



**Addis Ababa University Collage of Social Science
Center for African and Oriental Studies**

**Does Democratic Developmental State serve as an alternative development
strategy in Africa?**

The cases of Ethiopia and South Africa.

By

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**DOES DEMOCRATIC DEVELOPMENTAL STATE SERVE AS AN ALTERNATIVE
DEVELOPMENT STRATEGY IN AFRICA? : THE CASE OF ETHIOPIA AND
SOUTH AFRICA.**

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Abstract

The ‘Neoliberalism’ Ideology has failed to bring “development” in the ‘underdeveloped’ world. So it is worth looking for another alternative development strategy so as to extricate the population of the ‘underdeveloped’ world specially Africa from abject poverty and backwardness. Many development economists, other scholars and policy makers have been proposing that ‘Democratic Developmental States (DDS)’ would be the best alternative development strategy. Countries like Ethiopia and South Africa have emerged as in pursuing DDS. However, there has been a wide spread skepticism about the compatibility between ‘Democracy’ and ‘Developmental States’ so as DDS could be feasible. This thesis explores whether DDS can serve as alternative to ‘Neoliberalism’ for Africa’s Development. This thesis examines and analyses the experiences of Ethiopia and South Africa as a case study and concludes that the feasibility of DDS has been proven although it has short comings that needs to be addressed in respect of the realities of the ground.

Key Concepts

Democracy; Liberal democracy; Revolutionary democracy; Participatory democracy; Development; Developmental State; Democratic Developmental State; Neoliberalism

List of Acronyms

ADLI	Agricultural Development-Led Industrialization
ANC	African National Congress
ANDM	Amhara National Democratic Movement
ATDS	Arena Tigray for Democracy and Sovereignty
BC	Beijing Consensus
CDE	Center for Development and Enterprise
COSATU	Congress of South African Trade Union
DDS	Democratic Developmental States
DS	Developmental States
E.C	Ethiopian Calendar
EPRDF	Ethiopian People’s Revolutionary Democratic Front
EDP	Ethiopian Democratic Party
FANSPS	Ethiopian Foreign Affairs and National Security policy and strategy
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
HDI	Human Development Index
ILO	Independent Online
IMF	International Monetary Fund
LDCs	Least Developing Countries
MoFEC	Ministry of Finance and Economic Cooperation
MZLA	Meles Zenawi Leadership Academy
NDR	National Democratic Revolution
NEDLAC	National Economic Development and Labour Council
NGC	National General Conference
PASDEP	Plan for Accelerated and Sustainable Development to End Poverty
PPP	Purchasing Power Parity

RD	Revolutionary Democracy
SACP	South African Communist Party
SDPRP	Sustainable Development and Poverty Reduction Program
SATU	South African Tread Union
TPLF	Tigray Peoples Liberation Front
UDF	United Democratic Front
UNCTAD	United Nations Conference Trade and Development
UNESCO	The United Nations Educational, Scientific and Cultural Organization
UNDP	United Nation Development Program
WC	Washington Consensus

Chapter I

Introduction

1.1. Background

‘Developmental State’ has no an agreed definition, yet, let alone for the evolving perspective called ‘Democratic Developmental State’. Besides the lack of consensus in the meaning of Developmental State, reference is also always made to the East Asian Countries which have started to apply it since 1960s. Nevertheless, (Bagchi, 2000 & Caldentey, 2008) argue that developmental state had started to exist since the industrialization era in the Western European Countries, if not born long like human institutions. The ‘Developmental State’ notion and its associated policies therefore are not unique to the East Asian Countries, as the meaning of ‘Developmental State’ refers to a state that intervenes and guides the direction and pace of economic development (Caldentey, 2008).

Since the publication of Adam Smith’s Book, “An Inquiry into the Nature and Causes on the Wealth of Nations”, in 1776, there were different schools of thought on economic development. However, clear shift was started during the 1980s in conceptualizing ‘economic development’. In early 1980s, two broad different development paradigms known as ‘neo-liberalism’ and ‘developmental state’ have become contesting ideologies in the field of economic development (Teshome, 2012). According to Teshome (2012), the concept of ‘neo-liberal development paradigm’ is referred to the ideology based on economic liberalism; whereas the concept of ‘Developmental State’ refers to the role of the State in the process of structural transformation. And it is a fact that analysts in each of these two development paradigms always remain within the bounds of their own chosen paradigm to be a winner.

In reviewing literatures on ‘Developmental State’, most of them are focused on the spectacular economic miracle registered in the East Asian countries, in the 2nd half of the

20th century. Even though very little literature is made on the African continent, it happens to be a subject to debate on its feasibility. The feasibility of ‘Developmental State’ in Africa, however, is much in evidence. Botswana and Mauritius, both democracies, had achieved successful economic growth in the twenties century. Taylor (2002:3) points out that Botswana pursuing the ‘Developmental State’ model “has enjoyed rapid economic growth and is now classified by the World Bank as an Upper Middle Income country, with a per capita GDP of more than \$6000”. Similarly, Mauritius, as indicated by Sandbrook (2005:9) has expanded its economy by “almost six percent per annum for more than 20 years through ‘Democratic Developmental State’ model (...) defying free-market orthodoxy”.

In early 21st century, Ethiopia and South Africa have registered rapid economic growth pursuing a “Democratic Developmental State” strategy. Lie & Berouk (2018:3) attest that “Ethiopia has achieved impressive economic growth over the past decade, often referred to as the ‘Great Run’ – similar to the surges of the Asian Tigers”.

Regarding South Africa’s economic growth, former President Mbeki in his report to the 52nd National Conference of ANC (2007) mentioned: “Since 2004 the growth rate has been over 4.5 percent every year, (...). This is the first time in South Africa's history that we have had four successive years of growth above 4.5 percent”. Creamer (2010:207) confirmed Mbeki’s claim in such a way that “there has been unprecedented period of unbroken, mostly moderate growth, although the economic downturn of 2008/09 has brought an era of negative growth”, in post-Apartheid South Africa.

Proponents of ‘Developmental State’ like Evans and Mkandawire, in Edigheji (ed.). (2010) and Meyns and Musamba (eds.).(2010) argue not only on the feasibility of this new development paradigm, but, also strongly suggest that DDS is a necessary condition to be applied in Africa.

While pro-DDS scholars, like those mentioned above, argue that adopting DDS model is a necessary condition for Africa’s development, advocates of “neoliberalism” on the other side question about its feasibility arguing that “Democracy” and “Developmental State” are characteristically incompatible. This study, therefore, examines the conceptual

meanings of “Democracy” and “Developmental State”, and attempts to provide theoretical explanations for these two broad concepts, “Democracy” and “Developmental State” in relation to DDS. The study then tries to explore and analyse the feasibility of DDS when it is applied as an alternative development strategy in contrast to the neoliberal development model.

The study investigated the cases of Ethiopia and South Africa, in which the ruling parties of both countries, the Ethiopian People’s Revolutionary Democratic Front (EPRDF) of Ethiopia and the African National Congress (ANC) of South Africa, officially declared DDS to pursue as their development strategy.

The EPRDF government, after the split within the Tigray People Liberation Front (TPLF), i.e., TPLF /EPRDF leadership in 2001, and the aftermath of the so called “*Tehadiso*” (party renewal), declared the DDS as its political ideology in 2003, and has begun pursuing its economic development policy based on this new developmental strategy (Meles, 2006; Gedion, 2015; Clapham, 2017).

ANC government of South Africa also declared its commitment to pursuing the DDS in 2005. Former President Thabo Mbeki in his speech in 2007, as cited in IOL news, 16 December 2007, quoted what the National General Conference (NGC) had made a decision in the year 2005:

[We] now entered a new phase of our national democratic revolution. At the heart of this new phase is the challenge of promoting and accelerating sustained development and shared growth, spearheaded by a democratic developmental state, guided and buttressed by an ANC-led popular movement and working in partnership with the people of our country (ANC report, 2007:6).

Before the ANC government of South Africa adopted the DDS as its development strategy in 2005, President Mbeki in his speech in October 2003 also notes:

If we were to follow the prescriptions of the neo-liberal market ideology, we would abandon the masses of our people to permanent poverty and

underdevelopment. This would be a betrayal of everything for which the masses of our people have engaged in a struggle of nine decades, under the leadership of the ANC” (Mohammed, 2010:156)

Similarly, Edigheji (2010) argues that the African National Congress (ANC) committed itself to constructing “Democratic Developmental State” since 2005.

This study thoroughly investigated the “feasibility” of the DDS model and attempted to identify whether DDS can be adopted as an alternative to “neoliberal development strategy”.

1.2. Statement of the Problem

There are historical accounts that “Developmental States” have existed in European countries, for example, Netherlands in the 16th and 17th centuries, England from 1560-1851, and Germany from 1850-1914, the United States during the nineteenth century and in East Asian countries in the second half of the twentieth century (Bagchi, 2000; Caldentey, 2008). It is also worth mentioning the success story of Botswana and Mauritius in the last century, and Ethiopia and Post-Apartheid South Africa in early 21st century, have been implementing their own developmental model, the DDS without replicating the South East Asian Model. When the Neoliberal Development Paradigm has got dominance in the last century of the 20th century, the conception of the DDS as a New Development Paradigm has got momentum to challenge it. In early 21st century, two African countries, Ethiopia and South Africa, have officially adopted the DDS as their “development strategy” in contrast to the “Neoliberal Conception” (Edigheji, 2010; Gedion, 2015; Clapham, 2017).

Despite to the success registered by Ethiopia and South Africa pursuing this new development strategy, fierce resistance is witnessed not only from Western Neo-liberals but also from African scholars and politicians. Ethiopia is a case in point in this regard. The conception and implementation of DDS in Ethiopia was challenged by almost all the Ethiopian opposition parties such as Ethiopian Democratic Party and Arena Tigray for Democracy and Sovereignty to the ruling party (EPRDF) and many prominent Ethiopian

scholars as well. Some scholars and opposition party leaders even dared to say there is no a DDS ideology as such, but it is the EPRDF government's invention so as to deceive the Ethiopian people and to prolong its rule. The opposition parties moreover associated the DDS idea with Socialism, because of EPRDF's political ideology called a Revolutionary Democracy. More interestingly, contestation to this development strategy was also seen within the ruling party coalition itself that was disclosed at the party congresses held in last September/October 2018.

In this regard, and as Mkandawire (2010:69) also observed, it is evident fact that the politico-economic ideology of "Democratic Developmental State" in Africa lacks clarity, if not total denial, on its feasibility for Africa's development. The lack of clarity on conceptualization of DDS is believed that academic research conducted on "Democratic Developmental State" is nominal. The literature on DDS is not only few in number but also is a subject to debate. While proponents of this new development paradigm argue on the feasibility of DDS and recommend to African governments to pursue it as their development strategy, opponents DDS on the other side questioned the compatibility of democracy and developmental state. Those who argue against the feasibility of DDS are also very reluctant even to accept whether DDS has a clear political ideology.

Though the term DDS is an evolving concept that has emerged as "a political ideology" in recent decades, historical accounts show that the industrialized nations of the Western Europe and USA had been able to transform their economy to the 'capitalist economic system' not through a "free market economy" but through "developmental state model". Though it was undemocratic, the East Asian economic miracle was achieved through the "developmental state strategy" that the "authoritarian regimes" have pursued.

Moreover, DS has been successful serving as development strategy in few African countries, Botswana and Mauritius, in 19th century, and Ethiopia and South Africa who have emerged as pursuers of DDS since early 21st century, In spite of the fact that DDS has been successful in bringing rapid "economic growth" in these four African countries this new development strategy has become so debatable and contentious these days, as mentioned earlier.

The pro-DDS scholarly literatures, Edigheji(2010), Evans & Mkandawire, (2010), for instance, argue that the debate on the issue of DDS is not about economics per-se, but it is an ideological battle fought between two major contesting schools of thought in global politics, namely, the Washington Consensus vs. Beijing Consensus. Samir Amin (2014:119) further strengthens the argument says “under the constraints imposed by capitalist political economics leaves no scope at all for possible alternative choices”. As Amin (2014) pointed out, the reason why DDS has been facing a challenge from gaining acceptance by other developing countries is not because of its infeasibility but because of the constraints imposed by the ‘neoliberal political economy’.

Advocates of the neoliberal Development Model such as Bach (2011), on the other side argue for government nonintervention in the economy, believing that ‘markets’ are self-regulating. Neo-liberals further argue that “an impossibility theorem” in which democracy and developmental state are incompatible by their nature. Proponents of DDS such as Gumede (2009), Edigheji (2010), Mkandawire (2010), counter argue “a possible alternative theorem” believing that democracy and developmental state are compatible, and suggest that the DDS is the only way for Africa’s development.

Advocates of neoliberalism who echoed against government intervention and advised let the markets decide are challenged even by Western Developmental Economists, however. Joseph Stiglitz (2009), an American prominent economist, reiterated the 2008/2009 Great Recession, was the worst downturn since the Great Depression in 1929 that has disproved the neo-liberals discourse “markets are self-regulating”, and by contrary reinforced the importance of state intervention.

The contradictory arguments observed in the literature review in regard to the impossibility and possibility theorems of DDS indicates the existence of a gap of knowledge among scholars and the lack of consensus on the idea of DDS, if it is feasible to serve as an alternative development strategy or not is evidently enormous.

This study thus tried to explore and empirically analyze the feasibility of DDS and if it could be justified as alternative strategy for Africa’s development. Gumede (2009:13), for example, describes “the delivery of a democratic developmental state” in South

Africa “is at best still a work in progress”. Similarly, Ethiopia has achieved impressive economic growth over the past decade, often referred to as the ‘Great Run’, despite some disputes witnessed over exact figures between the Ethiopian Ministry of Finance and Economic Cooperation (2010) and the IMF (2008), World Bank (2011) and Lie & Berouk (2018). Nevertheless, the issue of democracy in Ethiopia is still at its infancy. Even though a ‘Developmental State’ model has a success story in registering economic development in some African states, the question why this development paradigm has become so debatable and contentious, therefore, needs to be addressed.

To address the above general question, the study tries to define the concepts of democracy and developmental state, firstly. Secondly, it attempts to address the question why DDS has become a controversial concept and subjected to debate. Thirdly, the study dwells on exploring and empirically analysing the pros and cons of DDS vis-à-vis neoliberalism with a particular reference to Ethiopia and South Africa. It also explains the reason behind the ideology of neo-liberalism and its advocates that are trying to frustrate “the establishment of democratic developmental state” in Africa in general and in Ethiopia in particular. The study hoped to be an additional insight to policy makers, politicians, and researchers who will be and were engaged in economic and developmental issues and concerns in the field of development studies. Finally it tries to reach a conclusion whether this new development paradigm does serve as an alternative development strategy in Africa.

1.3. Research Questions

In order to explore and identify the compatibility of democracy in African context and Developmental State theories when merged to form a” political ideology” known as the DDS and create clarity about its feasibility, the study puts specific research questions framed as follows:-

1. Are the concepts of Developmental State and Democracy compatible to achieve “development” in Africa?
2. Does Democratic Developmental state strategy feasible for Africa so as to “eradicate absolute poverty” from the continent?

3. Can DDS be an “alternative development strategy” in contrast to the capitalist development model (neoliberalism)?
4. What are the lessons that can be learnt from Ethiopia and South Africa, in building DDS?
5. How and under what type of political leadership does this new “Development Paradigm” would succeed on African context and to what extent?

1.4. Objective of the study

The general objective of this study was to explore whether “Democratic Developmental State” model is suitable to be applied as “an alternative development strategy” in Africa in contrast to the Neo-liberal Development model.

The specific objectives of the study were the following:

1. To explain whether “Democracy” and “Developmental State” are compatible in pursuing the DDS as development strategy in Africa.
2. To explore whether the so called DDS development “strategy” is feasible that can be an alternative model for Africa’s development path against to that of the neo-liberal development path.
3. To investigate the successes and failures which other African states could draw lessons from the experiences of Ethiopia and South Africa, with the DDS model of development.
4. To provide evidence based new insights for researchers who are engaged in development studies, policy makers and politicians so as to fill the knowledge gaps that existed in comprehending the concept of the DDS.

1.5. Research design and Methods

1.5.1. Research design

This study dealt with an ‘alternative development strategy’, by taking Ethiopia and South Africa as case studies. And, as Creswell (2014:236) notes “a case study research is the

one among the five popular qualitative research designs those qualitative researchers to choose”, the appropriate research approach chosen for this study is thus the qualitative approach. The research design that this study utilized is the research tradition used for case studies.

The issue of time for an explanatory study requires a cross-sectional research design. For the primary data collection an in-depth and open ended interviews are conducted at a single point in time.

1.5.2. Research Method

The research method used for this study is qualitative method. The study primarily focused on reviewing and analyzing of secondary data sources of academic books, journals and articles. It also conducted in-depth interviews with key informants who were purposefully selected from high ranking ruling party officials (EPRDF), members of the opposition parties. Because Ethiopia and South Africa are selected as case studies, policy documents of the EPRDF Government of Ethiopia and the ANC Government of South Africa were thoroughly examined.

As indicators are needed to validate the feasibility of the DDS, some quantitative dimension has also been considered, and such validation was done by examining records of vital indicators published by the governments of Ethiopia and South Africa and as validated by the UN agencies such as the UNDP, UNCTAD and others.

1.5.3. Method of Data collection

Babbie (2011:207) defines purposive sampling is “a type of nonprobability sampling in which the units to be observed are selected on the basis of the researcher’s judgment about which ones will be the most useful or representative”. This study purposefully selected 4 informants that represent views for or against the topic understudy. The informants are high level party members selected from the ruling party (EPRDF) who are ardent advocates of DDS, and from two opposition parties who were advocates of the

capitalist development path (Neoliberalism) in contrast to EPRDF's political ideology "the Revolutionary Democracy". The interviewer has chosen an open ended interview as it allows interviewees to discuss their opinions and views in detail.

1.5.4. Data interpretation and analysis

In qualitative methods of social research data is examined and analysed without converting to a numerical format for the purpose of discovering underlying meanings and patterns of relationships (Babbie 2011). The data that was collected from the four informants who are/were high government officials and top political party executives; from the EPRDF and the opposition parties, was interpreted and analysed.

In addition to this, government policy documents and the ruling party programs of both countries were also examined. So as to reach to the conclusion the finding of the primary source in comparison with the theoretical and empirical analyses of the secondary sources, as well as the writer of this study's own observation about the global political order, has been triangulated.

1.6. Significance of the study

Mkandawire (2010:74) notes "there is a vast literature on developmental states that says very little about "democratization", except perhaps to point the oddity of democratic developmental state". As Mkandawire (2010) rightly pointed out, the existence of a research gap in comprehensive understanding of why and how DDS can be an alternative development strategy is enormous. Besides the insufficiency of the literature on DDS, much of reluctance to accept the development achievements made by the democratic developmental states is also evident.

The significance of this study, therefore, attempts to fill the gap existing in understanding DDS model. The study may also encourage other researchers in undertaking further researches on this new development strategy. Moreover, the study will be an additional

input for policy makers and politicians who opting DDS to pursue as an alternative development strategy.

1.7. Scope of the study

This study focuses on exploring the feasibility of democratic developmental state to serve as an alternative development strategy in Africa. The scope is limited to deal with the African continent in general and the cases of Ethiopia and South Africa in particular. While the role of the West, led by the United States of America, and China as contesting global powers have been racing to impose their strategic interest in Africa cannot be denied, it will not be the focus of this study. Nevertheless, the role that they have playing to impose their own political ideologies, i.e., the Washington consensus versus Beijing consensus on Africa's development path will not be ignored.

1.8. limitation of the study

The limitation of this study is the biased nature of the secondary sources available. A large percentage of the literatures on the subjects of the developmental state and neoliberal models of development argued within the bounds of their own chosen paradigm. These literatures, Washington consensus versus Beijing consensus vehemently opposed to each other that fail to provide objective arguments and largely provide only one side of the story. Since DDS is a new alternative development strategy that has begun to evolve in Africa in early 21st century, secondary sources available on the subject particularly in Ethiopia is too limited in number.

1.9. Organization of the study

The study consists of six major chapters. The first chapter is an introductory under which background of the study, statement of the problem, objectives of the study, research design and methodology, significance of the study, scope and limitations of the research are explained. The second chapter attempts to examine the definitions and conceptions of democracy and development in different perspectives. Chapter three overviews the historicity of developmental state mainly focuses on two major development paradigms,

the Washington consensus versus the Beijing consensus. The compatibility of democracy and development on Africa's development discourse will also be discussed in this chapter. The fourth chapter discusses on DDS as an alternative strategy to neoliberalism and explores the experiences of Ethiopia and South Africa as emerging democratic developmental states. Chapter five analyses the challenges and opportunities in building DDS in Africa with the context of global political order and within Africa itself. The last chapter gives concluding remarks and recommendations, especially to grasp lessons which African countries can learn from Ethiopia and South Africa, the pioneers of to exercise DDS.

Chapter II

Conceptual and Contextual framework

DDS is a new development paradigm derived from two major concepts, “Democracy” and “Development”, which themselves have multiplicity of definitions by theorists of varied ideological convictions. DDS, which evolved from the conception of developmental state to be an alternative strategy for Africa’s development. This study attempted to find out these various definitions and concepts of “Democracy” and “Development” within the perspectives of the major contending development ideologies the “Neoliberalism” versus “Developmental State”. These two contesting ideologies, the Washington Consensus vs. the Beijing Consensus, therefore, need to be conceptualized and contextualized before the study starts exploring the feasibility of DDS.

2.1. Conceptualizing Democracy in Context

Historically the word ‘Democracy’ comes from ancient Greek which means “rule by the people”. The practice of “Democracy” that the ancient Greeks granted to the world was the ‘political participation to only the adult’ (with the exception of women and slaves) inhabitants of city states. Modern conception of “representative democracy” came into being in the 19th century. Though the modern conception of representative democracy was established as a system in western political thought, there are variations in conceptualization and defining democracy these days. Most segments of the literature such as, Bühlmann et al (2008), Fayemi (2009), Munck (2014) put two major alternative conceptualizations and definitions of democracy as “minimalist” and “maximalist”. While minimalist definition of democracy focuses on a “government of the people” and an “effective governance”, the maximalist definition stresses social aspects a “government of, by, and for the people” with the characteristics of “best representation/high participation, social justice” (Bühlmann et al. (2008, p. 5), cited in Campbell, D. J. (2008:20).

Despite the many differences in defining the concept of democracy Fayemi(2009) summarises the definition of democracy as follows:

be it in maximalist or minimalist terms, or be it in terms of institutions, processes or outcomes—one can argue that there are two fundamental underlying rationales of democracy—namely, that all people are equal (equality) and that all people are free (liberty) (Fayemi 2009:105).

Cognizant of the various conceptualizations and definitions of democracy, and acknowledging also that some of those concepts contradict each other, Muck (2014) suggests for reconceptualization of the existing conceptions of democracy. In reconceptualization of the conception of democracy, Munck (2014:12) puts:

Democratic theorists who adopt a majoritarian conception of democracy take as their starting point the substantive assumption that democracy is a political concept infused by the values or ideals of political freedom and equality. That is, they rely on the conception of democracy adopted in this reconceptualization and take democracy to be a characteristic of political systems that embody the values of political freedom – citizens should have ultimate control over what issues are decided through the decision-making process – and political equality – all citizens should have equal weight in the making of legally binding decisions.

Taking these various conceptualizations and definitions of democracy into account, and since the objective of this study is to explore “democratic developmental state” as an alternative ideology to “neo-liberalism”, the study focuses on two major but ideologically different conceptions of democracy among other types of conceptions. These two types of democracies in ideological context are the “liberal democracy” on one side and an “inclusive type of democracy”, which stands in contrast to the liberal democracy criticizing that liberal democracy is a bourgeois democracy. To show that “liberal democracy” is synonymous to that of “bourgeois democracy”, Samir Amin (2014: xxii) for instance argues “The political system in contemporary capitalism is comfortable with representative democracy which we may call ‘low-intensity democracy’. You are free to

vote for whomever you want but it makes no difference because the market rather than parliament decides.”

The opponents of liberal democracy, i.e., “developmental statist”, however, do not clearly indicate which type of democracy should follow rather than their radical critiques to liberal democracy. Though there is no consensus on which type of democracy the so called DDS should follow, its type seems to be that of a “parliamentary democracy” or “participatory democracy”. However, the EPRDF government of Ethiopia which pursued DDS proclaims the type of democracy that follows is a “Revolutionary Democracy”. Jon Abbik (2011) argues that the “revolutionary democracy” which the EPRDF ruling party follows is a “neo-Leninist political model”. Abbik (2011:602) elaborates the “ideology of the ruling TPLF/EPRDF party is a hybrid ruling ideology derived from Leninism, infused with some democratic principles, and confronted with or applied to ethnic diversity in the country”.

Liberal democracy refers to a “representative democracy with protection for individual liberty and property by rule of law”. And, as Bach (2011) and the interviewees Lidetu and Gebru argue, “revolutionary democracy” refers to ‘democratic centralism’ where members of a political party discuss and debate matters of policy and direction and after the decision is made by majority vote all members are expected to follow that decision in public which the EPRDF government is used to exercise it until recently. If this is the true characteristics of a revolutionary democracy, how could it be compatible with the notion of a developmental state or is there any other type of democracy which is compatible with?

Nevertheless, Feyemi’s (2009) critique of the universalization of Western liberal democracy do not agree on a specific type of democracy arguing different nations have the right to construct new conceptions of democracy, which respond to their specific cultural, religious, economic, and social contexts and needs. Feyemi (2009:120) suggests an eclectic model of democracy for Africa in which the conception of democracy should be grounded to “the nature of traditional African societies which [were] communalistic in ethos”.

As Feyemi (2009) rightly argues, the notion of democracy has to be conceptualized in the context of the African indigenous democratic values which rooted in Africa's pre-colonial cultural traditions. For instance, the "Gada system" of the Oromo people of Ethiopia, is an indigenous democratic socio-political system of an age-grade classes (Luba) that succeed each other every eight years of governance. Each "Gada" class remained in power during a specific term which began and ended with a formal power transfer ceremony (UNESCO, 2016). Similarly, the case of the Yoruba people of Nigeria can also be taken as a second good example among other African indigenous democratic values and practices existed in pre-colonial Africa. With regard to the Yoruba's democratic values and cultural traditions of governance, Feyemi (2009:109-110) notes "[it is] evident in their process of choosing leadership, the principle of checks and balances, the kingdom structure, their recognition of and respect for rights and freedoms, and representational and participatory features of political organizations and social ordering".

Since an indigenous culture is crucial in conceptualizing democracy, the notion of African democracy should therefore be grounded on the African socio-cultural and ontological realities, which is characterized by open and free discussion, values of respecting the elders and families, encouraging consensus building rather than the majority rule type of the liberal democracy and inclusiveness. In this regard, the notion of African democracy could not be a replication of the Western liberal democracy, but it should be based on the communalism nature of African traditions and system of governance. The issue of democracy in relation to the developmental State model for Africa's development is one of the major research questions that this study has given more emphasis to dealt with.

2.2. Conceptualizing the notion of Development in Context

Though there was an experience of "Development Path" since the era of industrialization in Western countries, most of academic literature indicate that the term "development" had originally gained popularity since Second World War and during African decolonization. During this time development was conceived in terms of "economic growth". Soon after social science theorists and development practitioners felt that

development is a broad concept which has political, social and cultural dimensions touching various aspects of the society (Ghosh, 2014; Bellù et al, 2011).

Among the various definitions and conception of “development”, Michael Todaro (1981:15) refers to the concept of development as “a multi-dimensional process involving the reorganization and reorientation of the entire economic and social systems”. Brian Levy and Francis Fukuyama (2010:1), based on a widespread consensus reached among social scientists, also define “development” as “a multidimensional phenomenon, with economic, political, and social aspects, and that the different dimensions of development are interconnected with one another in complex ways”.

Moreover, Lere (2014:156) summarizes the definition of development as “a structural transformation of the economy, polity and culture in such a way as to provide self-reliance as well as self-generating and self-perpetuating. It is a frontal attack on poverty, unemployment, diseases, hunger, exploitation and a deliberate effort to move the society forward”

So as to qualify the concept of development, Bellù et al, (2011) attempts to further define some of the different aspects of development referring to the specific dimensions of development which include:

- *“Economic development” refers to the improvements of goods and services in order to provide additional consumption and/or investment.*
- *“Human development” refers to “people-centred” developments which include health, education, entitlements, capabilities, and empowerment.*
- *“Sustainable development” refers to the long term perspectives of the socio-economic system, i.e. development will be sustainable on environmental, social, financial and other grounds.*
- *“Institutional development” a development pertaining to a set of rules, mechanisms, processes and cultural norms that contributes directly or indirectly, e.g.. in terms of guaranteeing government effectiveness, equal levels of freedom, secure property rights and prevention from risk of*

appropriation. It can also be addressed in terms of good development achievements Bellù et al (2011:8).

Todaro and Smith (2015:22) pointed out three core values of development which are “sustenance, self-esteem, and freedom—represent common goals sought by all individuals and societies” so as to understand the “inner meaning” of development in the context of the developing countries.

According to the various conceptions and definitions of democracy and development that were mentioned above, each of them as a concept can be discussed from various perspectives. But since the scope of this thesis is limited to deal with democratic developmental state, both concepts will be discussed from the point of view of DDS and neoliberalism, in the succeeding chapters.

Chapter III

Literature Review

3.1. An overview of the history of the concept of Developmental State

According to Caldentey (2008:28) the general meaning of “Developmental State” refers to “a state that intervenes and guides the direction and pace of economic development” of a given country and its government. (Bagchi, 2000:398) defines developmental state as “a state that puts economic development as the top priority of governmental policy and is able to design effective instruments to promote such a goal”.

Caldentey (2008:27) argues that “Developmental State” and its associated policies neither are unique to Japan and East Asia nor a feature limited to the twentieth century. Caldentey enabled to reach to such a conclusion because there are historical accounts that developmental state had started to exist since the industrialization era in the Western hemisphere at large and in some countries in Latin America. Bagchi (2000) and Caldentey(2008) point out that the Netherlands in the 16th and 17th centuries, England from 1560-1851, and Germany from 1850-1914, the United States during the 19th century and other countries in Latin America in the second half of the 19th century were “Developmental States”. As Gumede (2009) states, following the devastation of the Second World War, some European countries like France, Finland and Austria have also produced a number of successful developmental states in the 20th century. Furthermore, Chang (2010:85) argues the US was a pioneer of developmental model from its early days, notes “the core of developmentalist theory-the infant industry argument-was invented by none other than the first American finance minister (treasury secretary), Alexander Hamilton, in his 1791 Report on the Subject of Manufacturing by the Treasury Secretary”.

Despite the historical evidence that the Western countries had passed through Developmental State Path, an ideal type of literature on developmental state has developed out of the experience of the East Asian economic miracle registered between

the 1950s and the 1980s through state led economic Development Model. The notion of “Developmental State” model derived from the “East Asian experience” is characterized by an authoritarian type of rule that is perceived as unfriendly to democratic governance.

On the other side, the concepts of ‘development’/ ‘underdevelopment’, as (Rist, 2014:71) notes, was first proclaimed by US President Harry S. Truman on his inauguration speech in 1949, declared a “development age”. The US president, in the fourth point of his speech, said “we must embark on a bold new program for making the benefit of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas”. “Underdeveloped” is a new term introduced for the nations of the Third World that connotes an “economically backward”. The Theory of development in Western perspective which was declared by President Truman of the US in the aftermath of World War II was mainly concerned with “economic growth”, state planning and international aid. The then government was therefore used to play a central role in driving forces of development, especially in the capital accumulation process. Rist (2014:73) however has interpreted President Truman’s speech, specifically Point Four differently. He argues that the “development/underdevelopment dichotomy” is nothing but a new proposal to chart global strategy replacing the old colonizers/colonized dichotomy. According to Rist (2014:75), US’ ‘development program’ of post-World War II was “to deploy a new anti-colonial imperialism” by dismantling the “old concept of imperialism”.

Following the “Western conception of development” declared by President Truman, the idea of industrialization that leads to development has been implemented in the underdeveloped countries in 1950s and 60s, regardless of the objective realities existing in individual countries’. The 1960s was recognized by the United Nations as the Development decade (Rath, 2009:5). In these two decades the development strategy was focusing on high levels of investment with heavy state involvement so as to achieve industrialization and high productivity. Post independent African countries have also been provided a relatively high level of investment, aid and technical assistance.

Nevertheless, the 1960s decade of development did not continue in the 1970s, especially in Africa. While low economic growth rates and extreme poverty were enduring in African countries in 1970s and 80s, the East Asian countries were able to achieve a rapid economic growth in these decades pursuing the developmental state model. The East Asian states' exceptional capacity to implement developmental state policy that led to a spectacular industrialization and economic growth had therefore attracted researchers to study about "Developmental State". As a result literature on the "theory of Developmental State" has started to flourish.

Since it is in South East Asian countries in general that the economic miracle of the 1970s ,80s to the present was an evidence through a developmental state model, much of the literature on the concept of developmental state has been referring to this region of the world. In reviewing the literature, there is a difference in conceptualizing developmental state and reasoning out the causes of rapid economic growth achieved by authoritarian regimes is the subject of interest to date and continues to be in the future. Even though, no one can deny that the South East Asian countries rapid economic growth was associated with a significant degree of state intervention, the debates held among the academia, politicians and policy makers on the concept of 'Developmental State' is a reality. For the sake of convenience this study categorizes the debates on development discourse in the context of two major ideologies in today's world order. These two contesting ideologies are the "neoliberal ideology" on one side and the "developmentalist ideology" on the other. In other words it is a debate between the Washington Consensus vis-à-vis the Beijing Consensus.

In the context of the so called Washington Consensus the developmental state model is leveled as an obsolete model of development experienced by authoritarian regimes so that strongly argue that it is impossible to implement in today's "globalized" world and "Democracy". Fukuyama (1992) in his book "The End of History", in the aftermath of the collapse of Soviet Union, concludes that the end has come for the struggle between different ideologies, because the universalization of Western liberal democracy has triumphed over other contesting democratic and economic alternatives. In the context of

the developmentalist ideology, or the Beijing Consensus (though the term is introduced later, in 2004) it appreciates the East Asian developmental state model as good experience and to be continued with a new approach rather than directly replicating it. (Meles, 2006; Evans; Mkandawire; in Edigheji (2010).

It is because of these contrasting perspectives that led to hot debates in conceptualizing developmental state. It arouses critical question which needs persuasive answers. As Godfrey et al (2017:2) rightly puts, the critical question include; whether the twentieth-century developmental state experience in East Asia can be taken as good lesson to be drawn from, “what adjustments are required for this concept to find meaningful application in today’s more complex and challenging post-cold war setting”?

But before delving into such a question, because the study will discuss it later in chapter four, it would be helpful to explain these two major but contrasting ideologies (development paths) termed as the “Washington consensus” versus “Beijing consensus.”

3.2. The Washington Consensus a “Neoliberal” perspective

Wikipedia website defines Washington Consensus “as a set of 10 economic policy prescription considered to constitute the standard reform package promoted for crisis wracked developing countries by Washington, D.C.-based institutions, such as the International Monetary Fund (IMF), World Bank and United States Department of the Treasury.”

Yagci (2016) while accepting the general meaning of the Washington Consensus (WC), he differed on the interpretation of its policy prescription for developing countries as follows:

The WC in practice involved not only a shift from state-led development to market-oriented development, but also, more importantly, a shift in how

development problems were framed and, relatedly, how appropriate policy solutions were justified with the dominance of ahistorical orientations via IMF and World Bank stabilisation and structural adjustment programs (Yagci, 2016:32).

Based on Yagci's (2016) argument, Washington Consensus is directly associated to the neoliberal political ideology that promotes 'market fundamentalism'. David M. Kotz (2000:1) defines 'neoliberalism' as:

...an updated version of the classical liberal economic thought that was dominant in the US and UK prior to the Great Depression of the 1930s. From roughly the mid-1930s to the mid-1970s a new interventionist approach replaced classical liberalism, and it became the accepted belief that capitalism requires significant state regulation in order to be viable. In the 1970s the Old Religion of classical liberalism made a rapid comeback, first in academic economics and then in the realm of public policy.

Since this study is all about the alternativeness of the DDS developmental path perspective to the neoliberalism (capitalist developmental path) perspective, it is imperative to explain the historical development of neoliberalism from that of classical conception of liberalism. As Teshome (2012) pointed out two broad different development paradigms emerged in early 1980s, known as neo-liberalism and developmental state as contesting ideologies in the field of economic development. Teshome (2012) notes that neo-liberalism development paradigm initiated in 1960s by a group of professors from Chicago University was adopted by policymakers and political elites in early 1980s calling for the abandonment of the state-led model of development.

In support of Teshome's (2012) explanation on why and when neoliberalism was evolved, David M. Kotz (2000), and Sandbrook (2000) reiterate that the 'interventionist' approach what is known as "Keynesian economics" which replaced 'classical liberalism' since the aftermath of World War II to the mid-1970s has outlasted in early 1980s

supported by the then UK Prime Minister Margaret Thatcher and US President Ronald Reagan. Since 1990s and onwards, “neoliberalism” solidified its position of dominance globally.

Pro-neoliberal (capitalist development path) literatures argue on ‘developmental state’ that its model is obsolete to be implemented today. Francis Fukuyama’s book (1992) “The end of history and the last man”, is all about the universalization neoliberalism that developmental state could never ever be an alternative model. Fukuyama’s “the end of history” in general is meant neoliberalism (capitalism) is eternal.

3.3. The Beijing Consensus a “Global South” perspective

World Foresight Forum (2011) citing Joshua Cooper Ramo who coined the phrase in his book (2004) entitled “*The Beijing Consensus*” defines ‘Beijing Consensus as a reflection of a new approach to development based on China’s Model for Economic Growth and political principles of non-interference and self-determination and self-determination’.

Mustefa Yagci (2016:30) describes the phrase Beijing consensus as follows: “The “Beijing Consensus” (BC) as a concept has been utilised to make the point that China’s successful economic development experience over the last three decades offers an alternative to the policy toolkit offered to developing countries by the International Monetary Fund (IMF) and the World Bank, the so called “Washington Consensus””.

Based on Yagci’s description the term Beijing Consensus is more or less associated to the conception of developmental state. Proponents of developmental state argue on the relevance of the Asian Developmental State Model as an alternative development strategy to that of the Washington Consensus not by directly replicating it, but through a new approach. Evans (2010:37) notes “history and development theory support the proposition no developmental state no development”. Evans (2010) argues further that 21st century DS can draw a lesson from the history of how the now highly developed states became rich “but unreflective imports of readymade models are likely to fail”.

3.4. An overview of the compatibility of Democracy and Developmental State in Africa's development discourse

Even though there are not many studies on the concept of Democratic Developmental State, nowadays, it has become a subject to debate among academics and policy makers, especially in the emerging economies. Academic literature on the states of the neoliberal context argues “democracy” and “Developmental State” cannot coexist to build, DDS because they are believed to be incompatible (Edigheji 2010). As Edigheji (2010:3) points out, the neoliberal's debate is based on the conviction that “it will be impossible for the State to simultaneously promote economic growth and address the social questions of high inequality, poverty and unemployment”. Above all, neoliberals' impossibility theorem on the conception of DDS is rooted on the historical narrative of the Asian and, especially the South East Asian experience of Developmental State (DS) that have been implemented by the authoritarian regimes.

Leftwich (2005), for example, argues that democracy remains largely incompatible with rapid developmental transformation:

The institutional requirements for stable and consolidated democracy are structurally different to the institutional requirements for rapid and transformative growth and, especially, development... The processes of development have both required and engendered radical, transformative and pervasive change in the formal and informal socio-political and economic institutions of societies, but these changes are very different to those required for democracy. For...democracy is essentially a conservative system of power, geared to stability, not change (Leftwich, 2005: 692, 695).

Some of the debaters about the incompatibility of “Democracy” and “Developmental State”, as (Edigheji 2010) argues, may have been informed by one-size-fits-all approach to the developmental state, or a “misreading of the experiences” of developmental states, including those of East Asia and Scandinavia.

Because of the perspective that democracy and Developmental State are incompatible, the feasibility of the DDS nowadays has become a subject to debate and contention. This study, attempted to identify the various definitions and conceptions of democracy in accordance with different perspectives. In spite of the existence of such different definitions, the study has come to realize that there is a common understanding on the fundamental shared values of democracy and development. That is, as mentioned elsewhere, democracy is a characteristic of political systems which embody the values of political freedom and equality that should be granted to all citizens of a given country. Similarly, the various definitions and conceptions of the notions of development have also been narrowed down these days, because a widespread consensus is reached among scholars even from different perspectives in conceptualizing development. That is, both competing apparatuses (ideologies) on the development discourse of the developing world came to have a common understanding that the process of development is a multidimensional phenomenon which comprises of economic, political, social and cultural dimensions which are also interconnected with each other in complex ways.

Because of the common understandings and a widespread consensus was reached in the general meanings of ‘democracy and development’, as mentioned above, the argument on the incompatibility theorem of these terms to pursuing the DDS development strategy seems to have less persuasive to justify. If so, it poses a question why the issue of compatibility has becoming so debatable needs further discussion. The reason may not be about development economics only, but also is about global power supremacy over world domination. In other words, it is a battle of ideas fought between Western Liberal Democracy (Washington Consensus) and the “global south” (Beijing Consensus).

The global south is characterized by the Asian inspired Models of development and democracy, the Chinese alternative to liberal democracy and/or the African cultural theories of democracy in contrast to the Western Liberal Democracy. UNDP (2012:13) in support of the proponents of DDS on the compatibility of democracy and development puts that “the concept of a democratic developmental State denotes that a given State can

be a developmentalist and at the same time advance democratic values, for the two can arguably reinforce each other”.

Since democracy and development are referred to a political freedom and equality to all citizens, and to multi-dimensional process involving the structural transformation of the entire economic and social systems respectively, their compatibility would not be questionable. But the critical question here is that what adjustments are required for the DDS to be a success in today’s more complex and challenging world order?

Proponents of the DDS idea of development path have an answer for such a critical question, however. Evans (2010:48), for example, attempted to respond to this critical question suggesting that “A 21st century developmental state requires new kinds of capacity. It needs organizational structure and state- society ties. The ties and structures associated with efficient service delivery are a good place to start”. Edigheji (2010:5-6) also suggests that to build a successful DDS; the establishment of relevant institutions is “a sine qua non” writes “it is the institutional arrangements that are in place that explain the state’s capacity to define its developmental agenda and to formulate and implement policies in a legitimate and credible fashion towards the attainment of its goals”. Moreover, in support of what Evans and Edigheji (2010) have suggested regarding the required adjustments in building the DDS, UNDP (2012) also suggests the following:

..a developmental state ought to have the capacity to control domestic infighting and build consensus among the populace on national developmental agenda by drawing attention to long-term benefits to all. Ideally, therefore a developmental state needs to be a persuasive state with the competence to mobilize people and resources around its development plan, especially if it is to become a democratic state (UNDP, 2012:6)

Chapter IV

DDS an Alternative Strategy to Neoliberalism? Exploring and Discussing of Ethiopia's and South Africa's experiences.

4.1. Ethiopia and South Africa the Emerging Democratic Developmental States in Africa

The Developmental States of the South East Asian and the Scandinavian countries have never proclaimed that they wanted to construct the Developmental State Model of development, but as Mkandawire (2010) notes, the States were driven by the need to “catching up” the “Developed World”. The States of Botswana and Mauritius also never proclaimed that they have followed the developmental State Model, let alone the DDS development strategy, though they were “democratic” while achieving economic growth in the 20th century. Hence, it would not be surprising that the debate on the feasibility of DDS would unresolutely continue in the 21st century.

It is only two countries, Ethiopia and South Africa in the African continent, if not from the whole World, which have officially declared DDS model in early 21st century in 2003 and in 2005 respectively, with a conviction that it is the best alternative model to neoliberalism. As mentioned earlier, the concept of DDS was neglected in much of the literature discussed on the theory of Developmental States. It was by the Ruling Parties of both countries; the Ethiopian People's Democratic Front (EPRDF) of Ethiopia and the African National Congress (ANC) of South Africa which have attempted to conceptualize, articulate and practice DDS. The Ruling Parties of both countries, the EPRDF and the ANC strongly argue on the necessity of democracy to pursue DS simultaneously to the socio-economic transformation of their respective countries (Meles, 2006; Mbeki, 2007; Edigheji, 2010; Gedion, 2015).

Advocates of the DDS development path like that of Evans and Mkandawire (2010); Meyns and Musamba (2010) among others, convincingly argue that this new development paradigm is not only a possible development strategy, but also is a

necessary condition to build it in Africa as the best alternative to the neoliberal market fundamentalism model of development. Though advocates of DDS do not refute the market economy thesis totally, ardent proponents of the DDS development path like Meles (2006) and Mkandawire (2010) even took a firm position against the universalization of neoliberalism, and Fukuyama's (1992) "The end of history" thesis; argue that neoliberal development strategy could not extricate Africa from abject poverty. The statesman Meles (2006) in his unpublished doctoral dissertation (2006) "African Development: Dead Ends and New Beginnings" in contrast to neoliberalism. Meles's connotation "Dead Ends and New Beginnings" is metaphorically the former to represent neo-liberalism as it is near to die and the latter is to represent DDS as it would be best alternative strategy for Africa's development.

4.2. Ethiopia's Experience in building DDS

Though the advocates of the DDS development model in general and the EPRDF ruling party in particular convincingly argue that DDS is a necessary condition to build in Africa as an alternative development strategy to the neoliberal model. However, with regard to Ethiopia's DDS, no consensus has been reached among the Ethiopian ruling party political elites, opposition political party leaders and the academia on this new concept of DDS and its proposed development path. Those who have different views from the EPRDF's political thinking, "the Revolutionary Democracy", believe that "Revolution" and "Democracy" are contradictory concepts which could not co-exist, because the term "Revolution" is directly associated to "Socialism" that was collapsed in early 1990s. Thus, most of the Ethiopian elites were in favour of the "liberal democracy" on the conception that neither DS nor DDS would be a feasible development strategy in the era of globalization today.

On the other hand there are few literary sources which stated that the notion of developmental state is not a new concept in Ethiopia but did exist in the 1920s and 30s, though it did not include democracy. That is Messay (1999) and Bahru (2002) as cited in Gedion (2015) write that the first "Ethiopian intellectuals" have attempted to promote the idea of "developmental State" to Japanize Ethiopia in the first half of the 19th century. As

Bahru (2002) notes, the Ethiopian intellectuals of the 1920s and 30s such as Negadras Gebre Hiwot Bykedagne, Blatten Geta Hiruy W/Silassie, Dr. Martin Workneh, Ato Kebede Michael, and others, who were known as the “Japanizers”, were passionate about the “Japanese development Model”. Based on these intellectuals’ conception of Japanese economic Modernization, the Imperial Government of Ethiopia sent a study group comprising Government officials and intellectuals to Japan to study different aspects of Japan’s development model, in 1931. Kebede Michael’s book titled “ጃፓን እንዴት ሰለጠነች/How did Japan Modernize/ (1954) is one of the reflection on how Ethiopia’s pioneer intellectuals, the ‘Japanizers’, had been much inspired by Japanese modernization. However, the attempt was not successful due to various reasons.

In Japan’s “modernization history”, the conception of “developmental state” had evolved over time since the beginning of the Majji Restoration in 1868, until it assumed its mature form in the late 1950s (Bagchi 2000). Accordingly, Ethiopia’s inspiration of Asian Model of Development was not limited to the EPRDF’s government of the 21st century but dates back to the 1920s and 30s though the attempt was not successful (Gedion, 2015).

EPRDF’s conception of the DS model in the era of globalization, however, is a different approach from that of Japan and the South East Asian development path. That is, though the EPRDF government was also inspired by the rapid economic growth of the East Asian Countries development path, it did not intended to emulate the “authoritarian” type of political governance but with a new approach of democratization of the developmental state.

The EPRDF government firmly argues that without “democratization” developmental state would not be successful believing that democracy is compatible with the goal of economic development. It was with such strong conviction that the EPRDF government officially declared DDS in 2003, clearly conceptualised it and has been committing to implement it since then.

The conceptualization of DDS was evolved from the TPLF-EPRDF’s conception of revolutionary democracy, an ideological strategy inherited from the armed struggle of the 1970s and 1980s, in contrast to that of Western liberal democracy. Meles Zenawi, the

then chairman of the EPRDF, took the lead to conceptualize DDS in the context of Ethiopia. Meles during his tenure as the Prime Minister, oftentimes stood against the neoliberal ideology in any international forums and was bold that DDS is the only alternative development strategy for Africa's development.

Clapham (2017:1153) describes "Meles Zenawi...proved exceptionally capable of articulating the ideology of development that drew heavily on the East Asian model, while adapting it to the Ethiopian circumstances", the new conception of "Democratic Developmental State" has been well articulated and successfully implemented under the EPRDF's administration.

Clapham reiterates Meles' ideal puts:

[Meles] rejected out of hand the 'Washington consensus' model of development as a 'dead end', arguing that this simply bound developing countries into relations of subservience to already developed states, and that a strong state geared to a purposive development agenda was required in order to break the stranglehold of dependence(2017:1154).

Meles' "development philosophy" is believed to be originated from the experience of the East Asian miracle economies, and is aimed at conquering poverty that was prevailing in Ethiopia. Moreover, de Waal (2012:6) also writes about Meles' development thinking arguing "Meles clearly identified the challenge of development as primarily a political one: it is necessary to master the technicalities of economics, but essential not to let them become a dogma that masters you. It is the politics of the state that unlocks development".

Nevertheless, there are literary sources, for instance (Bach, 2011; Abbink, 2014, Mulu and Abteuold, 2015; etc.), and Opposition Party leaders (Lidetu Ayalew¹ and Gebru Aserat²), on the other side, strongly reject the EPRDF's 'DDS thesis' and its ideology of "Revolutionary Democracy" arguing that the so called Revolutionary Democracy is obsolete and non-existence this day rather than creating confusion among the people.

Bach (2011:641) explains the term "Revolutionary Democracy" denotes:

The democratic project through revolutionary means partly emerged from a Leninist interpretation of Marx's Proletariat Dictatorship thesis. The notion of revolutionary democracy came from an opposition to capitalist liberal ideology, and Lenin's revolutionary project. (...). 'Proletariat dictatorship' was considered the antithesis of 'parliamentary bourgeois democracy' and the social revolution was expected to be led by a vanguard party in a 'democratic centralism' that would not allow any internal factionalism.

Based on his explanation, Bach (2011) characterised “Revolutionary Democracy” as a “violent and coercive” ideology that had lost its substance a hundred years ago, but it is the EPRDF government of Ethiopia has brought into existence today to oppose neoliberalism. Furthermore Bach (2011:657) argues revolutionary democracy “is a highly ambiguous concept in its relation to liberalism, which it both rejects and endorses. But it remains an important discursive tool of legitimation as well as fighting tool for the EPRDF against internal and external opponents or critics”.

In support of Bach's argument, Lidetu¹ describes democracy and developmental state ‘by their nature will never and ever be compatible so as to construct DDS’. As Lidetu explains the “authoritarian regimes” in East Asia who were playing a big role in the economy of their respective countries did neither conceptualise nor officially declared “developmental state” themselves as, their development model to follow. But the interventionist policy they had been following was simply with the vision of economic “catching up” to that of the developed world. Lidetu believes that the term developmental state has been attempted to be conceptualized since the aftermath of the East Asian economic miracle.

According to Lidetu, the ambiguous ideology so called DDS was an invention of Meles Zenawi emanated from his inherent Marxist theory of revolutionary democracy. “The inclusion of democracy to that of the 20th century DS is simply to deceive the West and get aid from them”. He continues to argue that as “developmental state” is incompatible

with “democracy” it also is impossible to practice under Ethiopia’s “ethnic based Federal System”. This is because federalism characterised by the decentralization of power to regional states, but in practice the Federal (central) Government of Ethiopia ‘has been imposing its developmental macroeconomic policies to the Regional States’. And this has an adverse impact on the rights of the regional states that contradicts the constitutional rights of Regional States’ self-rule and planning local economic policy.

Gebru², argues “Revolutionary Democracy” is a Marxist concept that was used as a means of transition from a pre-capitalist economy to Socialism. According to Gebru, EPRDF’s conception of “Revolutionary Democracy” that has been using as a bridge to transform to capitalist economy contradicts with the Marxist –Leninist theory, ‘so is a mix-up of the two conflicting (Capitalist and Socialist) ideologies’. Gebru notes that TPLF/EPRDF before it came to power was, in fact, used to follow the ideology of “Revolutionary Democracy” because its end goal at the time was socialism. But, the EPRDF has realized the failure of socialism after the collapse of Soviet Union and was obliged to adjust itself to the dynamism of the World order and adopted the liberal economic policy when it assumed power in 1991. Gebru, unlike Lidetu, believes in the compatibility of “Democracy” and “Developmental State” however. He argues that democracy rather facilitates development if the developmental state has a commitment to strengthen democratic and civic institutions and to widen the space for the multiparty system to play its role. ‘The developmental state can follow whatever ideology that seems fit to its policies and strategies, but what is needed from the state is to be patriotic to the wellbeing of its nation state’, he strongly argues. Moreover, Gebru describes that ‘there is no country in the world where pure market economy (neoliberalism) practically works, even the West who preach for market fundamentalism are not free from government intervention’. Gebru also rejects Lidetu’s view of the incompatibility of DDS under Ethiopia’s ethnic based Federalism, arguing that had the Federal System been truly implemented in Ethiopia, DDS would have been more successful, because, Federalism according to Gebru, is “localization of responsibilities” and empowerment of the local Governments. Accordingly, Federalism would not have an adverse impact on the rights

of Regional States while pursuing DDS as a development model. It is rather an opportunity, because DDS encourages inclusiveness and participatory Democracy.

What Gebru disagrees on EPRDF's "Revolutionary Democracy" is that EPRDF did not give up its conception of the socialist doctrine of "Revolutionary Democracy". He explains, the democratic centralism that EPRDF has been following until this time is 'Marxist-Leninist manifestation which is inherited from the armed struggle but is impossible to apply in the era of globalization today'.

In contrast to such fierce critics posed against the EPRDF's DDS thesis, Bereket Simon³, a long time top political leader of the ruling party, however, explains that the EPRDF government as it assumed power in 1991 immediately begun to lay the foundations of democracy by inviting all parties who were fighting against the Dergue regime, stake holders from each part of the civic society and intellectuals who were living abroad and in the country. Berket argues it was with those Ethiopian stake holders that the EPRDF led Government has laid the foundations of democracy in the country, before it has started implementing DDS. The foundations of democracy that have been laid as Berket¹² notes are:

- The promulgation of an internationally standard constitution which is the supreme law of the land, in 8 December 1994 followed by
- The introduction of federalism which guaranteeing the establishment a multi-party and bicameral parliamentary system. Consequently, the peoples of Ethiopia have been exercising to elect their representatives in every five years interval.

The EPRDF government opted DDS as a Development Model to follow is because, as Berket argues, the party was clear that poor countries like Ethiopia will not be able to extricate their people from abject poverty following the neoliberal market fundamentalism mantra. The EPRDF leadership led by Meles comprehends development as a broader ideal of human development that needs an inclusive participation of its citizen to realise. Thus, in order to mobilize people for full participation to the state's

endeavour to make poverty history and transform the country to be among the middle income countries, democracy and developmental state, by any means would not be incompatible. But they are complementary and can reinforce each other, Berket confidently argues.

With regard to the conception of revolutionary democracy, Berket rejects to those who are trying to correlate revolutionary democracy with the socialist theory of Marxism-Leninism. He defines revolution with simple sentence says ‘revolution is nothing but a rapid change occurred to lead to radical transformation’. Berket describes there were many revolutions occurred in the course of world history. He mentioned the revolutions that have taken place in different epochs which were the agricultural revolution in 17th century, the industrial revolution in 18th century, and the information (digital) revolution in 20th century among others. These revolutions happened besides the political revolutions, for example, the American and the French revolutions that took place in late 18th century he argues. Having explaining what revolution is meant and the types of revolutions that taken place in our world, Bereket refutes the labelling of revolutionary democracy to Marxist-Leninist socialist ideology. The revolutionary democracy that the EPRDF has been following according to Bereket, and the EPRDF’s political doctrine for that matter, is so as to utilize it as a bridge to the envisaged economic transformation from the pre-capitalist economy of Ethiopia today to the capitalist economy to be realized in a very short period of time. In order to achieve a rapid economic transformation in least developing countries like Ethiopia, a revolutionary democracy or a radical change is the best option rather than the evolutionary /traditional way of the Western liberal democracy, he notes.

UNDP (2012) seems to have similar argument to Bereket’s conviction, of course it is the conviction of the advocates of DS/DDS, that neoliberalism has failed to bring development in Africa so opting for an alternative might not be a subject to debate they all argue. In support to the proponents of DDS, UNDP (2012) writes:

The aspiration of developmental states is chiefly catching up with the advanced world by breaking out of the path dependency that has not led to economic transformation needed to overcome poverty. The goals are articulated as achieving development (mainly to mean economic growth) without necessarily treading upon the neoliberal tradition. (UNDP, 2012:10)

UNCTAD (2009) like to the advocates of DDS also opposes the neoliberals' idea of let the market decide mantra arguing that to choose between state and market is a false dichotomy. Furthermore, UNCTAD (2009) recommends, especially to Least Developing Countries (LDCs) to build a new developmental state based on a better balance between state and markets as an alternative development strategy notes:

Neither the good governance institutional reforms which many LDCs are currently implementing, nor the old developmental State, including successful East Asian cases, are entirely appropriate models now. Governments does not face a stark choice of good versus evil, the “vice” of State dirigisme versus the “virtue” of markets, privatization and deregulation. The institutions of the “State” and the “market” have always coexisted organically in all market-based economies; hence, the “choice” between the market and the State is a false dichotomy (UNCTAD, 2009:8).

The proposed new “Developmental State” by UNCTAD’s (2009) report seems to agree with the EPRDF conception of DDS. Accordingly, the feasibility of DDS and the compatibility of democracy and developmental state could not be refuted. UNDP (2012:13), for example, endorses the compatibility of democracy and developmental state alike to that of the proponents of DDS writes “democratic developmental state is one that forges broad-based alliances with society and ensures popular participation in the governance and transformation processes”.

Demissie Shito,⁴ shares Berket's conception of revolutionary democracy notes that since the ideology of neo-liberalism has failed to bring economic transformation, 'revolutionary democracy is a temporary ideology in which the underdeveloped countries like Ethiopia should follow in order to transform into capitalist economy'. According to Demissie revolutionary democracy is not an end itself but is a means to an end. Moreover, Demssie attempts to describe why EPRDF has opted for revolutionary democracy instead of social democracy, is because of the reason that 'there were no favourable socioeconomic bases in the country to follow social democracy'. He further argues 'social democracy is appropriate only to countries that have been transformed to the capitalist economy already, but not to the least developing countries like Ethiopia'.

Arguably, Demissie's conception of social democracy is supported by Sandbrook et al. (2007:178) puts "Social democracy is a response to capitalism: no capitalism, no social democracy". According to Sandbrook, capitalism is a prerequisite for the development of "Social Democracy: that is impossible to pursue it as an ideology without having reached to capitalist system.

Having explored the theoretical narratives of the DDS in connection to Ethiopia's experience, the study attempted to analyse Ethiopia's experience in respect to economic growth and democratization that has been undergoing in the country. The verifications given below are based on data collected from primary and secondary sources.

4.2.1. Ethiopia's Experience vis-à-vis Economic Growth

With regard to the economic growth; there are scholarly literatures, UN special agencies such as UNDP, UNCTAD etc., and the Ethiopian government official reports show Ethiopia's fast growing economy. The institutions of the Bretton Woods, International Monetary Fund (IMF) and the World Bank even have given their witness on Ethiopia's fast economic growth. It is since 2003/04 when the EPRDF government started to follow DDS development strategy that Ethiopia enabled to become one of the fastest growing

economies in Africa in particular and in the world at large. Among the scholarly literatures and agencies reports which confirm the rapid economic growth of Ethiopia by real Gross Domestic Product (GDP), to mention few, are the following:

Asayehhgn (2014:208) notes that Ethiopia enabled to achieve a two-digit real GDP growth on average from the year 2003 to 2007. At the same period of time, in 2008, IMF also described that “the speed of Ethiopia's economic growth in recent years as the fastest for a non-oil exporting country in Sub-Saharan Africa”. Nine years later UNDP’s (2017:261) report shows the continuity of the fast growing economy of the country puts “Ethiopia’s Real GDP growth slowed to 8.0% in 2015/16 from 10.4% last year and is projected to remain stable at 8.1% in 2016/17 and 2017/18”.

Moreover, Gedeon (2015:23) citing the World Bank (2013) and APRM Ethiopia Report (2011).writes “In the past one decade Ethiopia has been one of the world’s fastest non-oil growing economies in Africa averaging 10.7percent per year compared to the regional average of 5.4percent. If the country continues its impressive economic growth, it could potentially reach middle income status by 2025”.

Lidetu who bitterly accuses EPRDF’s political system and conceived it as “authoritarian regime”, however, recognizes and appreciates the economic growth achieved by the government says ‘the EPRDF government had it not pursued a developmental state model, the achievements done on infrastructures development in particular and the economic growth in general that everybody could give its witness, for sure, would not have been realized’.

The rapid and sustained economic growth that has been registering for the last 15 consecutive years is evidently attested not only by much of the literature but also by the Bretton Woods institutions, as indicated above. Thus, it seems unacceptable to deny this remarkable economic growth and may have a consensus among scholars and politicians irrespective of different conceptions they have on DDS. In this regard, Berouk and Lie, (2018) put their general view as follows:

Despite some disputes over exact figures, there is consensus that Ethiopia has achieved impressive economic growth over the past decade, often referred to as the ‘Great Run’ – similar to the surges of the Asian Tigers – with ambition of lifting Ethiopia from being among the poorest in the world to a middle-income country (MIC) by 2025 (Berouk & Lie, 2018:3)

According to the data and figures collected from various sources, Ethiopia’s experience of DDS with regard to economic growth in respect to real Gross Domestic Product (GDP) growth since its inception in the year 2003/4 has been evidently successful. Berouk and Lie (2018:22) confirm the success story of Ethiopia’s fast growing economy in pursue of DDS writes; “the Ethiopian economy is hailed internationally as a ‘miracle’, and the government is celebrated for having ‘cracked the code’ of the East Asian Tigers and adopting their lessons as precepts for Ethiopia”.

The robust economic growth that has been achieved in Ethiopia is not evidenced by the sustained and rapid GDP growth only but is also supported by the findings of other economic development indicators like the human development index (HDI) and poverty reduction assessment conducted by UNDP (2018), the Wold Bank (2015) and Asayhgn (2014), as indicated in Table 4.1.

Table 4.1: Ethiopia’s HDI towards based on consistent time series data and new goal posts

Year	Life expectancy	Expected years of schooling	Mean Years of schooling	GNI per capita (2011ppp \$)	HDI value
1990	47.1	3.1		648	
1995	49.3	2.5			
2000	51.9	4.3	1.5	616	0.283
2005	56.2	6.6	1.9	733	0.346
2010	61.6	8.2	2.3	1072	0.412
2015	65.0	8.5	2.6	1527	0.451
2016	65.5	8.5	2.7	1603	0.457
2017	65.9	8.5	2.7	1719	0.463

Source: adopted from UNDP (2018) statistical update

As indicated above, in Table 4.1, Ethiopia’s HDI value increased from 0.283 to 0.463, between 2000 and 2017 which is an increase of 63.5 percent. When we look at each of the three indicators of the HDI, UNDP in its 2018 statistical update points out that Ethiopia’s life expectancy at birth increased by 18.8 years, mean years of schooling increased by 1.2 years and expected years of schooling increased by 5.4 years, and Ethiopia’s GNI per capita increased by about 165.3 percent between 1990 and 2017.

In regard to the Poverty reduction in Ethiopia, the World Bank (2015) cited four data sources as shown in Table 4.2 notes:

Since 2000, Ethiopian households have experienced a decade of progress in wellbeing. In 2000 Ethiopia had one of the highest poverty rates in the world, with 56% of the population living below US\$1.25 PPP a day and 44% of its population below the national poverty line. In 2011 less than 30% of the population lived below the national poverty line and 31% lived on less than US\$1.25 PPP a day (World Bank Group, 2015: xv).

Table 4.2: Ethiopia then and now: a decade of progress from 2000 to 2011

Percentage of the population	2000	2011
Living below the national poverty line	44	30
Living on less than US\$1.25 PPP a day	56	31
Without education	70	50
With electricity	12	23
Piped water	17	34
Percentage of children under 5 years that are stunted	58	44
Percentage of rural women receiving an antenatal checkup	22	37
Life expectancy (years)	52	63
Total fertility rate 6 4	6	4

Sources: adopted from Ethiopia Demographic and Health Surveys, Household Income and Consumption Expenditure Surveys, World Development Indicators, Carranza and Gallegos (2011), Canning et al. 2014.

Furthermore, the World Bank (2015: xv) argues that “[t]he pace of poverty reduction in Ethiopia since 2000 has been impressive, and particularly so when compared to other African countries”.

Similarly, but with slight disparity of figures Asayhgn (2014) also writes the poverty ratio of the Ethiopian population living below \$1.25/day has been reduced from 41.9%, in the year 2000 to 29.6% in 2011.

Taking the data assessments conducted by different researchers such as: Asayhgn, Berouk and Lie, and institutions like World Bank and UNDP, and also the available government documents in to account, the rapid economic growth which the EPRDF led government has been claiming is evidently factual. The fast growing economy that has been achieved in Ethiopia is not about GDP growth only, as the opposition parties and some scholars have blaming that the economic growth is due to government’s huge investment but doesn’t have been trickle down to the citizen per-se, but it also has been proven in the overall development improvement as indicated in figure 1and 2. The claim that DDS is feasible to serve as an alternative strategy in Africa, thus, seems to have been evidently acceptable.

On the other side, the EPRDF government is blamed on its inability to curb the widening up of income inequality and high level of inflation following the fast growing economy in the country.

Table 4.3: *Gini Coefficient: Income inequality in Ethiopia*

Year	Gini Coefficient
2000	0.28
2005	0.30
2011	0.30

Source: adopted from World Bank Group (2015)

According to the finding of World Bank Group’s assessment, it can be argued that the income inequality gap in Ethiopia is narrow and seems to have been normal on the world standards. However, Asayhegn (2014) seems to have disagreeing on the World Bank’s

Ethiopia's Gini coefficient figure comparing with the Gini coefficient of South Africa, Singapore, China, Mauritius, South Korea is 0.65, 0.63, 0.48 0.42 and 0.39 respectively, in the year 2010. Asayehgn's reluctance to accept such a lower figure is because it contradicts to the accepted economic theory that argues "the middle and the upper income groups rise more rapidly than those of the poor in early stages of economic growth in developing countries" (Asayhegn, 2014:101). So as Asayehgn's argument based on the economic literatures regarding Gini coefficient, Ethiopia couldn't be above the average of country ranking of Gini index in the world while a Gini coefficient of zero (0) represents perfect equality a Gini coefficient of one (1) implies perfect inequality.

On the other hand, Asayehgn's argument seems to be erroneous for the reason that the accepted economic theory that he described itself couldn't be accepted by all economists, for example such as Amir (2014) and other development economists, but is limited to the neoliberals conception of economic theory. So the question of Ethiopia's Gini coefficient should not be justified in relation to the established economic theories because DDS's economic theory is different from that of neoliberal economic theory. What is needed here is a further assessment so to be conducted so as to verify whether the said figure of Gini coefficient of Ethiopia is fact or not.

4.2.2. Ethiopia's Experience vis-à-vis Democratization Process

Despite Ethiopia has been registering sound economic growth rates ranking among the top ten in the world, and the World Bank and IMF used to report that Ethiopia would attain the level of a middle income economy by 2023 before 2025 that had been planned. Ethiopia's experience of DDS with regard to democracy however is at its infancy and is becoming a subject to hot debate. Much of the literature as well as the members from the opposition parties who have been interviewed by this study bitterly blame the EPRDF led government that has failed to accommodate democracy in the country as it preaches. They argue that EPRDF's democracy is a "pseudo-democracy".

Bach (2011) an ardent critics of "EPRDF's democracy", for example, notes:

EPRDF's ideological notion of revolutionary democracy is to be related with a democratic centralism doctrine which is at the cornerstone of the system ... [which] reveals above all the rigid and hierarchical structure of the EPRDF coalition and is, among others, illustrated by the gemgema /polico-administrative evaluations/ (. . .) allow the appointment and discharge of civil servants and government officials to be manipulated and subverted (Bach 2011:647).

Similar to Bach's argument but in a moderate way Clapham (2017:1160) also argues on EPRDF's democracy that "although there is an evident factional politics, of a kind that is likewise characteristic of closed governance structures".

Also much of critics have been voicing in relation to Ethiopia's 'flawed electoral democracy'. The critics that are mentioned in the literature and described by members of the opposition parties themselves argue that though the constitution guarantees a multiparty system and many opposition parties were able to flourish accordingly, but in practice activities of the political parties are limited by government restrictions and are subjected to intimidations and obstructed from conducting political mobilisation and electoral campaigns (Abbink, 2011; Clapham, 2017; Berouk and Lie, 2018).

As Bach (2011) argues, the EPRDF views 'Democracy' if only it fulfils the party's major objective, i.e., economic development. Moreover, (Fissiha and Abtewold, 2017) characterize the EPRDF government as an "authoritarian regime", arguing that the sustained economic performance that has been achieved for more than a decade was at the expense of democracy.

Berket on the other side does not accept the arguments that blaming EPRDF as an authoritarian government arguing that the EPRDF led government since its accession to power, in 1991, "had firm commitment to the democratization of the country and that is why it has laid the foundations of democracy at the earliest possible". If the pillars for democratization, for instance, multiparty system, electoral bicameral parliamentary

system and federal system which guarantees the group and individual rights in which all are enshrined by the constitution have been set up from the beginning. And since democracy is a long process it would have been widening as the democratic culture simultaneously develops through exercise, Berket argues.

On the other side, as cited in de Waal (2012:7) Meles was clear about the challenges in implementing democracy in Africa at large and in Ethiopia in particular saying ‘there is no sustainable democracy in a society characterized by pervasive rent seeking. We need value creation to be dominant for there to be a foundation of democracy, for politics to be more than a zero sum game, a competition to control state rents’.

Meles’ conceptualization of democracy in the context of the developing world in general and Africa in particular is demonstrated by Waal (2012:6-7) puts:

African countries might have the trappings of human rights and democracy, but, he said, ‘there is no sustainable democracy in a society characterized by pervasive rent seeking. We need value creation to be dominant for there to be a foundation of democracy, for politics to be more than a different from the orthodoxy preached by it. Africans have to demand and create such a space.

South Korea, Taiwan and China were Meles’ favourite examples of developmental states that successfully achieved rapid economic growth, especially China which is enabled to create space for alternative by challenging neoliberalism. Though Meles has been inspired by these East Asian developmental states’ model of development, he did not believe in direct replicating of their model in 21st century’s globalized world, and the existing realities of Africa in general and Ethiopia in particular. So he recommends DDS within African context. As cited in de Waal (2012), “Meles’ theory of democracy” in conjunction to the new developmental state paradigm puts:

‘Even if a developmental state was to be solely concerned about accelerating growth, it would have to build the high social capital that is

vital for its endeavours. It would have to stamp out patronage and rent seeking. These are the very same things that create the basis for democratic politics that is relatively free from patronage' (de Wall, 2012:7).

Despite the challenges for the quality of democracy to prevail in Ethiopia, Bereket argues, however, that the level of democratization in the country has travelled almost half way. Bereket (2010 E.C/2018:220) indicates the level of democratization process that has been taken place in the country by citing an Afrobarometer's (2013) survey conducted on Ethiopia as shown below:

Table 4.4: A survey conducted on quality of democracy in Ethiopia

	%
A full Democracy	42
A democracy, but with minor problems	39
A democracy, with major problems	6
Not a Democracy	2
Don't know/ Don't read	9
Don't understand question/don't understand what democracy is	1

Source: adopted from Afrobarometer (2013).

Note: The sample size, collected by random sampling method, is 2400 respondents

Even though democracy is a long process that couldn't be achieved in a short period of time, Berket acknowledges democratization in Ethiopia is still below the expectations. And he admits that the EPRDF led government has its weakness in establishing and strengthening democratic institutions in the country. Berket also regrets on government's failure to control corruption and what is embarrassing is that most of these corrupt officials and rent seekers are members of the ruling party.

Berket puts the causes for the failure of building a vibrant democracy in the country as follows. The first cause that he mentioned is selfishness that most of the EPRDF leaders

in the government have developed self-serving behaviours rather than being an “enlightened self-interest”. Secondly, he notes that the EPRDF has made a mistake in the methodology and in conceptualization of fighting corruption. One of the misconceptions is the EPRDF was expecting that the people of Ethiopia would play its role in correcting those corrupt officials in tandem with the rapid growth of the economy rather than taking measures. The revolutionary democracy ideology itself which is blamed as a cause for the deficit of democracy, however, is not accepted by the respondent.

According to Barometer’s (2013) survey cited in Berket (2010 E.C/2018) the level of democratization process in Ethiopia is less than fifty per cent (50%) that is far below the expectations. UNDP (2012) also argues on the slowness of democratization in Ethiopia writes:

Given the fact that the transition to democracy is taking long and tortuous routes, the developmental state to be constructed in Ethiopia is bound to push the agenda of democratic transitions as well as economic transformation. This is partly a necessity because the developmental state in Ethiopia needs the legitimacy, the credibility, and the competence that comes from its democratic credential. To lead the transformation emphatically in an authoritative and binding manner, it is imperative that the state work on the democratization agenda as well as the developmental agenda without prioritizing one over the other (UNDP, 2012:15)

Findings of this study show that, there is a consensus on the fast and sustained growing of the Ethiopian economy for more than fifteen consecutive years. With regard to democratization on the other hand, while some literatures agree that there is some but slow degree of democratization in Ethiopia, there is a consensus among opposition parties and most Ethiopian elites that democracy in Ethiopia is only in a written form in the constitution but to be practically exercised by the people has not been realized. Much of the literature’s blame goes for the impracticality of democracy in Ethiopia is, because of the EPRDF’s democratic centralism doctrine.

Despite the fact that the EPRDF led government of Ethiopia, especially since its announcement of DDS, is enabled to achieve a double digit real GDP growth for more than a decade, the performance in respect to democracy, however is too weak to bring fundamental changes. Supporters of the EPRDF government and party members on the other hand argue that since the basic foundations for democratization enshrined by the Constitution had already been setup from the outset, so also democratization is a long process they hope it would be widening up in due time. What so ever the pitfalls have been witnessed while the government has been pursuing DDS, the possibility of DDS to serve as alternative strategy however is being evident in contemporary Ethiopia. The successes and pitfalls that would be learnt from Ethiopia's experience will be shown later. Now the study tries to explore the Experience of South Africa as well.

4.3. South Africa's Experience in building DDS

As mentioned earlier, South Africa was the second country in the African Continent that officially declared to build DDS. According to Gumede (2009:35), "The transformation of the ANC under Mbeki led to the adoption of new values, goals and strategies". The new values and strategies that Gumede is talking about is DDS. Thabo Mbeki, after he was elected as the President of the African National Congress (ANC), in 1997, had become the leading strategist to the idea of transforming ANC from a broad-based liberation movement into a modernized governing political party. When he became president of South Africa in 1999, ANC's modernization was accelerated. When Mbeki became the president of South Africa, "ANC modernizers saw the new restructured presidency as the political centre that would co-ordinate the formation of a developmental state" (Gumede, 2009:45) argues. Moreover, Gumede citing (ANC 2005a: 9) notes that the National Democratic Revolution (NDR) is the political ideology behind the ANC's ruling party so as to pursue DDS which was officially announced in 2005.

Qobo (2019:1) shares, Gumede's (2009) argument on Mbeki's ideal of modernizing ANC, and explains that at the early times of post-Apartheid South Africa the party "was not sufficiently prepared to govern" the country because "it lacked bureaucratic depth and

policy fine”, but it was “save for a few technocratically-minded politicians”. Furthermore, Qobo argues “the cream of ANC’s intelligentsia, rather than the body of the party as a whole allowed the ship to sail steadily. (...) the ANC focused on how to build a democratic state and articulate the values laid out in the country’s constitution”.

Accordingly, it is believed that the ANC political strategists like Mbeki were the initiators of the idea of DDS as an alternative development model, even before the promulgation of the South African constitutional democracy in 1996. And it was during Mbeki’s presidency, i.e., in 2005 that the ANC-led government of South Africa announced DDS as its development strategy. As it is noted in the back ground of this study, Mbeki in his report to the congress in the year 2007 clearly mentioned what the ANC has decided in the year 2005, regarding the ruling party’s goal is “sustained development and shared growth spearheaded by a democratic developmental state”.

Acknowledging that South Africa is one of the few governments in the world that has explicitly committed itself to construct DDS (Edigheji 2010), the study now focuses on exploring and analyzing the successes and failures of South Africa’s experience in the perspectives of economic and democratization process, since the announcement of DDS.

4.3.1. South Africa’s Experience vis-à-vis Economic Growth

Gumede (2009) depended upon the South Africa’s constitutional democracy that had already been established before the announcement of DDS in the country convincingly writes:

Most of the East Asian developmental states may have reached their developmental goals under undemocratic conditions, yet in South Africa, a constitutional democracy, the delivery of the developmental state will not only have to take place in the economic and social spheres, but must also deepen democracy (Gumede,2009:7).

Despite the level of inequality in South Africa is still a serious challenge, alike Gumede’s argument and the claims of the ANC government, literatures such as (Barometer,2014),

scholars like Kadt and Cupido (2016), Masipa (2018) also argue on the steady growth of South Africa’s economy since the governing party has declared DDS to have been adopted as its development path. Kadt and Cupido (2016), for example, argue that South Africa remains a middle income country though there are deep structural socioeconomic divisions in the country. They point out:

Years of macroeconomic prudence – most notably under the Mbeki administration – saw the economy grow at a steady, if not entirely spectacular, rate. In 1999 unemployment stood at 30% and fell to 22.8% by 2008¹² while a reasonably robust GDP growth rate was achieved during the same period, peaking at over 4% per annum in the years 2004-07. The country’s economic development remained encouraging for over a decade (Kadt and Cupido, 2016:15).

The Department of Planning, Monitoring and Evaluation of the Republic of South Africa in its 2016 development indicator report confirms Kadt and Cupido (2016) argument as shown in Table 4.5 below.

Table 4.5: *Real GDP Growth of South Africa (year on year)*

%	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GDP Growth	2,9	4.6	5.3	5.6	5.4	3.2	-1.5	3.0	3.3	2.2	2.5	1.7	1.3	0.3

Source: adopted from Department of Planning, monitoring and evaluation (Development Indicators 2016), Republic of South Africa

Despite the general consensus on South Africa’s sustained economic growth during Mbeki’s presidency among the academic practitioners and policy makers, the academic practitioners however criticize the governing party for its failure to control “the growing levels of rent-seeking, corruption, nepotism and maladministration in the civil service all of which impact negatively on its global competitiveness and investor confidence”, Kadt and Cupido (2016:3) argues.

Moreover, Masipa (2018) argues inequality has increasing in South Africa which the country ranked the top in the world, despite the robust economic growth was achieved. He attempts to verify how income inequality in the country has steadily increased referring the Gini coefficient citing Statistics South Africa (2016) as indicated below.

Table 4.6: *Gini Coefficient: Income inequality in South Africa*

Year	Gini Coefficient
2000	0.59
2006	0.68
2013	0.70
2016	0.77

Source: adopted from *Statistics of South Africa (2016)*

As Masipa (2018:5) states the socio-economic challenges of unemployment, poverty, and inequality that confronting South Africa “...often result[s] in social instabilities as the citizens resort to the streets to demonstrate their discontent.

Besides the serious challenge of income inequality that South Africa has been faced most, the country’s human development index as per 2013 human development report cited in Gumede (2014) indicated in figure 4.6, shows that South Africa’s HDI) has been stagnant. In other words, in addition to the per capita income both the life expectancy and schooling have been stagnant too. Since much of the literature argues that South Africa’s socio-economic problem is multifaceted, it is evident that the ANC government of South Africa has a long way to go to address the problem.

Table 4.7: *Human Development in South Africa (1980-2012)*

Year	Life expectancy	Expected years of schooling	Mean Years of schooling	GNI per capita (2005 ppp \$)	HDI value
1980	56.9	11.1	4.8	8399	0.57
1985	59.8	11.1	4.8	7892	0.581
1990	61..5	11.4	6.5	7671	0.621
1995	59.9	13.1	8.2	7350	0.65

2000	54.8	13.1	8.2	7462	0.622
2005	51.1	13.1	8.2	8420	0.604
2010	52.2	13.1	8.2	9307	0.621
2011	52.8	13.1	8.2	9463	0.625
2012	53.4	13.1	8.2	9594	0.629

Source: UNDP (2018) statistical update

The major causes for the South Africa’s fundamental challenges, i.e., inequality, poverty, unemployment and human development stagnation, as pointed out in most of the literature the country’s unique colonial history that “stems from the structural and systematic disparities that are as a legacy of colonialism and apartheid” (Misopa, 2018:3).

Gumede (2014) shares Misopa’s (2018) argument that the colonialists had established an economic system to serve their interests at the expense of the indigenous people writes:

The apartheid government employed various strategies and policies which ensured that whites assumed and maintained control of the economy, enjoyed better living conditions and prepared for a more meaningful future than the other races. (...) the post-apartheid political economy, arguably, is also a compromise between the African majority rule and the white minority who holds greater power in finance capital (Gumede, 2014:5-6).

In recognition of the long lasting legacy of colonialism and apartheid that the ANC government has been tackling with , the majority of the South African society, especially the black population continues to hope the socio-economic transformation will be materialized under the leadership of ANC. Booysen (2013:18) in her assessment of Citizen views of human rights, governance and the political system in twenty years South African democracy argues that “despite their anger and cynicism about political leaders and many government institutions they see the ANC as their agent for further. Furthermore, Booysen (2013:12) rightly argues that there are gradual socio-economic improvements in post-apartheid South Africa which “are sufficient to make people

believe that lives have changed, in nearly all cases for the better and just enough to sustain hope”. Despite the challenges of income inequality, unemployment, human capital formation, etc., that have been confronting. Arguably it is due to this sustained hope of the majority of South African citizens which has been evidenced by their choice for the ANC that enabled it to win six consecutive national elections since it came to power, in 1994.

4.3.2. South Africa’s Experience vis-à-vis Democratization Process

South Africa’s Constitutional democracy that was promulgated in 1996 provides for a system of Universal adult suffrage and a multi-party system of democratic government with two houses of parliament, the National Assembly and the National Council of Provinces.

In most of the literatures which dealt with South Africa’s constitutional democracy, there is a consensus that the constitution is one of the best in the world which contains a wide array of classic political and socioeconomic rights, institutional innovations such as the National Council of Provinces, independent watchdog agencies and commissions, and an activist Constitutional Court to protect constitutional democracy in the country, many scholars like Mattes (2002), Gumede (2009), Musuva (2009). Musuva (2009), for example, describes the South African Constitution as one of the most progressive in the world. Furthermore, Musuva (2009), states the South African Constitution guarantees the establishment of seven state institutions to protect constitutional democracy. The seven institutions that Musuva (2009:5) points out are the following:

- The Public Protector,
- The South African Human Rights Commission,
- The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities,
- The Commission for Gender Equality,
- The Auditor General,

- The Electoral Commission,
- The Independent Authority to Regulate Broadcasting,

Moreover, Gumede (2009:12-13) argues about the uniqueness of the South African constitutional democracy in granting democracy to its citizens more than any other constitutions writes:

[T]he constitution provides for both a representative and a participatory democracy. This means that ordinary citizens will not only have to be consulted but also to be involved and participate in the decisions, whether economic, political or social, that affect them. This makes the challenge of building a developmental state very different in South Africa from elsewhere: the state must deliver development in both the economic and democratic spheres.

Despite the fact that the South African constitution is widely seen as a “state of the art” document and is praised internationally, there are few literatures which counter argues about the true democracy in South Africa. Mattes (2002) notes South African constitutional democracy is flawed in various respects particularly with regard to the interaction among party politics, voter representation, and legislative-executive relations. Mattes (2002) argues further that what is in theory a multiparty system is in fact completely dominated by one party and continues to explain the shortcomings of the Constitution that limits voters’ control over their elected representatives notes:

While the electoral system provides for high degrees of “collective representation” (the overall balance among parties mirrors aggregate election results) and “descriptive representation” (the legislature tends to look like the electorate in terms of ideology, race, and ethnicity), it has created no direct link between legislators and voters (Mattes, 2002:24).

As Mattes rightly argues the Constitution also does little to effect the separation of powers between the legislature and the executive, because the ANC party structure is guided by the principles of democratic centralism. Mattes’ judgment to label the South

African democracy as flawed democracy seems to be too early to blame (his article is wrote in 2002), because post-apartheid South Africa had only six years of experience democratization in which its constitutional democracy promulgated in 1996.

Nevertheless, there are also recent literatures (Booyesen, 2013; VRÜ, 2015; Qobo, 2019), which support what Mattes (2002) has argued 15 years ago. The literary source VRÜ (2015:260) is one among others that argues about South Africa's flawed democracy notes:

The accountability of democratic representatives to the electorate is undermined by the closed list system of proportional representation that is used in South Africa, in terms of which voters vote for political parties rather than individual representatives.(....) While the exact extent to which the dominant party democracy thesis sheds light on the challenges facing democracy in South Africa is contested, it does resonate with certain aspects of the South African experience, such as the growing conflation of the state and ruling party, political interference in independent state institutions like the National Directorate of Public Prosecutions and the deployment of ANC cadres to key positions in public institutions.

Though the South African constitutional democracy has certain limitations, as described above, democratization in South Africa is one of the best in comparison to other African countries. According to BuinesTech's (2018) assessment which covered 176 countries to measure strong democratic culture index, South Africa was ranked 40th out of the 176 countries and 4th in Africa after Mauritius, Cape Verde and Botswana.

Masipa (2018) while believing the South African Constitution is an internationally praised one and also acknowledging that better democracy has been practicing in the country, on the other side he argues democracy without socio-economic transformation might lead to "democratic distemper rather than consolidation". Masipa (2018) further strengthens his argument by explaining what a democratic consolidation would mean and writes:

Democratic consolidation in South Africa should not, as many do, be understood merely as conceptual fiat but rather as a precondition towards alleviating the socio-economic challenges confronting the nation. (...). Democratic consolidation is a function of socio-economic transformation, not the ritual of each 5 years South Africans going to the polls. Democracy is not only about elections but also the realization of the socio-economic rights as enshrined in the Constitution of South Africa (Masipa, 2018:4).

South Africa's experience of democratization, as this study explores it in respect to different perspectives shown above, it can be generalized that South African democracy is in a better position especially in African context referring strong democratic index ranking.

4.4. Lessons to be learnt from the successes and failures of Ethiopia and South Africa in building DDS.

As thoroughly discussed in the above sections of this chapter, there are many lessons to be learnt from the experiences of the only two countries in Africa, if not in the world, which dared to officially declare DDS as alternative to neo liberalism. First of all, both countries were able to disprove the impossibility theorem or the incompatibility conception of democracy and development that has been preaching by the advocates of neoliberalism, because both countries were able evidently achieve economic growth and construct democracy that the feasibility of DDS has been justified though deficiencies have also been witnessed in both countries. While Ethiopia was able to achieve a double digit economic growth for the last fifteen consecutive years but with pitfalls in achieving democratization, South Africa on the other hand was able to achieve better in the democratization sphere than what it has achieved in the economic sphere.

Comparing the constitution of South Africa with that of the Ethiopian Federal Constitution, they are almost similar to each other. The Ethiopian constitution is also considered to be one of the internationally standardized constitutions although it has been

questioned on its implementation. The significant difference that can be seen in both constitutions is the federal system. Whilst the Ethiopian federal system is an ethnic based federalism, the South African federal system accepted the already existing geographical boundaries of the nine provinces, and their anticipated political control. Besides the difference in the federal arrangement, the similarity of both constitutions that the two countries they follow, to focus on some of the articles that are considered as having defects in democratization are the following:

- In the constitutions of Ethiopia and South Africa, the electoral system is a proportional representation in which the electorate vote is for parties rather than for individual representatives to win at least one seat in the national legislature,
- Both Constitutions do not have a clear demarcation of powers between the legislature and the executive, because the EPRDF and ANC party structures are guided by the principles of democratic centralism.
- Such undefined powers between the legislature and the executive, the nature of party structure and principles of democratic centralism they follow could lead to political interference in independent state institutions,

Though both constitutions allow a multiparty system, because of the defects in the constitutions, practically, the national elections were completely dominated by one party in both countries. That is, the EPRDF of Ethiopia and the ANC of South Africa have still been ruling their countries; for 28 and 25 years respectively.

As indicated above, the Constitutions of Ethiopia and South Africa have unique similarities and limitations in comparison to liberal democracy. In spite of the similarities that have been observed in both of constitutions, the findings of the quality of democracy and the degree of economic growth that have been achieved in both countries however has showed big difference and vice versa. In comparison to what the two governments have achieved with regard to economic growth and democratization, the findings show, as mentioned elsewhere, Ethiopia has achieved a rapid and sustained double digit GDP growth for more than a decade. South African also has achieved a remarkable economic

growth in comparison to the Apartheid regime though could not be able to exceed more than 4% GDP growth rate. With regard to the quality of democracy, while South Africa has been ranked 4th in Africa, Ethiopia is yet at its early stage.

The reason why such a big difference has occurred despite the fact that both countries have similar constitutions is because Ethiopia and South Africa have different histories and social constructs. South Africa has experienced a long lasting and unique colonial history that the political and socio- economy of the country had been stemmed from the structural and systematic establishments of colonialism and apartheid (Misopa, 2018). The economic system that had been established for a long time in colonial and apartheid South Africa was employed to serve the interests of the white minority at the expense of the indigenous people.

In post-apartheid South Africa, ANC's economic policies and strategies however are designed under the framework of the country's constitutional democracy that guarantees an equilibrium and improved welfare of the white minority and the black majority in multi-racial South Africa. Consequently, South Africa ranks as economically moderately free and was able to achieve a reasonably robust GDP growth rate over 4% per annum especially during the years between 2004 and 2007 following ANC's announcement of DDS (Kadt and Cupido, 2016). But, the country is also regarded as one of the most unequal societies in the world, on the other hand. It is due to the long lasting colonial and apartheid legacy of exploitation racial oppression that income inequality, unemployment and poverty are still continued to be serious challenges in South Africa.

In the democratic sphere, it is believed that civil society can pave the way to exercise democratic culture; and according to Butler (2009), there was a vibrant civil society during the Apartheid regime that fought against the racial segregation had become crucial for democracy to prevail in South Africa. In this regard Butler puts:

During apartheid, one organization in particular was essential for bringing together a broad front against the Apartheid government. This organization was the United Democratic Front (UDF), which became

crucial in the final struggle for the prevailing of democracy. Another organization which was important during the fight against racial segregation, and after 1994, is [Congress of South African Trade Union] COSATU. COSATU is a part of the ruling alliance in South Africa, together with the ANC and the [South African Communist Party] SACP, and has been very influential in the making of labour laws and building semi-corporatist structures like the National Economic Development and Labour Council (NEDLAC) (Butler 2009:151).

Consequently the quality of democracy in post-apartheid South Africa is in a better position comparing to other African countries. However, while South Africa ranks as democratically strong on one hand, the country is often seen in the top five unequal countries globally with a high Gini-coefficient on the other hand, as mentioned earlier. In this regard, Kotze (2016) argues as the economic dividend of a 'better life' had not materialised, it demonstrates disillusionment with democracy. Afrobarometer Survey (2015), cited in Kotze (2016) also pointed out:

South Africans are discontent with democracy and "a majority of citizens would be willing to give up elections in favour of a non-elected government that would provide basic services". This indicates that intrinsic support for democracy in South Africa remains weak, and the essential instrumentalist commitment to democracy weakens in the context of mediocre delivery of economic and material goods (Kotze 2016:11).

The South African's disillusionment with democracy generally tells us that the majority of the South African society has given acknowledgment for the democracy they have gained under the leadership of the ANC but they become disillusioned that the 'better life for all' slogan of the ANC does not materialized as far as there is a high levels of socio-economic inequality that characterise South African society. Therefore, the lesson that can be learnt from the case of South Africa is that democracy alone could not bring

economic equality, employment and extricate citizens from poverty unless democratic governance and development can be reinforced each other.

In contrast to the strong South African democracy that has been witnessed in much of the literature mentioned earlier, the quality of democracy in Ethiopia on the other hand is reportedly weak despite the country's constitution is almost similar to that of the South African constitution. Historically, the TPLF/EPRDF of Ethiopia and the ANC and its long time ally SACP of South Africa, who were “democratic liberation movements” before they came to power had been sympathetic towards socialism. So it seems arguable that the similarity of the constitutions that they have been designed might have been influenced by the ideology they had been sharing before they came to power.

If there is similarities in the Ethiopian and South African Constitutions, and it is also evident that both constitutions have limitations with regard to the “electoral system”, dominant party, lack of clear demarcation of powers between the legislature and the executive as described elsewhere, the main question here is that why a big gap in the quality of democracy has been created while comparing these two countries. This question needs an answer so as to draw lesson from and would be beneficial on how to go forward.

While exploring the South Africa's experience with respect to “democratization” process, the findings show that the quality of democracy in the country is strong despite the constitution that has some limitations could not be an impediment for democracy to be prevailed in South Africa. Accordingly, the Ethiopian constitutional limit, as it has been blaming by most of the opposition parties and some scholars, may not be the main cause for the failure of democracy in Ethiopia. Besides the constitutional limitations, it might also be helpful to explore other factors that hinder for Ethiopia's democratization. Democracy is a long process that would not be realized by the will of the government and by having an internationally praised constitution only, but there are also other factors that can play a big role for democracy to prevail. These include the existence of a vibrant civil society, a modern economy so as to create middle class citizens who have the knowhow of democratic culture like to what has been created in South Africa and establishment of

strong and independent institutions. In this regard Ethiopia lacks these factors that may have contribute to the failure of democracy in the country, even though the EPRDF government should take the lions share. Moreover, the conservative and resistance to change nature of the Ethiopian culture, lack of an experienced opposition political parties, lack of consensus on nation building, recriminations and political marginalization among the political parties, etc..., could also negatively impacted on the quality of democracy in the country. It is not because of the antagonists' argument that blames DDS incompatible with democracy.

Generally speaking, the fast growing economy that have been achieved in Ethiopia as well as the quality of democracy that have been prevailing in South Africa can be taken as a success stories to be learnt from both countries on one hand. And the low quality of democracy in Ethiopia and the inability of the ANC government of South Africa to reduce income inequality, unemployment and poverty in the country, on the other hand could be learnt as failures. Rampant corruption, lack of capacity in the bureaucracy that is resulted from deliberately deployment of politically trusted cadres to top government offices rather than recruiting based on meritocracy are common problems committed by both governing parties of the two countries. These problems will be discussed in detail in the next section.

Nevertheless, what so ever the shortcomings it has (since there is nothing perfection but everything is relative) DDS is evidently proved to be an alternative development strategy in Africa. Ethiopia and South Africa who enabled to successfully experiment DDS were not without challenges however. The challenges they have been facing are both domestic and external that will also be discussed in next chapter.

Chapter V

Analysis: Why DDS would be chosen as an alternative development strategy and how? What are the Challenges in building DDS in Africa?

5.1. Why DDS would be chosen as an alternative development strategy in Africa?

Very recently, The Guardian (UK) in its May 30, 2019 edition published Joseph Stiglitz's, prominent American economist, article titled "Neoliberalism must be pronounced dead and buried". Where next? Stiglitz in his article (2019) argues neoliberalism does not work though it has been attempted for the last 40 years, since its inception in 1980s, and concludes "progressive capitalism is not an oxymoron. Rather, it is the most viable and vibrant alternative to an ideology that has clearly failed". Stiglitz has categorized development alternatives into three major political alternatives: "far-right nationalism, centre-left reformism and the progressive left (with the centre-right representing the neoliberal failure)". The progressive capitalism that Stiglitz calls is the progressive left in which according to him is with the exception of it, the other two alternatives "remain beholden to some form of the ideology that has (or should have) expired".

The failure of neoliberalism to bring development in the "underdeveloped world" or the declining of neoliberal ideology towards its end or near to die was not anticipated by the prominent American economist Stiglitz only, but most of advocates of developmental state have also been writing decades ago. Meles (2006) for instance dared to write against neoliberalism in his paper titled "African Development: Dead Ends and New Beginnings" would mean that neoliberalism is near to die and DDS is to become a new alternative, can be mentioned as good example among others.

Moreover, Rist (2014) seems to have been pessimistic by the exhaustion of the neoliberal economic paradigm, similarly notes that “[t]he obsession with economic growth that today shapes all policies, in both North and South, is closely bound up with a totally unrealistic vision of the world and should be not only denounced but fought against”. He further criticizes “economic science has nothing scientific” arguing that, “it sanctifies the law of the market without imagining the economic exchange might follow different rules” Rist (2014:277).

Amin (2014:106) also acknowledges the failure of neoliberalism naming it “the collective imperialist triad” and “the failure of Sovietism (...) not the failure of socialism but failure of the project of building a particular form of capitalism (capitalism without capitalists)”.

Edigheji (2005) on the other hand, questioned the Western type of representative democracy explains that public interest in elections and trust of government has been declining because of the absence of equal opportunity to all citizens. Consequently it is conceived that liberal democracy that cannot deliver on the basic needs of the people will be short-lived if it does not go hand in hand with development. Edigheji (2005) therefore suggests for participatory democracy rather than sticking to the representative democracy.

Very surprisingly, Francis Fukuyama (2014), the adamant advocator of the neoliberal ideology who wrote a book entitled “The End of History (1992) to demonstrate the victory of neoliberalism against other alternatives has obliged to believe that neoliberalism is decaying and he recommends for strong government because the American system of checks and balances makes it harder to make decisions. Fukuyama (2014) argues:

The decay in the quality of American government is rooted in the fact that the United State has returned in certain ways to being a state of ‘courts and parties’. (...). There has been a parallel usurpation by Congress. (...). Interest groups undermine the quality of public administration as a result of the multiple and often contradictory mandates they induce Congress to support. All of this has led to a crisis of representation in which ordinary

people feel their supposedly democratic government no longer truly reflects their interests but is under the control of a variety of shadow elites (Fukuyama, 2014:470).

According to the arguments of these prominent scholars mentioned above (Amin, 2014; Rist, 2014; Stiglitz, 2019) and much of African authors such as Edigheji (2005), Gumede, W. (2009), Mkandawire (2010), Gumede, V. (2014) as well as politicians and policy makers like Meles Zenawi and Thabo Mbeki, a general consensus is reached that neoliberalism has failed to extricate the population of the developing world from abject poverty. Moreover, opponents of neoliberalism argue that neoliberalism is bourgeois' ideology that serves transnational corporates to maximize their profits at the expense of the poor in particular and the developing world at large. Interestingly this argument is supported by ardent proponent of neoliberal ideology by Fukuyama (2014). Because of these sounding arguments made on the failure of neoliberalism to fulfill the needs of the majority of the world population, the search for an alternative is therefore the order of the day. Despite the consensus that has been reached that neoliberal would no more be an alternative strategy, consensus on which alternative would be instead is not yet reached however.

Stiglitz (2019) attempts to identify what he called "progressive left ideology" which "prescribes a radically different economic agenda", based on "restor[ing] the balance between markets, the state and civil society as first priority is "the most viable and vibrant alternative" to the failed neoliberal ideology.

Amin (2014:116) on the other hand, acknowledging the failures of the socialist and neoliberal ideologies suggests for other but radical alternative strategies writes "Alternative strategy can only be effective if they are radical. In other words, both by working on the deconstruction of the existing system and by initiating progress towards building an alternative system which in my opinion, should be socialist-driven, in the sense that it must consciously shake itself from the shackles of capitalist logic".

The "radical or progressive left type alternative" strategies recommended by those renowned economists mentioned above seem to have been similarities with DDS,

especially with EPRDF's revolutionary democracy narrative. That is, the DDS proclaimed and have been implementing by the governments of Ethiopia and South Africa has typically similar with what Samir Amin and Joseph Stiglitz have argued. It is because the political ideology that the EPRDF led government of Ethiopia and the ANC led government of South Africa have been following is radical in contrast to the neoliberal ideology whereas the economic policies they follow is a free market based economy. Thus, the reason why DDS has been chosen by these two African countries is because, first and foremost neoliberal strategy has failed to bring development for the developing countries. Secondly, the EPRDF led government of Ethiopia and the ANC of South Africa who chose and announced DDS to pursue as an alternative development strategy were able to evidently proved DDS' feasibility and nullified the incompatibility theorem between democracy and developmental state as argued by IMF (2008); Gumede, W.(2009); Musuva (2009) ; UNDP (2012); Asayehgn (2014); Gedion (2015); World Bank (2015); Lie, J. and Berouk (2018) to mention few among others. The choice for DDS as an alternative, thus, would not have been limited to these two countries only but other African countries should also follow suit as their first choice.

In spite of the fact that "neoliberalism" is in declining and is believed to no more be an alternative development strategy as argued earlier, neoliberal ideology will not easily cede its hegemony however. The battle of ideas that was fought between the western neoliberal ideology and the emerging powers led by China with its new alternative known as Beijing Consensus, has been transforming to the status of trade war this day, if not has gone beyond. Consequently, the influence of theses contesting global powers (the Washington consensus versus Beijing consensus) that have been racing to impose their strategic interest on Africa's development path, particularly on countries like Ethiopia and South Africa who have been pursuing DDS, is inevitable.

Accordingly, building of DDS as development strategy in Africa will not be an easy work but with full of challenges. The challenges are both internal and external that requires wisdom and commitment of political leadership. Before this study goes to deal with the challenges it is imperative to identify first what the essential conditions should be

fulfilled or more attention would be given to. Hence, these essential conditions will be discussed in the next section.

5.2. How and under what type of political leadership does the DDS pathway would be attained in Africa?

This study identified the essential conditions that have to be fulfilled or more attention should be given for the success of DDS in Africa. As most of the scholars who are involved in this field of study agree (Edigheji 2005; Gumede, W.2009; Mkandawire 2010; Gumede, V. 2014), the essential conditions that should be fulfilled in order to build DDS are the following:

1. The first and foremost is to have a constitution that guaranteeing an electoral democracy and popular participation in the development processes,
2. Committed government with a political will, long-term vision and determination to drive the country's development and modernization project,
3. Prior experience of development in the industrial and financial sectors,
4. An efficient bureaucracy, i.e., the state must have well-coordinated administrative staffs, skilled employees, political capacity and competency to set national goals, make use of the market and implement its policies.
5. Getting the right policies in place which includes getting the sequencing right and having the flexibility to change quickly when a strategy is not working,
6. An integrated long-term development plan which is crucial for the identification of the core priorities of a nation.
7. A developmental partnership between government, business, labor and civil society with the ultimate goal of radically transforming the economy, i.e., lifting economic growth levels, reducing unemployment and poverty and making the country competitive vis à vis its competitors in the shortest possible period of time.
8. The international environment, i.e., the international context and timing are very important ingredients to the success of an individual developmental state.

9. Nationalism, i.e., in the process of development, nation states demands a heightened and deliberate sense of nationalism so as to promote development and coping with development (Gebru Assrat also emphasized that Nationalistic patriotism is crucial more than ideology in building DDS).

This study, thus, attempts to explain these essential conditions for the construction of DDS in Africa, or in anywhere else, in comparison with Ethiopia and South Africa. Since both countries have been implementing DDS for almost two decades, to explore and analyze their experience with respect to the prerequisites listed above helps to justify whether these prerequisites are necessary conditions for the establishment of DDS or not.

In previous sections, the study has explored and attested that Ethiopia and South Africa have been successful while pursuing DDS, although deficiencies were also witnessed. In this section, the study focuses on investigating whether the two countries were in a position to launch DDS in respect to each of the prerequisites, because having better understanding about the countries' experience would offer good lesson for the way forward in building DDS in Africa at large. The study tried to explore the policy documents, government and party Medias, and the strategies and tactics of both ruling parties in comparison to where they were before they have launched the DDS and what they have achieved after in socio-economic and political sphere.

While exploring the status of the two countries before they launched DDS, based on the literatures and the governments' policy documents in reference to each of the prerequisites listed above, both Ethiopia and South Africa seems to have similar status in fulfilling only 4 out of the 9 essential conditions (prerequisites). To mention them, these are prerequisite no.1 (electoral democracy enshrined by the constitution), no.2 (political will and long-term vision), no.8 (international environment) and no.9 (sense of nationalism), {see the 1994 and 1996 constitutions of both countries respectively, EPRDF Statute (2006) and strategy and tactics of ANC (2007)}. However, both countries have difference in the remaining once. While South Africa seems to have been in a better position in prerequisite no.3 (prior experience in the development of industrial and

financial sectors), i.e., because the apartheid regime did leave major developmental agencies, including the Industrial Development Corporation, the Land Bank and the Southern African Development Bank (Gumede, W. 2009), the Ethiopian economy on the other hand, as Asayehgn (2012:231) notes “by the time the head of the Military Junta, Mengistu left the country, Ethiopia was characterized by economic crisis”. That is, Ethiopia was in the state of bankruptcy when the EPRDF government came to power. In this regard, to have a prior experience of industrial and financial development would not be considered as a prerequisite to launch DDS, because Ethiopian was able to achieve a rapid economic growth starting from the scratch.

With regard to prerequisite no.4 (efficient bureaucracy), both were weak to be able to create an efficient bureaucracy for different reasons. The post-apartheid government of South Africa, for example, inherited an extremely poor education system and unskilled labor is resulted in the lack of an efficient bureaucracy (Gumede, V. 2014). As Holdt (2010) also argues, those, mostly Whites, with high level skills, knowledge and expertise would have found it difficult to adapt their practices to a democratic order is another factor for the prevalence of an inefficient bureaucracy in post-Apartheid South Africa. The EPRDF government of Ethiopia, on the other side, although there was relatively efficient bureaucracy during the Dergue regime, was not willing to accommodate those bureaucrats who had been serving the Dergue regime but it rather has been restricted to deploying its party members who were bureaucratically inexperienced and professionally unfit to assume higher positions of governmental offices. Moreover, the assignment to these higher governmental offices and ministerial positions is made according to an ethnic based quota system not on meritocracy under the premise of equal representation (Asayehgn, 2014; Gebru; Lidetu). So both countries were deficient in having an efficient bureaucracy while launching DDS.

In regard to getting the right policies in place (prerequisite No.5), the South African government seems to have been flexible to amend its economic policies in accordance to the dynamics of the globe, whereas the Ethiopian government is known to be rigid to amend its economic policies accordingly. In respect to prerequisite no.6 (long-term development plan), though both countries had a long term development plan, the

Ethiopian government however seems to be in a better position because subsequent strategies have further been articulated for Ethiopia's sustainable economic growth started by the first development plan, namely, Agricultural Development-Led Industrialization (ADLI) in 1995, then followed by the 2002/2003 to 2004/2005 Sustainable Development and Poverty Reduction Program (SDPRP) and the 2005/2006 to 2009/2010 Plan for Accelerated and Sustainable Development to End Poverty (PASDEP), then launched the first Growth and Transformation plans (GTP1) for the period 2010/01 to 2014/15 and the second Growth and Transformation Plan (GTP2) for the period 2015/16 to 2019/20 in its vision to make Ethiopia one of the middle income countries by 2025.

As developmental partnership between government, business, labor and civil society (prerequisite no.7) is concerned and as it is crucial in constructing DDS, the Ethiopian government is evidently lacking to do so in this regard. Because, as much of the literature and opposition parties argue, the private sector in Ethiopia became weak to compete with heavily government incentivized state owned enterprises (SOEs). Thus, the government's partnership with the private sector and the civil society as well is so weak. Let alone the government would be able to create partnership with the private sector, it is worth to say that there is no even a consensus on nation building among the political elites in Ethiopia. The political situation that has evidently been witnessing today is thought to be resulted from the lack of consensus on nation building in the Ethiopian state.

The time that both Ethiopia and South Africa have started to pursue DDS was at the same period of time, i.e., in early 21st century, so that the international political environment to impact upon these two countries was similar. Moreover, prerequisite no.9, the issue of nationalism may not have difference among the two governments. If we take Ethiopia, for instance, and explore what its foreign policy looks like with regard to nationalistic patriotism, it is well articulated and has no any dependency or seeking ally with specific countries rather than mutually win-win cooperation (see Ethiopian Foreign Affairs and National Security policy and strategy (FANSPS,2003).

To put it figuratively, South Africa has attempted to fulfill seven (no.1, 2, 3, 5, 7, 8, and 9) while Ethiopia has attempted to fulfilled only five (no.1, 2, ,6, 8, and 9) out of the nine prerequisites.

Accordingly, it can be generalized that both governing parties were in a position of fulfilling the minimalist conditions before their announcement to pursue DDS and if a comparison is made, South Africa was in a better position than Ethiopia. Despite the fact that both countries had not been fulfilled the prerequisites prescribed by the scholars mentioned above, the EPRDF government of Ethiopia and the ANC government of South Africa were able to evidently justify that DDS would serve as an alternative development strategy for Africa.

5.3. Challenges in building DDS in Africa in Domestic and Global Context

The major challenges that faced in pursuing DDS are enormous but to mention some, institutional capacity, effective bureaucracy, social policy, development planning, committed leadership, etc., are among others. These challenges are amply explained and are available in much of literature, government policy documents, UN development agencies and the Bretton Woods Institutions. These challenges are not only faced by governments who have been implementing the construction of DDS, but also are faced by any African countries that have been trying to pull out their people from poverty and backwardness through whatever alternative they chose. Since the challenges are clearly identified and well-articulated in various literatures which are available in different institutions mentioned above, this study will dwell on the way forward so as to reduce these challenges.

Moreover, some of the prerequisites mentioned earlier, are also part of the challenges by themselves not prerequisites to be fulfilled before a government intends to build DDS. That is, since development by definition is meant to a multi-dimensional process involving the entire economic and social development, it would be erroneous to expect favorable conditions such as modern economy and efficient bureaucracy be fulfilled first,

so as to build DDS in developing countries. Therefore some among the essential conditions that thought to be prerequisites for the DDS seems to be unpersuasive argument. The reason why DDS would be chosen as an alternative development is because of the failure of neoliberalism to bring development for the underdeveloped. It is because of the lack of modern industry, lack of financial capacity and the lack of human development that have become major impediments to the underdeveloped world particularly the African continent to extricate their people from abject poverty, and that is why they are looking for another development alternative.

However, from the prerequisites or essential conditions that put by the scholars such as Edigheji (2005); Gumede, W (2009); Mkandawire (2010) earlier, the most important ones that a government of any developing country has to focus on so as to pursue DDS are the following:

- An electoral democracy and popular participation in the development processes. That is, both a representative and a participatory democracy are important that ordinary citizens will not only have to be consulted, but also to be involved and participate in the decisions, whether economic, political or social, that affect them.
- Political will, long-term vision and determination to drive the country's development and modernization project;
- Creating consensus on nation building, partnership with the private sector, engaging and being responsive with its citizens in economic activities with the ultimate goal of radically transforming the economy, reducing unemployment and poverty and making the country competitive in the shortest possible period of time (Gumede, W.2009).
- Most importantly, if there is a committed leadership and nationalistically patriotic to build DDS the remaining essential conditions will simultaneously be accomplished while pursuing DDS.

Moreover, much of the literature written about DDS also suggests to focusing on the country's institutional architecture and its policy orientation if a government intends to build DDS, besides the essential conditions that mentioned above.

Furthermore, Butler (2010:185) arguably notes that “there is no fixed menu of developmental prerequisites, and states can pursue and have pursued their own idiosyncratic and unorthodox routes to faster growth”. This shows that to provide a recipe or fix preconditions so as to pursue DDS is not advisable. Every country has its own conditionality based on the realities on the ground. Ethiopia and South Africa who had historically vast differences in regard to the national economy and democracy, however, are enabling to evidently justify the feasibility of DDS. In this respect, it can be argued that a committed government of any country can choose DDS as its development strategy, whatever challenges it has been faced.

Since democracy and development are mutually reinforcing as this study discussed in previous sections, and also DDS follows neither capitalist ideology nor socialist ideology but a mixed type of political economy. That is DDS is radical in its political ideology in contrast to the neoliberal ideology but it follows the free market economic model in contrast to the socialist command economy too. The anti-thesis of DDS that has been perpetuated by the likes of Bach (2011) and the opposition leaders (Gebru and Lidetu) who argue that the Marxist-Leninist theory of revolutionary democracy that the EPRDF government follows and the liberal economic policy that claims to have been following are fallacious and ambiguous might have come from the misunderstanding of the concept of DDS. And, as Edigheji (2005:22) rightly argues that “DDS is guided by the goals of coherence and authoritative governance, accountability, inclusiveness, stability, ability to generate consensus and popular participation”, it has no any coloration with the specifics of either the capitalist or the socialist systems or ideologies, but it has its own system of government. Accordingly the viability of DDS as an alternative development strategy in Africa seems to be persuasive and timely.

The courageous decision that was taken by the governments of Ethiopia and South Africa to pursuing DDS, and the recommendations that have been demonstrated by the prominent scholars (Edigheji (2005), Gumede, W. (2009), Mkandawire (2010), Amin (2014), Gumede, V. (2014), and Stiglitz (2019) for the building of DDS or any other leftist/radical alternative to neoliberalism, would not be without challenges however. The challenges are both internal and external.

The internal challenges that have been facing in Ethiopia and South Africa while pursuing DDS is almost similar, if not to all African countries too. The major internal challenges as mentioned elsewhere are inefficient bureaucracy, weak institutional structures, lack of social policy. Most importantly that makes unique to both EPRDF and ANC parties, however is that both parties are guided by the principles of democratic centralism which is resulted in blurredness on the separation of power between party and state, the legislature and the executive and this in turn hinders in building meritocratic based bureaucracy, transparency and fighting corruption.

Therefore, to address such challenges what is needed is a committed leadership and a political will to working in partnership with the private sector and its citizens at large with the ultimate goal of radical economic transformation of the country, reducing unemployment, income inequality and poverty. Since private sector is considered to be an engine to a country's industrial transformation, government has to give wider space to the empowerment of the private sector. Moreover, strengthening of institutional structures is crucial for check and balance and for the peoples' mobilization to the realization of DDS. In this regard, Edegheji (2010:4) notes a "developmentalist state has to be able to construct and deploy the institutional architecture within the state and mobilize society towards the realization of its developmental project".

Even though domestic challenges are the most important ones that require adequate attention and makes harder for the developmental states to address them, the external challenges that they would encounter in the current global system also require astute diplomacy and wisdom how to swim with. Unless a country has the capacity how to manipulate and be able to amicably coexist with the global world order on mutual cooperation the challenges that would be impacted on financial and technical supports that are obtained from foreign partners would have been endangered.

Geopolitically speaking, no country is immune from external factors let alone countries that have been pursuing their own domestic socio-economic policies and strategies. The external challenges to the DDS or for any developing countries elsewhere can mainly be

viewed in two perspectives. The first one is the hegemonic neo liberal ideology and the second is globalization.

As discussed earlier, neo-liberal ideology would not lose its hegemony to the emerging powers like China, but will fiercely fight up to the end. (Gumede, V. 2014:7) in support of such argument also notes that “[d]espite the staggering failure of the neo-liberal policies, the hegemonic control of the global capitalist system looms large over the post-apartheid South African state”. Accordingly, the battle of ideas that has been fought between the neoliberal and developmental state paradigms, since their inception in the 1980s, has now been transformed into virtual trade wars between the US administration and China. The contesting global powers, in the West led by the United States of America and in the East led by China (Washington consensus versus Beijing consensus) are racing to control the Red Sea, the gate way to Africa and also links Asia and Europe is at the verge of war. The proxy war (Saudi Arabia-led coalition versus Iran) that has been undertaking in Yemen is nothing but for the domination of the region and to impose their strategic interests. Ethiopia because of its geopolitical proximity in particular plus the DDS strategy that both Ethiopia and South Africa that follow would be the most vulnerable in the ideological battle fought between the contesting global powers, and would be the most vulnerable.

With regard to the second challenge of globalization vis-à-vis DDS; the unjust and unfair nature of the global trading system still exists and is monopolized by the developed world and by the emerging economies especially China since recently. And, as Sandbrook (2000:17) rightly notes that “globalization has already proved unfavorable to African economies in various ways”, and Amin’s (2014) conception of globalization “is a new stage of imperialism” that has been “abolishing the right of peoples to freely choose their economic system”, It is evident fact that DDS countries in particular and the developing countries would face a big challenge to compete in today’s globalized world.

Despite these external challenges, there is also an opportunity however, if there is wisdom in the political leadership to manipulate the current global system. The political world order today has been emancipating from the unipolar to that of multipolar system

in which the developing countries will have a chance to choose an alternative development strategy and implement it without pressures imposed from outside. In other words, the existence of a bipolar or multi-polar order helps to balance world political order. The case that has happened during the Cold War is near time memory how geopolitics can indeed change the course of history.

Chapter VI

Conclusion and recommendation

6.1. Conclusion

This study is set out to find if “Democratic Developmental State” can be regarded as an alternative development strategy to the ‘neoliberal model’. The foregoing conceptual and theoretical clarifications that is made on the notions of democracy, development and developmental state in African context, and also the empirical analyses made on the experiences of Ethiopia and South Africa as case studies will hopefully contribute to have better understanding about DDS and easing the unresolved hot debate undergoing between the proponents of DDS (the possibility theorem) and those who stood against (the impossibility theorem), the advocates of neoliberalism. Because of the failure of the neoliberal model that has been attempted for more than half a century in Africa (since independence) and was unable to pull out African population from poverty and backwardness, to search for another alternative is rationally true and the choice of DDS to be an alternative to neoliberalism has evidently proven by Ethiopia and South Africa. It is because; both Ethiopia and South Africa enabled to achieve an impressive economic growth and democratization process respectively. It would be hard to deny the evident fast economic growth that is achieved for the last 15 years in Ethiopia and became one of the top 10 fast growing economies in the world, although there is deficiency in the democratization process. South Africa on the other hand enabled to achieve a vibrant democracy which ranked 4th in Africa and 40th in the world and the economic growth that is registered in South Africa was also remarkable although there is still serious challenges of income inequality, unemployment and poverty in the country.

The problem of the quality of democracy in Ethiopia and the challenges of high income inequality in South Africa, however, are not mainly caused by the DDS strategy both countries follow, but is due to other reasons also. That is, had DDS been the reason for the lack of quality of democracy in Ethiopia, South Africa would not have been successful in achieving vibrant democracy that is prevailing in the country. Similarly, the

moderate economic growth registered in South Africa and the government's inability to address the high levels of socio-economic inequality that characterise the South African society is not resulted from the strategy of DDS that the ANC government follows, as some authors argue. But it is because of the inherited colonial and apartheid injustice that persists in the country as big challenge to overcome. Had it been DDS the cause for such economic inequality in South Africa, a fast and sustained economy would not have been achieved in Ethiopia. The reason for the failure of democracy in Ethiopia also is not because the country that follows DDS, as most of the opposition parties and some scholars argue, but is due to other reasons which include, the lack of development of democratic culture, the lack of consensus on nation building among Ethiopian elites, the absence of middle class and vibrant civic society, the lack of strong political parties among others.

Given the fact that there is no consensus in accepting Democratic Developmental State as an alternative development Model in Africa, it is important to say Ethiopia and South Africa clearly served as a beacon of hope for the rest of Africa because of their deliverance of the DDS and justifiably is at work in progress.

Nevertheless, in order to have a consensus that DDS would be an acceptable alternative strategy for Africa's development, African scholars and politicians should have been mentally decolonized from the western conception of liberal economic model and liberal democracy presumed to be the only alternative. As Messay Kebede (2011) rightly argues that "So long as the African mind is bogged down by western representations, no development policy, however thoroughly contrived and however skilfully planned, can initiate a sustained process of development". As Messay rightly argues, Africans should design their domestic development policies in conjunction with the African democratic values rather than adopting Western prescriptions of neoliberal development model and liberal democracy that has evidently failed to bring development for Africa.

6.2. Recommendation

Besides the deliverance of DDS in Ethiopia and South Africa is justifiably at work in progress, some developmental economists and other scholars in the field of development study also convincingly recommend for a radical political ideology but with a market based economic policy. Hence, to choose DDS as an alternative development strategy to neoliberal development path would not be a mistake, but rather encourages for other African countries in particular and other developing countries at large to follow suit.

This study, therefore, recommends that DDS can serve as alternative for Africa's development as it is practically proven in the African Continent by the two African countries, Ethiopia and South Africa. Some of the failures that have been witnessed in both countries could also be corrected easily, if the leadership is committed to strengthening the institutional structures, engaging and being responsive with its citizens, and widening participatory democracy.

But, and above all, a committed leadership which refuses corruption and determined to fight it, have the mentality of patriotism to its country and the wellbeing of its people is the most crucial one so as the DDS to be successful in Africa. The remaining essential conditions will simultaneously be accomplished while pursuing DDS.

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Appendices

Appendix 1 Key Informants

Ato Lidetu Ayalew¹, Former chairman of, Ethiopian Democratic party (EDP)

Ato Geberu Aserat², Former TPLF/EPRDF member and president of Tigray regional state and currently member of Arena Tigray for Democracy and Sovereignty

Ato Bereket Simon³ Former ANDM/EPRDF top party and government official

Ato Demesie Shito⁴, vice president of Meles Zenawi Leadership Academy

Appendix 2 Interview Guide for Key Informants

1. Are the concepts of developmental state and democracy compatible to achieve development in Africa?
2. Does democratic developmental state strategy feasible for Africa so as to eradicate absolute poverty from the continent?
3. Can DDS be an alternative development strategy in contrast to the neoliberal development model?
4. How and under what type of political leadership does this new development paradigm would succeed on African context and to what extent?

Declaration

I, the undersigned, declare that the thesis is my original work, has not been presented for a degree in any other university and that all the sources of materials used for the thesis have been duly acknowledged.

Declared by:

Name Habteselassie Assefa

Signature _____

Date _____

Confirmed by:

Name Zerihun Berhane (PhD)

Signature _____

Date _____