, the DSM as conceived and pursued in Ethiopia by EPRDF has defeated the very core values and principles of democratic multilevel development governance which is one of the hallmarks of the Ethiopian federation.

⁷⁵ For more on this see see Chapter Seven sub-section 7.4 of this work which discussed the state and fate of the EDSM under the new PP.

CAPTER SIX

THE IMPACT OF THE DSM ON THE VERTICAL DIVISION OF POWER WITHIN THE ETHIOPIAN FEDERATION

The fact that we have a system that accommodates diversity means that every group, every village, is able to design its own plan within the national framework and therefore is able to maximize the impact of its own local assets, much more so than any centralized plan could ever achieve. Meles Zenawi (2010)⁷⁶

6.1. Introduction

This chapter investigates the scope of the core federal government's development policies which are made under the auspicious of the EDSM, specifically policies with respect to IPD, LSCF and Urbanization. Such investigation is accrued out against the division of power on development policies as outlined in the FDRE Constitution. The aim is to answer the last research question: *How have the federal government's (agricultural, industrial, and urban) development policies under the EDSM impacted the vertical division of power between tiers of government, as outlined under the FDRE Constitution?*

The chapter is, therefore, organized into seven sections, including this introductory part. The second section indicates the scope and limits of federal government vis-à-vis regional states power within concurrent sphere of allocation of power in the FDRE Constitution, specifically in relation to the IPD, LSCF and urbanization. In section three, an inventory is made on the scope the core federal government polices under EDSM, and reveals instances of centripetalism within these policies, mainly the GTPs. In section four, the chapter examines centripetal tendencies in the

⁷⁶ Meles Zenawi (2010). Keynote Address by HE Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia at the 5th International Conference on Federalism. Delivered in Addis Ababa on December 10,2010, https://au.int/sites/default/files/newsevents/workingdocuments/26511-wd-keynote_address_by_h.e_pm_meles_zenawi.pdf

federal IPD. Similarly, section five points out the impacts of developmental policies with respect to LSCF on the constitutional division of power, especially on land governance system. Section six reveals the anomalies within urban development policies of the federal government's urbanizations policies under the helm of the EDSM on division of power in the FDRE Constitution. This section emphasis on federal government's urbanization master plans which are espoused under the EDSM. Finally, section seven summarizes the major arguments and findings of the chapter.

6.2. The Constitutional Mandate of the Federal Government on Development Policy

The FDRE Constitution devolves and shares policymaking and execution powers between the federal government and regional states [see, for example, Articles 51(2) and 52(2-c)]. Pursuant to article 51(2) of the FDRE constitution, the federal government is empowered to “formulate and implement the country’s policies, strategies and plans in respect of overall economic, social and development matters...establish and implement national standards and basic policy criteria for public health, education, science and technology...” As to regional states, in addition to entitling them to exercise reserved powers, the FDRE Constitution confers them with the power to “formulate and implement development policies, strategies and plans with respect to overall economic, social and development matters of their regions [see: FDRE Constitution, Article 52(2-c)].

As indicated, due to the fact that both federal government (FDRE Constitution, Art. 51/1/) and regional states (FDRE Art. 52/2-c/) are empowered to make and execute development policies by the FDRE Constitution, this creates a problem of policy overlap due to the absence of clarity as to where the mandate of the federal government ends and that of regional states began (for more on this see Chapter Three, Sub-section 3.5.1). Thus, as there are no quick fixes to this constitutional conundrum, it is imperative to consult some general principles and techniques and make a case-by-case analysis on each policies made by the levels of government – by the federal government or regional states. Therefore, in order to examine the scope of the federal government policies under the EDSM in relation to IPD, LSCF and urban development against its mandate in the FDRE

Constitution, three general guiding principles are identified. These general guiding principles are: the principle of territoriality, principle of necessary and incidental power and the principle of building ‘one economic community’.⁷⁷

When we examine principle of territoriality from the perspectives of our three cases- IPD, LSCF and Urbanization, its relevance is related to whether such areas have or have not such features of that cannot effectively be handled by regional states acting individually and requires uniform regulation across the country. The powers with extra-territorial effect or overarching consequences of common concerns of all members of a federation and that usually calls for the primacy or intervention of national/federal/union government includes for example, international relations, defense, foreign investment, international trade; trade between states and regions, interstate river systems, aviation; currency or corporations law and the likes. On the other hand, powers usually regarded as those that can be handled within the borders of a region, regional states, or localities are those with no or little spillovers effects including matters of local concern; and those matters that involve diversity, innovation, or constructive competition between states.

Hence in the Ethiopian case, one of the limits to the federal government policy power (under Art. 51(2)) is the principle of territoriality where the federal government acts need to be justified that they relate to issues that spill over regional states borders and cannot effectively be handled by regional states acting individually and requires uniform regulation across the country.⁷⁸ The idea of the principle of territoriality in the Ethiopian federation reflected in such a way that the federal government is entitled with extensive policy power of social and economic development including establishing and monitor national standards in the areas of public health, education, science and technology (see art. 51 in general). This principle also needs to be seen with the constitutional

⁷⁷ For more detailed analysis on these guiding principles see Chapter Three, Subsection 3.5.2.

⁷⁸ Such power which often time given to the national/federal/union government includes, for example, international relations, defense, foreign investment, international trade; trade between states and regions, interstate river systems, aviation; currency or corporations law.

power of the federal government with respect to power, among others, to regulate inter-state trade, determine and administer the utilization of the waters or rivers and lakes linking two or more states as well as roads linking two or more states (see: FDRE Constitution, Art. 51 (9-11)). As such, matters that are of concern to all regional states or that involve more than one regional state due to their spillover effects and which cannot be sufficiently addressed by one regional state reside within the power of the federal government.

As the federal government is empowered on certain areas based on the principle of territoriality the same principle also works to limit its power. This limit is that the federal government does not have powers on those that can be handled within the borders of a regional region without spillovers, matters of local concern; and those matters that involve diversity, innovation, or constructive competition between states and regions. This in other words means regional states policy power (stated under Art. 52 (2-c) of the FDRE Constitution) entitles them to develop and adopt policies on economic, social and development matters so long as they do not have an extra (territorial) state dimension. Regional states have also power on matters which does not require uniform national standards, scales, socioeconomic development issues that can be addressed within a region or locally.

Against the above backdrop, using the principle of territoriality the examination of the IPD, LSCF and urbanization in this chapter thus basically address issues such as whether they involve issues dominantly federal matters or regional/or local once. It raises and address questions such as: What IPD, LSCF and Urbanization looks like when they are examined from the principle of territoriality perspective? Are they dominantly involves federal matters i.e., more issues that which are essentially the concerns of members of the federation so that warrants the active intervention of the federal government? Or are they dominantly regional or local matters that does not necessary the concerns of units of a federation so that can be handled by regional states? Based on the answers to these issues, the chapter thus examines the federal government policies on IPD, LSCF and urban development.

Likewise the principle of territoriality, the other important principle is the case of necessary and incidental power, the exercise of power by one level of government is for essential and reasonable to discharge its responsibilities provided exclusively or concurrently. This principle suggests that federal government policies in governing development are justified- even if they could be seen as encroachment to the regional states' prerogative- provided that the encroachment is either reasonably essential or incidental to the discharge of its exclusive power. The applicability of the principle of necessary and incidental power in our case relates to determining whether the federal act/s in regulating or dealing with IPD, LSCF and Urbanization fall under the exclusive jurisdiction of the regional governments. Hence similarly with the IPD, the issues that needs to be determine thus to what extent the federal acts in relation to IPD, LSCF and Urbanization justifies with the principle of necessary and incidental power that is the exercise of power by the federal government in these areas are essential and reasonable to discharge its responsibilities provided exclusively or concurrently.

Last but not least the other important yardsticks in the principle of building one economic community. This principle basically stated in the FDRE Constitution under Article 55(6). This principle basically provides additional power to the federal government with power on civil matters provided that the matters are civil matters, they are essential and needed for building one economic community and sustaining it. Most of all, such power is approved and conferred by the HoF which has an obligation to ensure that the requirements to invoke such principle is justified on the grounds, for the purposes and exclusively for the areas stipulated under Art. 55(6) of the FDRE Constitution which are: civil matters, essential and needed for building one economic community and sustaining it. Hence the relevance of the principle of building one economic community in our case is basically related whether IPD, LSCF and Urbanization can be justified on the ground of civil matters that are essential and needed for building one economic community and sustaining it? Are there any acts by the HoF in this regard?

By using the above mentioned guiding principles, the chapter examined the federal government policies i.e., legislations made, decision taken and institutions formed in relation to IPD, LSCF and urban development if they are conflate with the constitutional division of policy power,

specifically with the constitutional mandate of the federal government. Based on such a case-by-case analysis on such flagship projects of the EDSM, the chapter reveal the impact of the EDSM against the essence of multilevel development governance in the FDRE Constitution, specifically on sub-national states policy power in areas investigated.

Given the fact that IPD, LSCF and Urbanization are derived from the core national development policies of the EDSM such as the GTPs, using the three guiding principles mentioned above a brief account on the scope of the GTPs and IDS is made⁷⁹. Such examination is made as it is to give a general picture that centripetalism is the dominant features of the policies made under the auspicious of the EDSM which eventually attributed for recentralization of the multilevel development governance system by undermining the vertical division of power and sub-national provided in the FDRE Constitution.

As underscored in the previous chapter while disusing the impacts of entrenching DSM in Ethiopia against democratic multilevel development governance, it is underscored that the process of development governance under EDSM is driven hegemonic rule where EPRDF using its party structure ensued authoritarian governance as manifested in the top-down centrist and coercive development policy making and execution. In the sub-section that follow an examination is made on the scope of the policies (GTPs and IDS) themselves which are largely the results of authoritarianism embedded in entrenching the EDSM⁸⁰ against the constitutional vertical division of power on development policies.

⁷⁹ In Chapter Four Sub-section 4.3.2) the dissertation identified and discussed ADLI, GTPs and the IDS as core national and sectoral policies designed to spearhead the EDSM.

⁸⁰ In the previous chapter the examination has focused on the process of development governance that ensued centrist governance while in this chapter the focus and examination is on scope of the policies themselves to determine the impacts of such centrist governance on specific policy areas against the vertical division of power and sub-national autonomy as provided in the FDRE Constitution.

As already noted in Chapter Five, indeed it appears that there is little disagreement among the informants and FGDs participants in this work as well as scholars and observers about the predominance of a centralized governance approach. Yet, it is essential to empirically examine, at least as far as the constitutional principles of the division of power within the Ethiopian federation is concerned, the scope federal government's developmental policies, account and uncover cases of centripetalism in the (content) of the policies themselves policies. Hence such investigation is carried out against the division of policy power under the FDRE Constitution as qualified by using the three principles identified above.

6.3. Core Policy Propellers of the EDSM: Centripetal Tendencies

As noted, the federal government mandate on development policies generally related to the designing general policy directions, standards, frameworks etc. However the as the inventor on core federal developmental policies under the EDSM revealed that the federal government has been making detailed development policies in an apparent transgression of its constitutional mandate in an apparent encroachment into regional states competencies. For example, the GTPs (GTP I and GTP II) designed by the federal government beyond setting the national development objectives and pillars for industrialization specify much more detailed plans on a range of areas and sectors.⁸¹ In fact, both GTP I and GTP II were too specific in their content or scope, to the extent of specifying how many people would be trained and deployed in the construction of cobblestone roads (. More importantly, the particular focus areas and sectors clearly indicated in both GTPs, including basic primary education, health and hygiene services and regional security issues are those, which, according to the FDRE Constitution, fall within the jurisdiction of the regional states.

⁸¹ Regarding the detailed matrix of the federal plan and the overall contents of the GTPs generally see the National plan commission report issued in 2016 on the performance of GTP I and Plan of GTP II (NPC, 2016).

In GTP I, for example, under the section that deals with the chemicals sub-sector, detailed plans have been pointed out on the expansion and development of industries engaged in the production of cement, fertilizer, caustic soda and soda ash, soap and detergent, pulp and paper, plastic and pharmaceuticals. Likewise, under the textile sub-sector, it specifies detailed plans on various types of products such as yarn knitted fabric, woven fabric processing, and woven fabric. On the metals sub-sector, the federal government lists detailed plans to manufacture basic iron and steel, motor vehicles, trailers and semi-trailers as well as machinery and equipment. Likewise, in the leather sub-sector, it provides detailed plans to expand the production of tanning and leather wear, luggage and handbags and manufacturing of footwear (NPC, 2016).

In a similar vein, GTP II contains a very detailed plan within the industry sector as much as it does in the agricultural sector. For instance, it envisages planting 1.5 billion trees, constructing or rehabilitating 200,000 new household sanitation facilities and 550 gender-segregated sanitation facilities; and replacing 200 diesel-powered water pumps with solar or wind energy pumps. Moreover, the plan, under the pillar ‘Promoting Economic Governance,’ sought to increase female primary school (Grade 8) completion rate to 97% from 90.1% and reduce the gender gap in rural primary school completion rate. It also indicated a target to increase rural primary school completion rate to 75% from 47% (NPC, 2016).

Similarly, in the manufacturing industry and associated sub-sectors, for example, both GTP I and GTP II identify priority areas, with very detailed plans that appear to extend well beyond the scope of the constitutional framework of policymaking and execution powers entrusted to the federal government. These strategic plans point out numerous detailed plans with respect to industrial development priority areas such as textile and garment; leather, foot wear and other leather products; food, beverage and other agro-processing; pulp and paper; basic metals and engineering; chemical and pharmaceutical and furniture and construction materials industries (NPC, 2016). For more see Table 8 (next page).

Table 8 Development plans under GTP II within the priority areas of the manufacturing

Priority Areas within the Manufacturing Sub-Sector	Examples of Specific Plans Envisaged
Textile and Garment Industries	Providing investment support and expansion services to more than 191 investors
Leather Industries	Establishing 74 shoe/leather factories
Sugar Industries	Increasing sugar production capacity to 1.2 million tons and creating jobs for more than 80,000 workers
Cement Industries	Increasing cement production capacity to 8.1 million tons annually
Chemical and Construction Inputs Industries	Producing 25.67 million tons of construction inputs
Agro-Processing Industries	Increasing food production from 3.8 million tons in 2014/15 to 8.8 million tons by 2019/20

Source: NPC (2016)

In the case of urban development sub-sector there are similar centripetal tendencies , for example, the GTPs of the federal government in the area of urban development governance is having detailed plans that seems to go beyond the framework of power on development governance (as discussed in chapter five and above). The federal urbanization plans seem to be highly prescriptive and detailed plans. For example, in the GTP II period, it is planned to prepare 8 thousand rural centers. development and good governance activities, increase the revenue level of the urban centers by 50 million Birr, strengthen and ensure continuity of the on-going coble stone road construction, solid waste disposal system and other programs that are meant to create job opportunities and provided through pubic-community partnership; to increase the land use coverage of green infrastructure and recreational areas to 30%, to increase waste collection and

disposal coverage to 90% in 75 urban centers, and to build 340 market centers and 15,000 production and display sites (shades) for small scale enterprises, land to construct 750 thousand new condominium houses new residential housing units in urban centers of the country; Moreover, by identifying the extent of existing slum area in 2016, huge efforts will be made to reduce its coverage by 20% (NPC, 2016:158-159).

These are, a typical example of the prescriptive and over-detailed plans is the spatial division of industrial zones into detailed subcategories (e.g., manufacturing & processing; handicrafts, garages, & workshops; silos & warehouses), which induce considerable economic and administrative costs. What we have seen above on the extracted as sample to show tendencies of centripetalism within the federal government's core developmental policies it is not that difficult to sense the fact that the federal government went beyond its constitutional mandate. This has an impact against flexible approach to planning the local autonomy in planning; strategic planning has been introduced at federal, regional, and local levels (IF₁₉; IF₃₅).

The government however sense what depicted above not that problematic as most of the regional states lacked either the capacity or resource to formulate their own policies, the advantage of having uniform polices across the country for predictability and efficiency related to expedite development. This is for example indicated by informant, in explaining the rationale behind such practices, as:

The federal government is the one with a relatively better capacity of both human and material resources to properly planning the course of development for the country until and unless regional states have built the capacity to make their own policy by themselves, which is not the case so far. And that is why the federal government relieved them of the burden that comes with governing oneself (IF₁₇).

Such justification not sounds, as noted by most of the participants in the FGD from the constitutional perspective of division of power as such practices that dominated for decades are themselves that inhabited the regional states from building their capacity by learning from doing, from trials even from their mistakes (FGD₁). . Whatever justifications given, in terms of their scope, the federal government development policies, strategies and plans clearly indicate that it

has gone far beyond its constitutional mandate as they are too detailed and give little space for regional states to autonomously exercise their constitutional powers to formulate and execute their own policies. More importantly, the policies are supposed to be uniformly applied by all regions across the country. This is as one key informant from the HoPR notes that the highly centralized governance system that the EPRDF often justified on lack of capacity of regional states to make their own policies not to mention their reluctance and/or inability to come up with their own innovative policies (IF₁₅). Such trends carry the apparent risk of rendering practically irrelevant the inherent advantages associated with implementing a multilevel development governance system in terms of encouraging policy innovation, local solutions for local problems and a responsive governance system (IF₁₇).

Meanwhile, the federal government has often justified the constitutional basis of its developmental agenda in making and executing the policies and projects mentioned above, including the Constitution's guiding principles and intention of "...building one political and economic community" (IF₆). In fact, there are some provisions which lend legitimacy to the federal government to own and administer mega projects, such as industrial parks. When we look at Article 89 of the FDRE Constitution, the federal government is entrusted with the power and responsibility of working to ensure the improvement of the economic condition of citizens and to realize economic prosperity within the country. This provision is further amplified in Article 51(2) of the FDRE Constitution, which states that the federal government "shall have the power to formulate and implement the country's policies, strategies, and plans in respect of overall economic, social and development matters".

Furthermore, Article 51(9) of the FDRE Constitution accords the federal government with the responsibility for "the development, administration and regulation of air, waterways and sea transport and major roads linking two or more states as well as for postal and telecommunication services". This provision indirectly provides a leeway for the federal government to formulate various economic development policies and undertake mega projects like major highways (e.g. Ethio-Djibouti Railway, GERD etc.) that are exclusively owned and operated by the federal government (IF₆). Thus, it seems irrational to say that the federal government in Ethiopia should

stay away from playing any administrative and controlling roles in projects of national importance. At the same time, the federal government needs to ensure that such involvement of the federal government does not infringe upon the constitutional autonomy of regional states is also equally important.

To concretize the findings and arguments indicated above regarding the encroachment of the federal government's core developmental policies under the EDSM into regional and local competencies, let's turn to our investigation on the three specific policy areas, IPD, LSCF and Urbanization under the EDSM.

6.4. IPD Projects and Sub-National Autonomy

IPD projects are the key part of the Ethiopian government's industrial development strategy under the DSM in devising and implementing policies that creates a favorable condition to attract FDI (NPC, 2016). The purpose of IPD projects is to attract FDI and has a mission to serve as an important source of private capital and to promote economic growth and diversification (IF₃₄). The industry zones development project has the objective of promoting skills development, facilitating the transfer of technology and access to foreign markets, improving the competitiveness of domestic firms by creating capacity for value-addition and spawning the development of new manufacturing and service sectors (NPC, 2016). The IPD strategy of Ethiopia is primarily focused on attracting FDI particularly in export-oriented and labor-intensive manufacturing industries. The strategy prioritizes textile, apparel, leather, agro-processing, pharmaceuticals and chemical industries (NPC, 2016: 144-46).⁸²

Obviously, the legal and institutional framework that governs industrial parks and their operation needs to be in line with the constitutionally delineated division of power between tiers of

⁸² On the objective and purpose of the IPD generally see see FDRE Industrial Parks Development Proclamation No. 886/2015, Article 3; Council of Ministers Regulations No. 326/2014 and 417/2017).

government in the Ethiopian federation. As noted, the FDRE Constitution grants development policymaking and administration powers to both the federal government and regional states which entails a large measure of cooperation and coordination between the federal government and regional states in the planning and execution of development policies. Thus, the efficient and effective running of industrial parks is to a large extent dependent on the amicable collaboration between the two tiers of government, both of which have a vested interest on the issue. It is therefore essential to ensure that legislations enacted at federal government level on issues such as planning of IPD, provision of lands for the establishment industry parks, and operation of IDP adhere to this constitutional framework of cooperation not mention their operation.

Indeed, the federal government has several powers pertaining to the regulation of industrial parks and investment in the country. For instance, it has the power to regulate interstate and foreign trade, and enact the country's Commercial Code (see: Article 55(2)(b) of the FDRE Constitution). On the other hand, regional states, in addition to levying and collecting tax, have the power to regulate socio-economic and commercial activities as well as administering land within their respective territories (see: Article 52 of the FDRE Constitution). The issue of federal industrial parks, in addition to the relevant federal investment and tax laws, has been regulated by separate industrial parks law according to the plan in the federal GTPs which envisaged the development and administration of industrial park development and administration (NPC, 2016). Based on the GTPs plan the federal government enacted distinct legislations that regulate the development and administration of industrial parks - Industrial Parks Development Proclamation No. 886/2015; Council of Ministers Regulations No. 417/2017. Thus, these are most important federal legislations that regulate investments in the federal industrial park built and approved by the federal government.

Industrial Parks Development Proclamation No. 886/2015 encompasses different types, sizes and model of industrial development zones under the definition provided for industrial parks and qualifies them for rights, duties, and incentives (see: FDRE Industrial Parks Development Proclamation No. 886/2015, Article 3; Council of Ministers Regulations No. 326/2014 and 417/2017). It also assigned different roles and functions to these bodies that are responsible for

initiating, planning, developing, promoting, administering and operating industrial parks built and approved by the federal government.

The Proclamation defines industrial parks as follows:

Industrial park means an area with a distinct boundary designated by the appropriate organ to develop comprehensive, integrated, multiple or selected functions of industries, based on a planned fulfillment of infrastructure and various services such as road, electric power and water and have special incentive schemes, with a broad view to achieving a planned and systematic development of industries, mitigation of impacts of environmental pollution and development of urban centers, and includes special economic zones, technology parks, export processing zones, agro-processing zones, free trade zones and the like designated by the Investment Board (Proclamation No. 886/2015, Article 2(1)).

In addition to this, the Council of Ministers Regulation No.417/2017 provides for much more detailed rules regarding industrial parks built and approved by the federal government. The Regulation covers issues relating to the designation, allocation standard and the delimitation of the boundary of industry zones; the rights and duties of investors engaged in the development of industrial parks; the services expected to be provided by the government and supervision thereon; the timeline for the completion of construction activities and supervision thereon; additional incentives and support to be provided; and the rules related to the implementation of industrial parks; and the organ(s) or bodies of the federal government to engage in IPD activities (see: Council of Ministers Regulation No. 417/2017). It also provides for wide-ranging fiscal and non-fiscal incentive packages for investors who engage in the development of industrial parks that are aimed at enhancing national competitiveness and offering investment protections (see, for example, Investment Incentives and Investment Areas Reserved for Domestic Investors Amendment Regulation No. 312/2014; Investment Incentives and Investment Areas Reserved for Domestic Investors Regulation No. 270/2012)

When we examine the federal proclamation and regulation on IPD- Proclamation No. 886/2015 and Regulations No. 326/2014 and 417/2017 they comprised some issues that seem beyond the

power of the federal government. For example, the proclamation provides federal government the power to develop and administer Industrial Parks, lease developed land and lease and transfer, through sale, and constructions thereon (see Art. 2(1) of Proclamation No. 886/2015 and Art. 2 of Regulations No. 326/2014). Such power obviously raises question of mandate on the federal government. That is the constitutionality of such power i.e., does the federal government has the power to build, develop, lease, transfer, sale industry parks? The issue that needs to be clear here is how far the federal legislations on IPD conform to the division of power outlined in the FDRE Constitution. That is to mean how well the federal regulation of IPD is in line with the constitutional principles of the in terms of regulating the selection of sites, screening of investors, and land acquisition procedures in IPD projects and other issues that may arise in the course of the development and operation of IPD projects between the federal government and regional states.

Overall issues thus that needs answers with respect the power of the federal government as stated under Art. 2(1) of Proclamation No. 886/2015 and Art.2 of Regulations No. 326/2014) includes: Are these power related to the federal government (as stated under Art. 51/2/ of the FDRE Constitution) power to formulate and implement the country's policies, strategies ad plan in respect of overall economic, social and development matters? Are these power related to the constitutional mandate of the federal government (as stated under Art. 51/3/ of the FDRE Constitution) which is setting national standards and basic policy criteria for public health, education, science and technology? Or are these powers justifiable with the principles of territoriality or necessary incidental exercise of power by the federal government? Or these power civil matters that sanctioned by the HoF as essential needed to build one economic community?

The powers given to the federal government under Art. 2(1) of Proclamation No. 886/2015 and Art. 2 of Regulation No. 326/2014 are obviously a breach into the constitutional division of power as it is hardly possible to justify them by relating them with setting, monitoring and regulating standards and the overall development directions of the country considering industrial parks development to have overarching impact across the federations. It is also hardly conceivable to justify such federal government powers as building sheds, administering, leasing or selling industrial parks with the principle of necessary or incidental exercise of power. Nor there is any

evidence showing that the acts of the federal government are sanctioned by the HoF based on the principle of 'building one economic union' as the researcher confirmed in his investigation of such decisions both in documents and interviews, by the HoF.

In GTP I, the federal government envisaged its plan with respect the integration of IPD and Urbanization as

The industrial parks will become parts of cities' master plan and be constructed based on studies. These parks will get access to adequate electricity, water, ICT, road, sewerage system and fire emergency services. Firms which provide common services by producing and maintaining spare parts will be established in the parks. Industrial parks will be developed based on integrated master plan and hence they will have their own master plan, feasibility studies and strong government organization to be managed by higher officials (NPC, 2016: 144).

Following the above plan, the federal government is given the power to prepare detailed national Industrial Parks Master plan based on the national special Master plan, and serve as the industrial park land bank in accordance with the agreements concluded with regional governments (Art. 5 (2) Regulation No. 326/2014). It is based on this mandate that the IPDC has been preparing plans and designating areas of IPD as well as building sheds and administering industry parks across the country as can be referred from the table below (see Table 9 on the next page).

Table 9: List of existing and planned industrial park projects in Ethiopia

No.	Name of Industrial Park	Developer	Location	Size	Status
1	Bole Lemi I Industrial Park	IPDC	ONRS	156 ha; 20 factory sheds	Fully operational
2	Bole Lemi II Industrial Park	IPDC	ONRS	186 ha; 15 sheds and parcels of land planned	Under construction
3	Kilinto Industrial Park	IPDC	Addis Ababa	308 ha with possibility of expansion	Under construction
4	Hawassa Industrial Park	IPDC	SNNPR (now Sidama Region)	270 ha	Phase I fully operational
5	Dire Dawa Industrial Park	IPDC	Dire Dewa City Administration	1,500 ha	Under construction
6	Kombolcha Industrial Park	IPDC	ONRS	1,000 ha	Completed but has not started production yet
7	Mekelle Industrial Park	IPDC	TNRS	1000 ha	Completed but has not started production yet
8	Adama Industrial Park	IPDC	ONRS	675 ha	Planned
9	Jimma Industrial Park	IPDC	ONRS	350 ha	Planned
10	Bahir Dar Industrial Park	IPDC	ANRS	350 ha	Planned
11	Air Lines Logistics Park	IPDC	Addis Ababa	200 ha	Planned
12	Awash Arba Industrial Park	IPDC	ONRS	225 ha	Planned
13	Andido Industrial Park	IPDC	ONRS	425 ha	Planned
14	Bishoftu Industrial Park	IPDC	ONRS	180 ha	Planned
15	Asayta-Semera Industrial Park	IPDC	Afar National Regional State	274 ha	Planned

Source: Ethiopian Investment Commission (2019)

Regarding the link between IPD and the master plan for urbanization while outlining what is envisaged by the federal government in relation to the plan and development of industrial parks, as well captured in the GTP II it is stated

The industrial parks will avail facilities at a fair rental price, provided a one stop service and cluster agglomeration of interlinked industries. These parks will become parts of cities' master plan and be constructed based on studies. These parks will get access to adequate electricity, water, ICT, road, sewerage system and fire emergency services. Firms which provide common services by producing and maintaining spare parts will be established in the parks (NPC, 2016: 143).

The power of the federal government to prepare detailed national Industrial Parks Master plan is apparently breach of the limits to the federal government's power as these acts by far distant from setting general development direction of the country or national standards and monitoring such standards which make these federal powers difficult to justify on the principles of territoriality, necessity and incidentally or the need to one economic community. For example on what grounds such federal acts that envisage industrial parks to be *become parts of cities' master plan, to be managed by higher officials as well as confining regional governments and city administrations to construct medium size industrial parks in selected towns and cities and innovation technology incubation centers* (stated in Proclamation No. 886/2015 and Regulation No. 326/2014) can be justified within either of the federal government mandate such as the principles of territoriality, necessity and incidentally or the need to one economic community.

Similarly the federal proclamation and the regulation on IPD have some elements that transgressed the land governance system in the FDRE by rendering the federal government with the powers leasing and transferring developed lands and receiving lands that can serve as a land bank to IPD.⁸³ As already noted, the land governance system in Ethiopia is jointly owned by regional states and

⁸³ The Industrial Parks Proclamation No. 886/2015, and the Establishment of Industrial Parks Development Corporation Regulation No. 326/2014, Article 5.

the federal government. The FDRE Constitution entrusts primary responsibility upon the federal government to determine major policy directions and standards on land. Such constitutional arrangement related to land governance seems to be undermined by the federal proclamation and regulation on IPD as they give the federal government power to lease and administer lands in relation to IPD.

The adverse effects of federal proclamation and regulation on IPD on regional states constitutional power to administer lands is noted both in FGDs and interview with informants from regional states. For example by an informant from the ONRS Industry Park Development Corporation notes the effects as

The federal government did centralize land administration powers under the pretext of having a delegated power from regional governments, and officials at the [federal] IPDC have been acting and working to assert their exclusive authority and ownership on mega projects, using the mere fact that those projects are national development projects (*hagerawi lemat*) and national interest as an excuse (IO₂₃).

Majority of the participants in the FGD₁ notes that the power given to the federal government under the IPD proclamation and regulation in relation to land lease, administration and transfer affected the regional governments constitutionally entitled source of revenue. According to this view as one participant from the ONRS notes that the fact that the federal government administer and collect rental leases from industry parks developed in regions for example in ONRS, its affected the regions power to generate its own income from businesses operating within the region as stipulated under Articles 97 and 98 of the FDRE Constitution (FGD₁). Similarly, as one informant from the ANRS stated that the federal legislations forced regional states to surrender not only vast size of land but also of their means of income that may raise from the utilization of the lands transferred to federal land bank for IPD (IA₂₂). Indicating the situation in the ANRS, one informant noted the fact that there are idle lands in the region which are reserved for IPD by the federal government but with little or no development activities (IA₂₂). Such trends as noted by same informant from ANRS created resentment from evicted farmers with little compensation and become source of public protest against the regional government (IA₂₂).

Indeed, the informants from the federal IPDC often justified the powers given to the federal government in on the ground that such power is implemented with federal-regional states cooperation as provided in the proclamation and regulation (IF₃₄). This is however seems not the case on the ground, as the formulation and implementation of development policies carried out as noted already, in the environ where authoritarian hegemonic governance of development as manifested in top-down, exclusionary and coercive have largely been the modus of operandi of EPRDF's developmentalism (see: Chapter Five).

As well noted in the FGDs with regional states officials who responded on the manner of federal-regions relations in the selection of areas for the development of industrial parks across the country including their design, construction and administration as follows:

Where when and how areas for industrial parks development are selected, the projects launched and their administration is carried out basically decided by the EPRDF's top officials that determine such and other major issues involved from the inception or planning up to administration of more than dozens of industrial park projects across the country. We see for example some parks built in some parts of the country without due consideration for their economic feasibility while some regions especially those governed by affiliates left out from the projects while they are by far economical efficient for industrial park development especially for agro-processing (FGD₁).

Similarly, one of the informants from ANRS also noted the top-down manner of governance in the case of IPD as follows:

The distribution of IPD projects determined by the ruling elites in Addis Ababa by large are unfair. For example in their region the number industrial parks are very few in their number given the size and potential of the region. Even the existing industrial parks are not functioning well and not organized with the necessary resource while disproportionate emphasis is given to some parks found in some regions (IA₂₂).

Despite the proclamation and regulation on IPD, which require federal and regional states cooperation in the development and administration of industrial parks, regional states are barely

consulted in the planning and execution of development projects by the federal government. One informant from the ONRS explains the repercussion of this stating that [the absence of consultation] closes up avenues that could create democratic and non-authoritarian social, political, and economic relations between and among the federal government and regional states (IO₂₃). This can be viewed as appropriation of the constitutionally guaranteed powers of the regional states to administer and oversee plots of land on which the industrial parks are constructed. (IS₁₀; IB₁₃; IG₁₂; IO₁₈; IA₃₀).

Similarly, as informants from the SNNPR note, the absence of participation of regional states in the development policy and project designing at the federal level curtails conducive platform important, *inter alia*, to express regional interests and priorities as part of the self-determination and democratic self and shared governance enshrined in the FDRE Constitution (IS₂₄).

Generally, the condition on the relationship between the federal government and regional states in the realm of development and administration of IPD projects, the statement by one informant from the Ethiopian IPDC gives the general picture on the matter. This informant notes

The role of regional governments in the implementation of mega projects such as industrial parks is limited to just facilitating conditions, particularly on issues related to ensuring security and the settlement of compensation for plots of land that have been identified and prepared for undertaking development projects. Beyond that, the regional states do not have a significant role and involvement in project planning and other major decision-making processes pertaining to industrial parks development projects (IF₃₄).

6.5. The Impacts of LSCF Projects under the EDSM

It is to be noted that the rationale behind promoting LSCF is to attract FDI and boost the country's foreign currency earnings (NPC, 2016). Hence, to attract FDI the Ethiopia DS has provided special investment incentives to create a favorable environment for the flow of foreign capital to the country, such as leasing out fertile farmlands and bestowing tax holidays and tax relief to foreign investors to promote LSCF (NPC, 2016). This has also been the practice with the experience of

some DSs elsewhere. For instance, Mauritius and the second-tiers of the southeast Asian DSs used FDI successfully in this way, including through promoting public investments in infrastructure, training, and skills to attract it into sectors producing goods and services with a high value-added component (UNCTAD, 2005).

Thus, in order to facilitate the provision of land for development, Regulation No. 283/2014, under Article 2(1), defines agricultural investment as “a capital outlay by an investor to establish a new large scale agricultural investment or expand or upgrade an existing agricultural investment.” To facilitate the provision of land to investors seeking to undertake investments in agriculture, the Regulation No. 283/2014, under Article 2(2) states, "agricultural investment land means a stretched and adjacent agricultural investment land above 5,000 hectares or less but deemed feasible and administered by the federal government on the basis of delegation obtained from regional states.” Consequently, the Regulation paves the way for the federal government to administer agricultural investment land that is above 5000 hectares in size via an agency established for this purpose – the Federal Investment Land Agency. The Regulation entitles and gives the federal government broad powers when it states, under Article 2(3), the definition and/or scope of land administration as follows: "[I]and administration means an act of identification of agricultural investment lands on the basis of study and demarcating, entrusting, transferring, supervising and controlling same.” Furthermore, the federal government is entitled with the power to set "agricultural economy zones" where it furnishes land for agricultural investment with infrastructures necessary to create a conducive atmosphere for investors as its developmental scheme [Regulation No. 283/2014, Article 2(6 and 7)].

Like the case of IPD, the issue that needs to be cleared whether such federal government legislations with respect land governance related to LSCF projects are within the scope and limits of the division of power enshrined under the FDRE Constitution. The case of developmental projects through LSCF basically involves issues of land governance system in the Ethiopian federation. As the development policies and projects under the EDSM have been mainly anchored on agriculture development led industrialization, the national industrialization policies and plans

have extensively relied on and targeted land (). The level of attention given to LSCF and government's plan to transfer land for this purpose is well reflected in the GTPs when it states:

The total area of land transferred to investors will increase from 2.4 million hectare in 2014/15 to 3.1 million hectares by the end of 2019/20, transferring additional 671.8 thousand hectares during the period of GTP II. Ensuring transfer of land (2.3 million hectare) for investors; improving productivity and production through regular land use assessment and support provision; identifying, organizing and appropriately transferring land to private investors which are suitable for large scale farming that are not occupied by people, not planned to be used by the government for other services (NPC, 2016: 126).

Land is therefore an important resource in the industrialization policies and mega developmental projects, such as LSCF⁸⁴, large hydropower dams⁸⁵, and industrial parks (NPC, 2016). The federal government considered this installed special land administration system to expedite investments on IDP, LSCF and urban development projects in the country (Addis Raey, 2011; 2012).

It is true that Land governance system is also one part of the federalization project in Ethiopia.⁸⁶ The FDRE Constitution stipulates several fundamental rights related to land, including the right to property (Article 40); the right to development, including citizens' right to be consulted on policies

⁸⁴ With respect to sugar industries, GTP I placed a high priority on cultivation and processing of sugarcane. In 2011, the state-owned Ethiopian Sugar Corporation (ESC) announced its intention to expand sugarcane cultivation/plantation across the country to 320,000 hectares. The Kuraz Sugar Development Project (KSDP) is perhaps the largest agricultural development scheme ever to be launched by the Ethiopian government. The KSDP would make up more than half of the estates projected in the GTPs to cover 175,000 hectares, and five processing factories (generally see: MoFED, 2010).

⁸⁵ To this end, since the turn of the millennium, the government has devised aggressive hydropower dam projects aimed at harnessing its estimated 45,000 MW of potential hydroelectric power. GTP II (from 2014/15-2019/20) aims to increase the domestic power generation capacity from 4,180 MW in 2014/15 to 17,208 MW by the end of the plan period. Out of this, 13,817 MW is planned to be generated from hydropower, mainly from large dams that are to be developed by the central government (NPC, 2016).

⁸⁶ The question of identity echoed in the form of the right of self-determination and the question of class in the form of demands of 'land to the tiller' were among the major driving factors behind the Ethiopian Students' Movement whose ideological dispensation eventually somehow shaped the current federal system in Ethiopia (Abbnik, 2011b; Daniel, 2015; Dessalegn, 2014).

and projects affecting their communities (Article 43); and the right to adequate compensation in the case of eviction (Article 44/2/). Moreover, the Constitution provides regional states with the power to administer land albeit in accordance with federal laws (Article 52/2-d/). Furthermore, the Constitution, under Article 89(5), states that the “government has the duty to hold, on behalf of the people, land and other natural resources and to deploy them for their common benefit and development” as well as states’ rights and responsibilities including the use of land for economic objectives (Article 89(4)) and the protection of the environment (Article 92).

As noted, the land governance system in Ethiopia is jointly owned by regional states and the federal government. The FDRE Constitution entrusts primary responsibility upon the federal government to determine major policy directions and standards on land. Meanwhile, regional states need to have a say within the land governance spectrum. As such, the federal government’s land policies need to leave adequate space for the regional states to meaningfully and practically exercise their self-administration rights, as provided under Article 88(1) of the FDRE Constitution, not only by leaving the administration of land to regional states but also by respecting their constitutional right to make and execute development policies on the use of land and other natural resources within their respective borders.

When we come to our investigation, it is clear that land governance system in Ethiopia is strongly aligned with the developmental approach of the Ethiopian DSM⁸⁷. However, the EDSM especially the federal government’s policies and practices on land in the name of developmentalism has been criticized for being repugnant to the land rights of the regional states (Abbink, 2011b; Fana, 2016). As some argued that under the EDSM the federal government legislations and practices ensued the recentralization of the federal land governance system where in the name of expedite

⁸⁷ On this, in addition to the federal government’s GTPs, see specifically the EPRDF’s stand on land in its party document Addis Raey (2012). Our Land Policy and the Revised Lease Proclamation (pp. 6-33). Theoretical Magazine of the EPRDF. January-April, 2012 (Tir-Yekatit 2004) issue.

development governance the federal government usurped the power to administer lands which belongs to the regional states.⁸⁸

Federal encroachment on regional states magnate with respect to land reflected, among other things, in the upward delegation and broad definition and powers given to the federal government in expropriation of land for public purposes. This, according to the arguments often provided by public officials at both federal and regional state levels, is essential in clearing the way for advancing the developmental agenda of the state, under the DSM (see: Addis Raey, 2011; 2012). In this regard, one of the key informants from the EIC, for instance, maintains, “the public’s interest for socio-economic development cannot be realized without putting in place a mechanism to ensure the expedient execution of the government’s development policies and projects on the ground’ (IF₃₅).

In defining the phrase ‘public purpose’, for land expropriation, Article 2(3) of Proclamation No. 455/2005 states: “[p]ublic purpose means the use of land defined as such by the decision of the appropriate body in conformity with urban structure plan or development plan in order to ensure the interest of the people to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development.” Nevertheless, the law does not state the specific yardsticks applicable in determining the presence or absence of greater public interest on land for expropriation by the government. Such a lack of clear criteria, together with other institutional limitations and/or gaps, creates serious problems for determining what constitutes a valid ‘public purpose’ for expropriation of plots of land from their holdings. A consequence of this

⁸⁸ For more on the criticism that propelled against the EDSM for ensuing recentralization of the federal land governance system see Abbinks’ (2016) article entitled Land to the foreigners’: economic, legal, and socio-cultural aspects of new land acquisition schemes in Ethiopia as well as Fana’s Gebrehisot unpublished PhD thesis (2016) entitled “The political economy of land investments: Dispossession, resistance and territory-making in Gambella, Western Ethiopia.

has been that, in practice, expropriation is often carried out in an arbitrary and inconsistent manner across the country.

In particular, there is a considerable room for officials to subjectively interpret and apply the meaning of ‘public interest’ purposes for land expropriation. Moreover, the conditions for expropriation of land, the valuation methods and compensation procedures seem to lack clearly defined standards as there are inconsistencies from region to region, and in fact, even within the same region.⁸⁹ This has led to subjectivity and inconsistencies in doing valuation and paying compensation on expropriated lands based on the same federal legislation (Proclamation No. 455/2005). This is so because the ‘public purpose’ element that authorizes the expropriation of land is generally left to subjective interpretations and is relegated to the discretion of local officials. As Anteneh *et al.* (2007: 20) observes, “if the authorities so desire, they may be able to deem any activity as serving the public purpose,” thus facilitating extensive land expropriation unlawfully.

In addition, the legislations mentioned above did not provide adequate attention to the payment of compensations for communal land holders, which consequently led to the expropriation of such lands, labeling them as ‘unused’ and ‘abandoned’, to the detriment of the rights of the indigenous people to their identity and, most importantly, to their means of livelihood, as has been largely the case in the GPNRS (Fana, 2016). Communal land seems to have been unheeded in the federal Proclamation No. 456/2005 where, under Article 5(3), it allows, if necessary, the state absolute power to convert communal lands into private holdings, especially for investment purposes.

Moreover, the legislations seem to give little attention and consideration to issues related with consent and compensation in expropriating communal land holdings. It should be underscored that communal land holding is a traditional land tenure and an embodiment of the identity of most of the ethnic groups in Ethiopia, and as such requires some form of special rights even if it is not the

⁸⁹ For more on problems associated with the legal, technical, institutional, and financial aspects of rural land valuation and compensation practices, see: Ayano (2009).

same rights that individual landholders have, which seems to be overlooked by the legislations. Such gaps seem to have immensely contributed for the leasing out, by the government, of vast chunks of land in the GPNRS and the BGNRS for commercial farming, and the transfer often targeted communal lands which are designated as abandoned or unused land (FGD₁). The ramification of the LSCF projects depicted by one informant as

The central government's development plans have resulted in a dispossession of resources from the peripheries for various mega development projects such as industry parks, dams, LSCF etc. In most of these projects or deals, for example in the case of LSCF the deals made with domestic and foreign companies excluding the regions and the people in the lowland areas such as the GPNRS and the BGNRS (IB₃₈).

This is as argued by some informants is due to the upward delegation of power by the so called 'emerging regions' to the federal government to administer land to be used for agricultural investment on their behalf. (see: Regulation No. 286/13). Such delegation as informants from BGNRS and GPNRS indicate that effected in a conceive manner which resulted in

[a] double standard approach between the highland areas and the lowland areas that the people in the lowland areas, such as the GPNRS, have been at the periphery of the power relations with rulers at the center in Ethiopia since the 19th century. And the EPRDF has simply maintained this historically lopsided center-periphery political relations where the center dominates the peripheries and dictates or coerced the latter to execute its development plans formulated by the center with little or no consultation (IG₁₂).

A consequence of this upward delegation to the federal government has been the undermining of some constitutional safeguards for self-administration rights provided in the FDRE Constitution, particularly when it comes to the concurrent ownership rights on land between and among tiers of government and "the nations, nationalities and peoples" of Ethiopia. When the FDRE Constitution accorded regional states with the power to administer land resources found within their respective borders, it did so out of a recognition of the important value of land and the fact of it being one of

the driving factors behind the quest for self-determination by various ethno-linguistic and cultural groups in Ethiopia.

Moreover, the Constitution, while allowing for a downward delegation of power from the center to regional states, as stated under Article 50(9), does not explicitly provide for an upward delegation. Hence, the upward delegation of power on the administration of land to be used for agricultural investments to the federal government raises a question of constitutionality. Such a claim seems to be more sensible when one considers the growing tendency of a centralized land administration advanced subsequently, under the pretext of power delegation by regional states. This approach seems to undermine the provisions of the EFDRE Constitution, which under Article 50(8), which states that the federal government “shall respect the power given to regional state governments and the state governments shall respect the powers given to the federal government”.

In a nutshell, all the federal legislations mentioned above invite the involvement of the federal government on matters pertaining to the administration of land in the regional states. However, the Constitution is clear in stating that the regional states are the ones that are in charge of executing land laws. It appears that the federal government, presumably out of concerns that the regional states may fail to implement the federal land legislations, decided to empower its own agencies to do the follow up and controlling functions. This inevitably undermines the autonomy of the regional states. In all these measures taken in the name of pursuing developmentalism, what seems to be missing is a due consideration for upholding and advancing the core principles and values of the Ethiopian FPS with respect to self-administration, as outlined under Chapter 10 of the FDRE Constitution.

6.6. The Federal Government’s Urban Development Policies under the EDSM

As indicated earlier, one of the policy features of the EDSM in bringing structural transformation towards middle-income society is the place it gives for urban-rural interface development approach i.e., seamless rural and urban development integration (NPC, 2016). To this end, the federal

government employed as instrument for Structural also known as Master Development Plan (MDP) and various legislations that regulate urban development and planning.⁹⁰

As seen before, regulating the course of urban planning and development normally falls within the regional states' competencies [as stated under Arts. 52(2-c and 3) of the FDRE Constitution]. Indeed, the federal government acts may one way or the other impacts urban development and planning on the grounds justifiable with the principles of territoriality, necessary or incidental power that calls for the federal government intervention when it carries out its exclusive power or indirectly linked to urban issues for example when it sets national standards or regulates environmental matters. Generally, what is going to be depicted here are some contents within the federal legislations on urban governance and development which went beyond setting national standards or the overall development direction of the country, regulating inter-states commerce etc., so that does not warrants federal legislations be in the area of concurrency or otherwise.

In this regard, for instance Proc. No. 574/2008 provides MoUDC with the power '[t]o follows up, evaluate and ensure the proper implementation of urban plans' by all cities, including non-federal cities [see Art. 55(2)]. This is however not the mandate of the federal government. But primarily the mandate of regional governments as stated under Art. 52 (2-c and 3) of the FDRE Constitution as local governments are normally within the competencies of regional states. Similar is the case with Proc. 691/2010 where the federal government is drawn deep into municipal activities where in the name of enforcing MDP for example MoUDC is required to "provide all-round and coordinated support to urban centers to make them development centers capable of influencing their surroundings [see Art. 25(1-b)] not to mention (under Art. 25(1-c) the MoUDC mandated to engage in the affairs of urban centers' service delivery which undermine regional planning, rural

⁹⁰ Some of the main legislations in this regard includes: Addis Ababa City Government Revised Charter Proclamation No. 361/2003; The Dire Dawa Administration Proclamation No. 416/2004; Proclamation No. 471/2005 Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia; Urban Planning Proclamation No. 574/2008; Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 691/2010; Urban Land Lease Proclamations No. 721/2011.

and urban development and local government are matters that fall within the regional states power.⁹¹ .

Moreover, the instrument used in the MDP, *inter alia*, is converting land rights of rural landholders into urban rights where as soon as any rural territory is slotted for urbanization by inclusion into a nearby city or urban center. In this regard, for example Proc. No. 721/2011, for example, provides how cities both federal and regional should allocate urban land on lease for “develop mental activities while Proc. No. 455/2005, which regulates the expropriation of rural and urban land for “public purposes” and which defines the role that woredas and cities play in this respect. Such approach constituting administration, use, expropriation and compensation (as stipulated under the Proclamation No. 455/2005) give a way for arbitrary determination of “public” purpose for eminent domain expropriation where there is substantial scope for officials to define “public interest” purposes for land expropriation. This approach, similarly with the projects industry park development and LSCF, has been the instrument of making land available for the urban growth which attributed to systematic land expropriation and eviction of the rural population in the areas of urban expansion where most of expropriated urban lands have been allocated for urban housing without a mechanism that allow holders of the rural land converted into land for development to benefit from increased value of their land or sharing this gain with the community or government in one form or another (FGD₁).

The drawbacks of the developmental approach anchored on SDP for urbanization followed by the federal government in integrating urban development plan to bring structural transformation of the EDSM’s ambition explained by one informant as

[U]rbanization strategy and formal urban growth have been based on systemic expropriation of land from farmers in pre-urban areas. In particular, there is no mechanism of converting land rights held by farmers into urban rights. As soon as

⁹¹ See federal proclamations such as: Proclamation No. 416/2004 under Art. 51(1); Proc. No. 361 (2003) under Art. 61(1&2); Proc. No. 471/2005 under Art. 18(1)(m)).

any rural territory is planned for urbanization by being included into the area covered by a master plan, land holders at this territory are assumed to be subject to expropriation (IF₃₇).

Similarly, one informant from the ONRS explains the problem with the master plan both in its content and manner of enforcement as

The SDP or otherwise known as master plans for urban development sought to entrench unitary style of urban where the federal government makes detail urban plans, dictates and regulates the implementation of such plans to woredas, cities and towns. Through master plan the federal government attempts to regulate, by passing regional states, local governments which are constitutionally speaking are within the sphere of regional states (as stated under Art. 52(3) of the FDRE Constitution). This is centralized urban governance that contravene the federal structure or recentralized the federal system in the name of expedite urban development (IO₂₅).

It is also underscored in the FGDs with regional officials that what makes the SDP that envisage rural-urban integration is the fact that the plans often prepared with little or no consultation with the stakeholders be them regional, local officials not to mention the grassroots affected by such plans (FGD₁). To substantiate such claims most of the participants in both FDGs with regional and federal officials and MPs mentioned the IAOMP as a show case that gives ample example the top-down, disengaging and brutal developmentalism pursued by EPRDF's DSM at the expense of the principles and values of multilevel development governance anchored on federal democracy.⁹² In this regard, one informant from ONRS's plan and development commission indicates that "if you want to have a text book example for centralized governance pursued by EPRDF that apparently disregarded the federal system in general and regional state autonomy in particular is the case of the IAOMP" (IO₂₅).

⁹² For more on the IAOMP, see Chapter Five, Sub-section 5.3.

Overall, the balance sheet of the inventory made against the major federal development policies in general, and specifically on IPD, LSCF and urban development as seen above shows that the prominent centripetal tendencies in governing development. The inventory indicated that the federal policies and activities have shown deficient where they go beyond being framework power or justifiable with the principles of territoriality, necessary and incidences or on the ground for building one economic community. Hence these incidences tantamount to federal transgression of the constitutional division of power in such a way that compromised the multilevel development governance system provided in the Ethiopian federation.

6.7. Conclusion

This chapter critically reviewed the scope of the federal government's developmental policies (plans, legislations, decision, etc.) in relation to the industry parks, commercial farming and urban development which are conceived and implemented under the ethos and institutions of the EDSM. The chapter specifically examined these federal policies in relation to the vertical division of policymaking and execution power provided in the FDRE Constitution which sets the respective mandate of the federal government and regional states on development policy power.

As seen in this chapter, it is found that the federal government has been making detailed development policies and plans that went beyond the mandate of federal government which cannot be justified based on the principles of territoriality, necessary and incidental power or the need to build one economic community. The policies investigated are generally found to have embedded centripetal tendencies that appear to be an apparent transgression of the federal government mandate- setting general policy frameworks and directions, as clearly outlined under the FDRE Constitution. Regarding the federal government's master plans for urban development the chapter points out that they are very detailed and amounts to policy prescription and imposition upon regional states and local governments.

Moreover as pointed out in this Chapter, the federal government's policies and legislations on IPD, LSCF and urban development tend to strongly favor a centralized land administration and

governance, which is at odds with the constitutional provisions on the matter for at least two important reasons. First, the upward delegation of land administration power by regional states to the federal government, in the name of expediting development through agricultural investments, is constitutionally unwarranted as it encroaches upon the multilevel governance of land where regional states are entitled to administer land resources within their respective territories [Article 52 (2-d)]. Again, the federal government's development-oriented legislations that regulate the expropriation of land give broad powers to the 'state' in the name of advancing 'public interest for development' and without giving a clearly stated definition as well as unlimited powers to set and interpret the broadly framed conditions for expropriation hindering the existence of a balanced collective land ownership between and among states, governments and nations, nationalities and peoples as espoused in the FDRE Constitution.

Overall, as indicated in the inventory of federal policies examined in this study, the federal government's development policies embedded by and large centripetal tendencies in such a way that apparently contravened the constitutional provisions with respect to vertical division of power, and relegated sub-national autonomy stipulated in the FDRE Constitution. Indeed, the EDSM delivered fast socio-economic growth however at the costs on both on democratic governance and federalism as the model seriously compromised institutions of administrative autonomy and decentralization.

CHAPTER SEVEN

CONCLUSION

7.1. Introduction

As noted time and again in this work, Ethiopia's experiment with the DSM is one of the widely contested projects and has been a subject of debates and controversies among scholars and pundits in academic and policy circles, specifically on the grounds of its compatibility with Ethiopia federal system. This is due to the fact that, more often than not, the model is associated with a highly centralized, authoritarian and hegemonic governance system often under a unitary state structure, which puts the model essentially at odds with the very essence and core values of a (genuine) FPS – division of state power between tiers of government underpinned by the principles of shared and self-rule, a decentralized and democratic system of governance, etc. More specifically, given the typical features of the DSM mentioned above, the application of the DSM in Ethiopia raises serious questions and concerns of compatibility, at least in principle, with the country's FPS, which provides for a decentralized state structure and a democratic mode of governance, as enshrined under the FDRE Constitution. It is within the context of these contentions, debates and controversies that this dissertation sought to empirically examine whether and how the DSM played out with Ethiopia's federal system and impacted a multilevel development governance system in the country, with particular reference to the vertical division of power between tiers of government and a democratic mode of development governance when it comes to the formulation and execution of development policies, as enshrined under the FDRE Constitution.

To this end, the present work sought to answer the following specific research questions: (1) *Are the DSM and a FPS conceptually incompatible?* (2) *What are the major (in)compatibility issues and questions between the DSM vis-à-vis Ethiopia's federal system?* (3) *What are the manifestations, if any, of authoritarianism under the EDSM and the implications thereof on a decentralized and democratic system of development governance within the Ethiopian federation?* (4) *How have the federal government's (agricultural, industrial, and urban development)*

development policies under the EDSM impacted the vertical division of power between tiers of government, as outlined under the FDRE Constitution?

In this final chapter, the major findings of the study with respect to the above-mentioned specific research questions are presented by recapping the major arguments and empirical findings of the study. Accordingly, the chapter is organized into three sections, including this introductory section. Section two presents a summary of all chapters in the dissertation. In section three, the major empirical findings of the study are presented while section four attempts to provide a glimpse of the political trajectory in the country by highlighting some of the important developments and/or emerging trends unfolding within the country's political sphere – and the implications thereof for the DSM in the country –following the political changes and reforms taking place since early April 2018, which, among other things, saw the demise of the EPRDF and its replacement by a new party (i.e. Prosperity Party) under the leadership of Ahmed.

7.2. Summary of the Chapters

Generally, this dissertation comprised seven chapters, including this final and concluding chapter. Chapter One presented the theoretical-conceptual context and rationale for the study and outlined the overall methodological framework for the study, wherein attempt was made to indicate the 'why' and the 'how' of the study. Specifically, the background of the study, statement of the problem, research questions and objectives, and methodology of the study, scope and significance of the study were pointed out. Accordingly, the chapter presented the main thrust of the study and the driving rationale for empirically examining the interplay between the DSM and the Ethiopia's FPS, both in theory and in practice, within the broader context of ongoing scholarly debates and contentions regarding the (in)compatibility of the DSM and a FPS, and using the analytical framework of a multilevel development governance system in the Ethiopian federation, as enshrined under the FDRE Constitution.

In Chapter Two, the core normative and institutional underpinnings of the DSM and a FPS were discussed and their respective dominant features with respect to state structure and mode of governance depicted. Chapter Three expounded the essence and core values and elements of a

multilevel development governance system in the Ethiopian federation, as envisioned under the FDRE Constitution. To give a context regarding the rationale for the federalization of the post-1991 Ethiopian state, this chapter gave a brief historical overview on state structure in Ethiopia and its interplay with development governance. Chapter Four, by taking a closer look the course of building the DSM in Ethiopia, pointed out the core defining normative and institutional underpinnings of the EDSM and the major contentions and debates regarding its compatibility with the FPS in Ethiopia, from the vantage point of a multilevel development governance system, as outlined under the FDRE Constitution.

In Chapter Five, the study looked into the manifestations and implications of development authoritarianism in the course of implementing the DSM within the Ethiopian federation. Accordingly, the study showed that there have been clear manifestations of development authoritarianism under the EDSM, as reflected by the highly centralized, top-down, authoritarian and hegemonic mode of development governance pursued by the EPRDF, which has greatly undermined the country's federal system and a democratic system of development governance in the country as well as the vertical division of power between tiers of government and regional states autonomy to formulate and execute their own development policies, as enshrined under the FDRE Constitution.. Finally, in Chapter Six, the study critically reviewed and analyzed the scope of the federal government's (agricultural, industrial, and urban) development policies designed and implemented by the EPRDF under the EDSM , specifically focusing on IDP, LSCF and urban development projects vis-à-vis the vertical division of policymaking and execution power as provided in the FDRE Constitution. And it was found that, in terms of their scope, most of the development policies and projects, and plans designed and implemented by the federal government under the EDSM were found to go far beyond the constitutional framework of the division of power between tiers of government, with the federal government clearly acting beyond its constitutional mandate and seriously infringing upon regional states' policy autonomy.

7.3. Empirical Findings

7.3.1. The DSM and a FPS: Conceptually Incompatible?

Generally, based on a thorough review and analysis of the pertinent literature on the subject, it has been pointed out in this study that, more often than not, the DSM tends to incline towards authoritarianism, subjugating democracy in favor of expedient development governance and considering liberal democracy as an impediment to a state-led capitalism whose priority is bringing about rapid economic growth. This is largely reflected in the undermining of democratic governance, which normally requires, among other things, free and fair elections, accountable and participatory governance, in favor of a centralized, hegemonic and hierarchical, top-down approach in governing development. Such features of the DSM as are in diametric contradiction with the core values, principles and institutions of a FPS, which promotes a decentralized and democratic governance of development manifested in the form of a division of (policymaking and execution) power between tiers of government. Thus, based on a thorough and extensive review of theoretical and empirical evidence, the present study has argued that the DSM tends, both in principle and in practice, towards a centralized state structure and authoritarian mode of governance, which raises serious issues and questions of compatibility with a FPS as the latter favors a decentralized state structure and democratic mode of governance.

Nevertheless, the study also found that even though the DSM tends to favor a centralized state structure and authoritarian governance system, these are not necessarily inherent features of the model as the experiences of countries like India and South Africa, which managed to build a democratic DS under a decentralized state structure, clearly demonstrate. Hence, the study underlined that while the tandem application of a FPS and the DSM in a polity such as Ethiopia is susceptible to incompatibility, at least in theory, but it is still possible that the model can be carefully designed and applied in such a manner that allows for a harmonious coexistence and running with the country's federal system. Unfortunately, the study found that this could not materialize in the case of the EDSM because, instead of trying to make the model fit the country's

federal system, the EPRDF tried to do the other way around, in such a way that undermined (as indicated below) a genuine democratic FPS system in the country.

7.3.2. Manifestations and Implications of Developmental Authoritarianism under the EDSM

The study found that the implementation of the DSM in Ethiopia has led to a major shift in the political landscape of the country where the EPRDF has established itself as a hegemonic vanguard party that is best poised to bring about economic development in the country by staying in power for a long time, often through non-constitutional means. Consequently, the EDSM in Ethiopia has led to a swift reversal in democracy in Ethiopia, including among others, the narrowing of the democratic space, persecution of political dissent, stifling of civil societies and curtailing of press freedom, which eventually led to a sad regression on the relative gains in electoral democracy secured over the previous three national elections (i.e. the 1995, the 2000, and the 2005 general elections), culminating in the EPRDF's claim of 100% electoral victory in the 2015 general elections.

Thus, as thoroughly discussed in Chapter Five, the study found that from the standpoint of democracy, the blanket implementation of development policies via building a hegemonic party – the EPRDF – was a disaster to the development and realization political pluralism in the country, as envisaged under the FDRE Constitution. The experimentation with the DSM in a federated Ethiopia has, in fact, brought about fast economic growth and remarkable progress in terms of poverty reduction. On the flip side though, it has also caused widespread discontent among the larger sections of the Ethiopian public. In this regard, one can simply point to the mass protests that have engulfed many parts of the country, mainly the Oromia and the Amhara regional states, from 2014 to 2018. The Ethiopian political landscape has been narrowed partly due to developmental vanguardism espoused by the EPRDF and its hostility towards political pluralism. Under the EDSM, the EPRDF's calculus of advancing a 'development-only' agenda in Ethiopia has encroached upon and significantly weakened multiparty democracy in the country.

Moreover, the study argued that Ethiopia's experiment with the DSM under the leadership of the EPRDF driven by its 'revolutionary democracy' ideology has made regional government officials

to view themselves as mere 'functionaries of the federal government and the EPRDF,' rather than genuine representatives of their respective state governments. Eventually, this has resulted in the trend of the prominence of top-down, ideology-driven policymaking and execution practices down the governmental hierarchy, from the federal government level all the way through to the regional, zonal, woreda and kebele levels. This has prevented regional and/or local governments from devising their own development policies and strategies and accumulate important experiences and lessons from learning by doing which would have provided them with the opportunity to progressively enhance and build their capacity for self-administration and give true meaning for the values of a decentralized and democratic development governance system envisioned within the Ethiopian FPS.

7.3.3. The EDSM *vis-à-vis* the Division of Power under the FDRE Constitution: Cases of Centeripetalism

A closer scrutiny and examination of the core agricultural, industrial, and urban development policies of the federal government under the EDSM revealed that the federal government has been engaged in designing much detailed development policies and plans, which often went far beyond its constitutional mandate, in what appears to be an apparent transgression of Article 51(2) of the FDRE Constitution. As a result, the study found that in implementing the DSM in Ethiopia, the federal government has been encroaching upon regional states' jurisdictions in such a way that undermines the constitutional division of power outlined under the FDRE Constitution.

As indicated earlier in this work, the right to development in the Ethiopian federation has been addressed via the devolution of policymaking and execution power, with a constitutionally delineated system of multilevel development governance. That is to say that the federal system provides for a multilevel development governance whereby development policymaking and administration power is vertically devolved between tiers of government. Such a constitutional arrangement seems to have been intended as a trade-off between a highly centralized mode of development governance on the one hand and an extremely fragmented and disorganized one on the other, within the Ethiopian federation, whereby both tiers of government have particular areas

or domains of exclusive and shared power and/or jurisdiction with respect to development policymaking and execution.

Contrary to the above assumption and logic, under the EDSM, the excessive concentration of power at the center, with the federal government exercising powers that go far beyond its constitutional mandate and the framework powers, as reflected in the major national development policies and strategies of the federal government, seems to have relegated the role and autonomy of regional states when it comes to formulating and implementing development policies.

7.4. Looking Ahead: The Post-EPRDF Ethiopia and the State and Fate of the DSM under the PP

The political landscape in Ethiopia has seen profound changes since April 2018 when Abiy Ahmed took power, who has since introduced a range of sweeping political and legal measures which eventually led to not only in the culmination of the EPRDF's nearly three-decades of hegemonic rule but also in the disintegration of the front and merger and formation of the PP. These and other events such as the fast economic liberalization measures taken by Abiy and his party has posed a big question mark on the fate of the DS in Ethiopia going forward. While it is not yet clear what economic development strategy that Abiy Ahmed has in mind for Ethiopia, all measures that have been introduced since he assumed power in back April 2018 seem to suggest the end of the EPRDF's DSM in Ethiopia. To give a highlight on the fate of the DSM within the hitherto fast changing context of political developments in Ethiopia, a brief analysis is provided on the important developments and emerging trends in the contemporary Ethiopian political landscape, specifically the 'dismantling and/or merger' of the formerly constituent and founding members of the EPRDF (except the TPLF) and former affiliated parties of the front as one new party – Prosperity Party. The objective of such examination is to understand what Abiy and his administration have in store for the developmental state model going forward.

7.4.1. The Future of the DSM under the PP

Right after taking office back in March 2018, Abiy initially announced major reforms in political, economic and social spheres of the country that were previously considered off limits by the EPRDF. In this regard, reforms within the economic sector have been given particular attention under Abiy's administration though it inherited an economy with many serious malaises such as high levels of unemployment, high rates of inflation, declining export earnings and shortages of foreign exchange (Abiy, 2019).

Meanwhile, it is important to note that Abiy began his career as premier by criticizing the DSM as an outdated political-economic ideology (Abiy, 2019). Thus, in order to be able to forecast what the fate of the DSM in Ethiopia will be going forward, within the context of current developments in the country's political sphere, it would be important to have a look at the political program, policy documents and manifesto of the PP. Indeed, it needs to be clear from the outset that PP's political program and manifesto by and large influenced by the book written by Abiy Ahmed entitled *Medemer*⁹³ roughly translated as "Synergy" in English. Prosperity Party has used *Medemer* to devise a framework to analyze the country's problems and find solutions. As the result this book and the PP program are important sources in our examination of the future of DSM under the current PP leadership.

Abiy's book '*Medemer*' defined in two ways, one a lexical and the other is political (Abiy, 2019). Literally the word '*Medemer*' is an Amharic verb 'Demere/ደሞረ' which means gather, store, and accumulate.⁹⁴ This definition designated to represent unity of purpose, positive-sum game, and

⁹³ Abiy's book '*Medemer*' has been a subject of debates both for the etymological clarity for what the word stand for as a motto or ideology needless to say its comprehensiveness as a policy prescription for Ethiopian political, economic and social complex problems (Tadese, 2020).

⁹⁴ As described in Abiy's book, gathering (Amharic መሰብሰብ) denotes an act of the present as the coming together of differing knowledge, capital, or people for a common purpose. Storing (Amharic ጠክጠኝት) implies adding today's

institutionalization of a change process (Abiy, 2019; PP, 2019). In its political connotation, 'Medemer' is defined as a road map to guide a new political dispensation in the post- 2018 political reform propelled by the notion of keeping balance, positive-sum approach, and holding a holistic which is considered as essential path for building resilient and adaptive socio-political and economic systems. In the principle of *Medemer*, by keeping balance, competing and conflicting interests it strikes a delicate balance between, for example civic and ethnic nationalism, competition and cooperation, state-led and market-led economy, etc., can be strike (ibid.). The notion of positive-sum approach within the concept of 'Medemer' signifies the scaling-up the success of the past, rectifying mistakes as well as protecting the interest of future generations (PP, 2019).

Based on the above definition, *Medemer* viewed the very problem of the country not ideological so that its solution cannot be found through rigid ideological orientation (Abiy, 2019; PP, 2019). Accordingly, the underlying issues are capital formation; an accumulation of political and economic institutions which can only be addressed not competition but cooperation as espoused by *Medemer*. This seems the case when in *Medemer* it is indicated that a simplistic suggestion of competitive 'party politics' as suggested by (neo)liberalism is not the way but in building and working on the cooperation than a rigid adherence to competitive western multi-democracy without considering local context (Abiy, 2019; PP, 2019). This can be attended through the evaluation of political ideologies, taking into account the importance of addressing contemporary problems and meeting social needs based on, as argued by *Medemer*, a set of criteria- the timing of the ideas, the problem-solving ability (ibid.). Thus, the choice of any ideological orientation does not represent the degree of truthiness or the quality of the idea but its adaptability and suitability to a certain context (PP, 2019). Hence, for *Medemer*, policy loyalty is for its ability to strike balance, forge cooperation, and realize the accumulation of positive sum-ups (PP, 2019).

value to yesterday's resources and accumulation (Amharic ጠቅላይ) signifies gathering and storing continuously performed systematically over a while (see Abiy, 2019).

Consequently, following the merger/dissolution of the EPRDF by PP, reforms that have been undertaken largely guided by ‘*Medemer*’ (PP, 2019). The political notion of ‘*Medemer*’, however, is often criticized for lack of conceptual clarity if not practicality for example on how a balance can be forged between civic and ethnic nationalism, state-led and market-led economy, and positive-sum results going to be achieved by the ‘*Medemer*’ political philosophy.

In short, in a complete shift from the old paradigm of the DSM as pursued by the now defunct EPRDF, Abiy’s vision for the country’s development, as stated in the concept of ‘*Medemer*’, are centered on three interdependent pillars: (1) *building a vibrant democratic system in the country*, (2) *ensuring regional integration and openness to the world*; and (3) *realizing economic vitality* (Mokaddem, 2019). One of the pillars of “ጠደጠር” is realizing economic vitality, which commits to making the private sector an integral part of the country’s economy and opening it to international business (through sale of minority shares of state-owned enterprises and reallocation of public expenditures and encouraging public-private partnerships). Furthermore, unlike the DSM, “ጠደጠር” recognizes the importance of regional economic integration and the need to work towards realizing this from the outset.

Informed by the essence of Abiy’s book, the political manifesto of the PP states that “the *raison d’être* for the establishment of the PP is to design an alternative development model to bring all-rounded opulence”⁹⁵ in Ethiopia (PP, 2019). Moreover, the document states: “[t]he very objective of the PP’s economic Program is to build an inclusive economic system that realizes the prosperity of the people, in which the government plays a key role to make sure that fair distribution of wealth happens and intervenes in strategic areas, following the principle of a market-led economy” (*ibid*). This is one of the most visible steps taken by the administration of Abiy in what appears to be a fundamental deviation from the EPRDF’s DSM.

⁹⁵ Translated from Amharic to English by the Author (See the Program of the PP, paragraph two).

Another important scene that depicts how the PP is deviating from the DM ideology is the Home-Grown Economic Reform Agenda (HERA) a roadmap for the country's economic development which was announced by Abiy's administration in September 2019. HERA, like the GTPs under the former EPRDF, is the major mainstream national development policies formulated under the leadership of PP to be a pathway towards prosperity (Oxford Analytica, 2019). This policy, which typically promotes the economic measures of privatizing state-owned companies, aims at stimulating the country's economy, ensuring sustainable development, reducing unemployment, and maintaining macroeconomic stability (Fortune, 2019). Again, this represents a major departure from the EPRDF's DSM political-economic ideology, which offers little to no room for private individuals to be active players in the economy; instead, major economic activities in the country are owned and run by the state.

Meanwhile, the economic model ingrained in the HERA has been acclaimed by various scholars as a right model for the country's economic development. For instance, Addisu Lashitew has underscored that the PP is espousing a liberal economic doctrine that will provide a greater role for the private sector in the economy and it is a departure from a state-led economy adopted by the repressive [EPRDF'S] regime's clique (Addisu, 2020). In fact, there are many more indications of the incumbent and his PP's determination to open up some of the economic sectors to the private sector. In this regard, the Ethiopian government, through its finance minister, Ahmed Shide, recently indicated that, in relation to providing dry port services, Ethiopia has opened its doors partially for foreign investors and the private sector for the first time to be engaged in the sector (New Business Ethiopia, 2020, October 13). Likewise, the government has announced plans to partially privatize the Ethiopia Airlines Group SC although this [decision] was taken mainly due to the shortage of financial liquidity and hard currency in the country (ibid.). A similar plan has been announced by the government to partially privatize Ethio-Telecom Share Company to foreign telecom operators (New Business Ethiopia, 2020, September 7). These and other steps clearly indicate that the administration of Abiy and his PP are intent to encourage private investors or actors, both local and international, to play substantial roles in the economy of the country, a move

that signals a shift towards a liberal political economy and probably the beginning of the end of the DSM in Ethiopia.

Given the foregoing discussion, the fate of DS ideology under the reign of PP seems to be in trouble and the introduction of a capitalist economy is a major shift from the Marxist-Leninist inspired developmental vision of the “old guard,” led by Meles Zenawi. On the contrary, in a sharp departure from the state-led developmental strategy of the past three decades, the PP is espousing a liberal economic doctrine that will provide a greater role for the private sector in the economy.

Overall, the current situation clearly indicates that DSM in Ethiopia seems to have been ‘undone by failure’ due to the fact that, realistically, the country is still far away from realizing its goal of achieving a middle-income country. This seems make sense considering the unprecedented political and economic reform measures being taken by the administration of Abiy, including, among others, the dismantling of the EPRDF (along with its Marxist-leaning ideology), which some observers say signals the emergence of liberalism in the country.

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APPENDICES

Annex I: List of Interviewees

List of Interviewees		
Code (as cited in the text)	Profile (Name of the Organization and Interviewee's Office Capacity)	Place and Date of Interview
IP1	Former President of the republic and Member of the HoPR during the 3 rd Parliamentary Season	Addis Ababa 19/03/2018
IP2	Opposition Party Member and former Member of HoPR during the 4 th Parliamentary Season	Addis Ababa 5/11/2018
IP3	Opposition Party member, Former Member of HoPR during the 3 rd Parliamentary Season	Addis Ababa 5/11/2018
IF4	Head of the Office Press Secretariat at PM Office	Addis Ababa 10/03/2018
IF5	Current Member of HoPR and Chair of Legal, justice and democracy affairs standing committee	Addis Ababa 11/07/2019
IF6	Former Director General Official at the PM office	Addis Ababa 15/2/2018
IG7	Former President of GPNRS	Addis Ababa 19/10/2019
IO8	Official at the ONRS's Plan and development Commission	Addis Ababa 17/02/2019
IA9	Official at the ANRS's Chief-Administrator Office	Bahir Dar 13/03/2019
IS10	Member of SNNPR State's Council	Hawassa 18/04/2018
IF11	Member HoPR-Chairperson of the Trade and Industry Affairs Standing Committee	Addis Ababa 14/07/2019
IG12	Official at GPNRS's Office of the Chief-administrator	Addis Ababa 19/10/2019
IB13	Member of BGNRS's State Council	Addis Ababa 10/10/2018
IF14	From HoPR's Public Enterprises Affairs' Standing Committee	Addis Ababa 14/07/2019
IF15	Member of HoPR	Addis Ababa 14/07/2019
IF16	Official at National Plan Commission	Addis Ababa 17/02/2019
IF17	Director at the National Plan Commission	Addis Ababa 24/1/2019
IO18	Member of ONRS's State Council	Addis Ababa 18/02/2019

IF19	Former Official of the National Plan Commission	Addis Ababa 24/1/2019
IG20	Former official at GPNRS's Agriculture and Natural Resource Bureau	Addis Ababa 19/10/2019
IB21	Member of the central Committee of BGNRS's Ruling party	Addis Ababa 19/10/2019
IA22	Official at ANRS Park Development Corporation	Bahir Dar 13/03/2019
IO23	Official at ONRS's Industrial Park Development Cooperation	Addis Ababa 5/12/2019
IS24	Official at SNNPR Nationalities Council	Hawassa 18/4/2019
IO25	Official at ONRS Urban Development Bureau	Addis Ababa 5/12/2019
IA26	Official at ANRS's Plan Commission	Bahir Dar 13/03/2019
IA27	Senior at ANRS's Plan Commission	Bahir Dar 13/03/2019
IO28	Former Official at ONRS's Finance and Economic Development Bureau	Addis Ababa 18/02/2019
IS29	Senior Expert from SNNPR Finance and Economic Development Bureau	Hawassa 18/4/2019
IA30	Member of ANRS'S State Council	Bahir Dar 13/03/2019
IS31	Member of SNNPR's State Council	Hawassa 18/4/2019
IG32	Former official at GPNRS's Agriculture and Natural Resource Bureau	Addis Ababa 19/10/2019
IB33	Former Official at BGNRS's Finance and Economic Development bureau	Addis Ababa 10/10/2018
IF34	Official Industrial Park Development Cooperation	Addis Ababa 19/07/2019
IF35	Official at Ethiopian Investment Commission	Addis Ababa 11/07/2019
IS36	Official at the SNNPRS's State Council	Hawassa 18/4/2019
IF 37	Former Official at the Ministry of Agriculture	Addis Ababa 19/07/2019
IB38	Member of the central Committee of BGNRS's Ruling party	Addis Ababa 19/10/2019

Annex II: Interview Guideline

Specific Research Questions	Initial Interview questions
On the major issues and questions of (in)compatibility between the DSM and the federal system in Ethiopia	<ol style="list-style-type: none"> 1. What are the major areas susceptible to raise issues of compatibility in tandem application of DSM in the Ethiopian federation? 2. Does adopting DSM per se is incompatible with the Ethiopia federal system? 3. How do you compare the adoption and practice of the DSM in Ethiopia with the federal and democratic state structure of the Ethiopian state? 4. What are the major strands of the mode of development governance under the DSM in the realm of development policymaking and execution? 5. What are/ were the challenges in building DSM in Ethiopia given the fact that the country followed federal system 6. Are developmental dominant party politics compatible with federal democracy?
On the manifestations of authoritarianism under the EDSM and the implications against, democratic multilevel democratic governance	<ol style="list-style-type: none"> 1. What are the major ideological and institutional political drivers of the DSM as conceived and applied by EPRDF's? 2. How does the DSM conceived and applied by EPRDF's interact with multiparty democracy? 3. What are the major changes seen in the political landscape of the country following the adoption of DSM? 4. Does EPRDF's dominant party politics under the DSM compliment or undermine the federal and democratic structure of the Ethiopian polity? 5. How does the DSM expressed at regional level and manifested development authoritarianism? 6. Does the federal developmental industrialization policies encouraged/allowed/regional states to have their own distinct/innovative development policies applicable in their own jurisdiction? 7. What is the overall state of regional state self-administration right in governing development in practicing the DSM?
On the compatibility of the federal government's developmental policies and Projects with its constitutional mandates	<ol style="list-style-type: none"> 1. Are the core national development policies made by the federal government within its constitutional mandate? 2. Are the GTPs made by the federal government within its constitutional mandate?

	<p>3. How does the federal policies on (licensing, leasing, planning for investments etc.) commercial agriculture investments compatible with the multilevel land governance system?</p> <p>4. What is the nature of relation between the federal government and regional states on issues planning on industrial park developments ?</p> <p>5. In what way does the federal government interact with regional states on issues relates urban development policies and projects ?</p> <p>6. What were the core anomalies with regional states autonomy, the federal government rural-urban integrated master plans?</p>
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