

ADDIS ABABA UNIVERSITY

COLLEGE OF SOCIAL SCIENCES

CENTER FOR AFRICAN AND ORIENTAL STUDIES

THE COMPATIBLITY BETWEEN DEMOCRATIC DEVELOPMENTAL STATE AND FEDERAL SYSTEM IN ETHIIPIA: LESSONS FOR AFRICA

By: Yemane Gebreselasse

June 2019

Addis Ababa

ADDIS ABABA UNIVERSITY

COLLEGE OF SOCIAL SCIENCES

CENTER FOR AFRICAN AND ORIENTAL STUDIES

THE COMPATIBLITY BETWEEN DEMOCRATIC DEVELOPMENTAL STATE AND FEDERAL SYSTEM IN ETHIIPIA: LESSONS FOR AFRICA

A THESIS SUBMITED TO THE CENTER FOR AFRICAN AND ORIENTAL STUDIES IN PARTIAL FULFILMENT OF MASTER OF ARTS IN AFRICAN STUDIES SEPECIALIZED IN HUMAN AND ECONOMIC DEVELOPMENT.

By:Yemane Gebreselasse

Advisor: Dechasa Abebe (PHD)

June, 2019

Addis Ababa, Ethiopia

ADDIS ABABA UNIVERSITY

COLLEGE OF SOCIAL SCIENCES

CENTER FOR AFRICAN AND ORIENTAL STUDIES

THE COMPATIBLITY BETWEEN DEMOCRATIC DEVELOPMENTAL STATE AND FEDERAL SYSTEM IN ETHIOPIA: LEASSONS FOR AFRICA

By: Yemane Gebreselasse

Approved by board of Examiners : Signature

Dechasa Abebe (PHD) _____

_____ _____

(Internal Examiner)

_____ _____

(External Examiner) _____

Declaration

I, Yemane Gebreselasse declare that this thesis entitled " the compatibility between democratic developmental state and federal system in Ethiopia: Lessons for Africa" is my original work and has not been presented for any degree in any university and all the sources of material used for the senior essay are duly acknowledge.

Name: Yemane Gebreselasse

Date of submission, June, 2019

Signature:_____

Advisor: Dechasa Abebe (PHD)

Signature:_____

Acknowledgments

I want to greatly thank everyone who helped me along this path. I am so thankful beyond words to my advisor Dechasa Abebe (PHD) for his genuine and constructive advice, for his supervision and reviewing my work sacrificing his golden time from the very beginning up to what is now, for his continuous encouragements, assisting in providing his personal reference materials for this research paper.

I also want to express my thankfulness to those who were willing to give me interview and for providing me the necessary materials, information's for the research.

My special thanks is goes to my wife Mrs Kidist Asefa for her unlimited and continued support and encouragement.

Table of content

Contents Page

Acknowledgments I

Table of content II

List of figures V

List of Acronym/Abbreviations VI

Abstract VIII

CHAPTER ONE 1

INTRODUCTION 1

1.1 BACKGROUND OF THE STUDY 1

1.2Statement of the problem 3

1.3 Research Objective 5

1.3.1 General objective 5

1.3.2 Specific objective of the Study 6

1.4 Research questions 6

1.5 Significance of the study 6

1.6 Scope and limitation of the study 6

1.6.1 Scope of the study 6

1.6.2.6 Limitation of the Study 6

1.7 Organization of the Thesis 7

CHAPTER TWO 8

LITERATURE REVIEW 8

2.1 Conceptual frame work 8

2.1.1 Introduction 8

2.1.2 Definition and characteristics of developmental state 8
2.1.3 Defining Elements 10
2.1.4 Contemporary developmental state 13
2.1.5 Democratic Developmental State 14
2.2 Developmental state: African Experience 18
2.2.1 Botswana developmental state 21
2.2.2 South Africa 26
2.3 Federalism 30
2.3.1 Characteristics of federalism 31
CHAPTER THREE 33
Research Methods 33
3.1 Method of the study and Data type 33
3.2 Research Strategy and Design 33
3.3 Methods of Data Analysis 34
CHAPTER FOUR 36
RESULTS AND DISCUSSIONS 36
4.1 Introduction 36
4.2 Haile Sellassie (1930- 1974) 36
4.3 The Students movement 39
4.4 The Derg: 1974 – 1991 40
4.5 Ethiopian People's Revolutionary Democratic Front (EPRDF) 44
4.6 What is DDS and why did Ethiopia adopted the model? 46
4.7 Federalism and its implementation 48
4.8 Characteristics of democratic developmental state and its implementation in Ethiopia 50
4.9 Success and challenges of implementing DDS and Federal System 53

4.10 The compatibility of DDS and federal System 60
4.11 Implementation of DDS with federalism and some lessons for Africa..... 63
CHAPTER FIVE 66
CONCLUSION AND RECOMMENDATION..... 66
5.1 Conclusion..... 66
5.2 Recommendation..... 67
Reference 68
Appendix..... 75

List of figures

Figure:1 Interlink age of industries and agriculture 52

Figure 2: Federal System of Ethiopia 54

Figure 3: Ethiopia corruption index 59

List of Acronym/Abbreviations

ADLI	Agricultural development led industry
ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative of South Africa
DDS	Democratic Developmental State
DS	Developmental State
E.C	Ethiopian Calendar
ECA	Economic Commission of Africa
ELF	Eritrean liberation front
EPLF	Eritrean People Liberation Front
EPRDF	Ethiopian People's Revolutionary Democratic Party
EPRP	Ethiopian People's Revolutionary Party
FDI	Foreign Direct Investment
FDRE	Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
GNI	Gross National Income
GTP	Growth and Transformation Plan
HF	House of federation
HPR	House of People's Representative
IMF	International Monetary Fund
LPA	Lagos Plan of Action
MEISON	Ethiopia Socialist Movement

MTSF	Medium Term Strategic Framework
NEPAD	New Partnership for Africa's Development
OLF	Oromo Liberation Front
PFMA	Public Finance Management Act
SAP	Structural Adjustment Program
TGE	Transitional Government of Ethiopia
TPLF	Tigray People Liberation Front
UNESCO	United Nations Educational Scientific and Cultural Organization
USA	United State of America
USUAA	University Students' Union of Addis Ababa

Abstract

Democratic Developmental State model intends to promote economic growth and democracy at the same time. It is a recent phenomenon which is being applied in a few states. Ethiopia, Botswana and South Africa are among the few states which are adopting this new model.

Since 2000's the ruling party EPRDF declared the Democratic Developmental State is the only and the one model which can lift the nation out of poverty and builds democracy. The party states that this due to the fact that democratic developmental state is the better alternative for developing countries. The party and the government spoke boldly that the undemocratic way of Developmental states can't work for the diversified Ethiopia. So it should include democracy too. For administrative structure, Ethiopia is also a federal state.

The compatibility of Developmental and Democracy is addressed by many authors. But the issue of Democratic Developmental State and Federalism way of administrative is well not discussed. So this paper analyzed the compatibility between Democratic Developmental State and Federal system. The method of the study is using a qualitative research method.

Ethiopia has some very impressive achievements and some drawbacks. The country has been registered rapid economic growth after it has adopted the new model. However Lack of elite commitment, effective bureaucracy and lack of strong institutions in particular and weak democratization in general hinders the journey of building Democratic Developmental State and Federal system in Ethiopia. Therefore it is vital to assess the experiences in this case. Other African states can also take lesson from the draw back and also from the achievement.

Key terms: Developmental state, Democratic Developmental State, Federalism, elite commitment, National Consensus

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Developmental state (DS) is among the known economic and political ideology which have been adopted by many different countries. According to BAGCHI (2003) the first Developmental state appeared in the northern part of the Spanish Netherlands, which after the re-conquest of the southern part by Spain, evolved into today's Netherlands.

Developmental state has been adapted and practiced in many nations around the world. Mostly it is related with the East Asian countries. The concept of DS is often associated with the type of economic policies followed by East Asian governments in the second half of the twentieth century and, in particular, with the post WW II Japanese economic model according to (Caldentey, 2008). It could be understood as referring to a state that intervenes to guide the direction and pace of economic development.

Asian Developmental State was highly about the interfering power of the state in order to monitor the industrial advancement. It was mainly intended on the premise that Western Democratic values were foreign and a luxury unfitted for the nurture of development in Asia. Developmental state essentially emphasize on how and to what extent state actors are involved in forging economic development. In other words the decision making process is centralized (Evans, Rueschemeyer etal, 1985).

The developmental state model is alike with the neo classical one in its consideration of labor and capital inputs as critical in economic growth according to (Sung & Raddon,2014). However the two substantially differ regarding the relationships of the state with labor and capital. In developmental state the relation is one that gives a strong power for the state to intervene by identifying national strategic and economic priorities, using different policies (e.g. investment, human development, trade and industrial policies) and applying collaborative arrangements among state, labor and capital. Market mechanisms generally remain indispensible in the

developmental state model, even though "are no longer the sole driving forces of economic development. Instead, the state's developmental vision forms a key driver that 'subordinates' the role of labor and capital" (Sung & Raddon,2014).

As stated by Kim (2012) another way to understand the concept of the developmental state is by connecting state and development in the following way. First, there is a nation that desire development but it is challenged by the realization that its market forces alone cannot achieve its development goals because of some strong barriers. Second, the state itself has the powers to overcome the obstacles. Having power means being able to make and implement decisions independently from, and sometimes even against, the pressure from society.

According to Clark and Jung (2002) in order to be powerful the state should also have command over a capable bureaucracy staffed with professional technocrats for making rational decisions and formulating efficient policies. And also this state power should be supplemented by the will of the state and its leadership to overcome the prevailing predicaments and to actualize economic development.

The contemporary version of DS is as stated by Whitee (2000) democratic developmental state that foster both democracy and development. This means that not only is the state able to transform its economic base by promoting productive, income generating economic activities but must ensure that economic growth has the resultant effect of improving the living conditions of the majority of its population and also needs to work in democracy.Also politically, Federal system is among the different types of government forms. Many countries are becoming more interested to adapt federalism these days. Twenty eight countries with more than 40 percent of the world population are applying the Federal system (Walker, **2015**). Federal system is characterized by the share of power among different governing bodies. An authorized, constitutional sharing of legislative and executive powers and a sharing of income sources between the two orders of government (Watts, 1998)

Regarding distribution of powers, there is no a formula to determine which powers should be devolved to the federal authority and which to the regional authorities. In Australia, a constitutional committee study (1985) concluded that certain jurisdictions such as defense,

international policy, fiscal policy and some taxation areas require strong federal management. Other jurisdictions can be and are conferred differently depending more on the distinct features of each country: the structure of its population, the strength of the regions, etc.

Residual powers confer legal authority on one of the two orders of government for all matters that does not appear among the items listed in the constitution. The primary goal of residual powers is to identify an authority in charge of new affairs for which a jurisdiction has not been determined. When a federation has arisen out of an association of formerly independent communities, a list of residual powers also provides a mechanism to support regional government autonomy. By granting residual powers to constituent units, the new areas of jurisdiction are not seen as a means by which the government can centralize its power and thus threaten autonomy **(**AUCLAIR, 200).

According to Abera (2015) Ethiopia has adapted Developmental State in to Democratic Developmental state and applied for more than two decades. The country has following the Federal type of governance since 1995. Almost all the countries known for building DS (Japan, South Korea, Singapore, Malaysia, Thailand, China, Taiwan etc.) are unitary in their State structure (with centralized power) and relatively homogenous in terms of ethnicity as compared to well diversified Ethiopia. On the other hand, Ethiopia, with its ethnic- based federal state structure and relatively more heterogeneous is further opting for Developmental democratic state (DDS). The main reason behind the adoption of ethnic federalism in the country is to devolve power through decentralization and empower the decentralized unit to make decision in their respective spheres thereof. On the other hand, DDS opts for strong central power that can make decisions at the centre at the expense of lower tier units.

1.2 Statement of the problem

In Ethiopia since 2005 the Democratic Developmental State model is being widely introduced. The late Prime minster Meles Zenawi on his article "Dead ends and new beginnings'' stated that neo-liberalism can no more work in Africa and the continent should shift to another paradigm which is Democratic Developmental State(Meles, 2006).

In addition, as in one of EPRDF leading policy document entitled "Ideologies for Transformation and Ethiopia's Renaissance" stated that from the experience of developmental state in south Asian countries particularly Taiwan and Korea, it is declared Ethiopia has adapted Democratic Developmental State.

According to Whitee (2000) democratic developmental state foster both democracy and development. This means that not only is the state able to transform its economic base by promoting productive, income generating economic activities but must ensure that economic growth has the resultant effect of improving the living conditions of the majority of its population and also needs to work in democracy. Development includes a process of economic change involving the construction of more complex and productive economies capable of generating higher material standards of living.

Different authors have tried to examine whether the nation is really adapting DDS or not. Some of them appreciate the good track of economic development and the democratization process by recognizing the DDS model is efficient and effective. Other criticizes the new model with different perspectives. Some them argues DDS can bring fast economic development but it is not effective on transforming the country towards democracy. Others also argue that developmental state and democracy can't apply together since these terms put in opposite sides.

Many authors also argue that Development and democracy can't bee applied together and democratic developing countries are most likely impracticable, some other people also against this argument. Both democracy and economic development can be implemented equivalently as much there is committed and tough leadership (Kim, 2016). He argues the EPRDF lead government is democratic from the beginning. The party has fought with the dictator regime for 17 years and established a multi-party system and creates conducive environment for democratization. Other authors question the compatibility of DDS with federal system and also criticize process of this new model.

Ethiopia has tried to implement some characteristics of developmental stated and strengthen the model. But the democratic space is being narrowed (Mulu and Moges N,da).

According to Clapham (2003) Democratic Developmental State and with Federalism system can't go together. Developmental state of the kind that the Ethiopian government has introduced is not well-matched with the nominally highly decentralized federal structure that it is applied after 1991, (Clapham, 2003)The federal and decentralized arrangement of the Ethiopian state seems contradicts with the newly adopted centralistic and top down logics that inspired the democratic developmental state model and practices (Abera,2015)The leading party EPRDF says the DDS help the country to achieve an impressive economic development. Some efforts are accomplished to prosper democratization. On 2017, while the party has reviewed its past 15 years journey it has underlined even the new model is effective and efficient on achieving fast economic development, democratization space is narrowed.

As stated in the above even many authors and the Ethiopian government are trying to investigate the merits and demerits of DDS, most of them are not examine the nexus and compatibility of DDS and Federal system. Due to the literature gab on this case the paper of this study has assessed the nexuses and compatibility of DDS with federal system in Ethiopia. Developmental state is characterized by elite commitment toward development and merit based recruitment as experienced in especially in south Asian courtiers. But in the Federal system like in Ethiopia ethic representation is Appling (Abera, 2015). So the paper also analyzes to what extent meritocracy has been applied in its federal system.

1.3 Research Objective

1.3.1 General objective

The General Objective of the study is to assess the nexus and compatibility of the modified version of Developmental state which applied in Ethiopia as "developmental democratic state" with federalism.

1.3.2 Specific objective of the Study

The research was accomplished to fulfill the following research objectives

- To examine Developmental state and democratic developmental state practice in Ethiopia.
- To describe the success and challenges of applying DDS and Federal System.
- To assess the perceptions and realities DDS in Africa as well as Ethiopia's implementation with Federal system and its lessons.

1.4 Research questions

1. How DDS become compatible with Federal system?
2. What are the lessons gained from the implementation of DDS and Federal system in Ethiopia?
3. What are the drawbacks of implementing of DDS with federal system?

1.5 Significance of the study

In the thesis work investigate whether Democratic developmental state is compatible with Federal system or not. And this will help clarify the ambiguity between these two concepts. In other words this will help in filling the knowledge gap. The study will help the policy makers in clearly understanding the gap that exist and help them take solution. Also this research study will help as spring board to the researchers on this field to make further studies.

1.6 Scope and limitation of the study

1.6.1 Scope of the study

The study focused on Ethiopia in particular, but also discussed the practices with African perspective.

1.6.2. Limitation of the Study

Due to the fact that Democratic developmental state is not practiced widely there is lack of source in that issue. The other limitation is that the researcher could not find some interviewees on the scheduled time. To avoid this limitation the researcher has used other options of interviewees.

1.7 Organization of the Thesis

The thesis is organized by five chapters. The above introductory chapter is followed by four chapters. The second chapter deals on the conceptual frameworks of developmental state and federalism as well as related literature review. In chapter three the research method is discussed. Result and discussions of the study placed in chapter four and the last chapter makes a conclusion and recommendation based on finding of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual frame work

2.1.1 Introduction

In this chapter conceptual frame work, definitions of Developmental State and Federalism is presented. The elements of developmental state and experiences of Democratic Developmental State of two African states (Botswana and South Africa) has also discussed. In addition to this, characteristics of Federalism are discussed.

2.1.2 Definition and characteristics of developmental state

Developmental state

According to Jaques and Celia Lessa (2013, 3-4) the modern state structure began after the Westphalia treaty which was signed in 1648 this set a new political topography of the world. It was clear that the role of the state goes beyond defense and order and comprises sheltering the freedoms and well-being of the individuals in the territory. In order the state to play its role economic transformation and securing revenues and advance interests that converged with state purposes.

After the Second WW II, development was major agenda as the two superpowers competed for the support of the third World states. The states were largely developing countries, many of whom were emerging from the chains of colonialism. The rich countries (western countries) had their own concept of development in which economic development, trade liberalization, and multilateral financial organizations were the base. These concepts do not entertain the situation that developing countries are in. Therefore between 1945 and 1955 a new discourse of development took shape dramatically changing relations between rich and poor. This political economy ideology was developmental state (Victoria, 2015: 2).

The concept of developmental state emanated in the second half of 20th century, East Asia and Japan, Korea, Taiwan, etc were one of the proponents of this ideology (Shigehisa, 2013).According to Mesgna (2015, 11) states and their political economy matter for social and

economic development, for political economy factors. International view on the role of the state in development has gone through different changes in the past 50 years. After the end of WW II, with the emergence of newly independent states in Africa and Asia, the international community embraced a state-led model of development. This intended to bring about industrialization and entrepreneurship through rigorous and also purposeful effort and state intervention. In other words the main goal of developmental state is bringing development.

There is no one all-agree-on definition of developmental state. The definitions of developmental state have differences stemming from their disciplinary emphasis, differences in their respective contexts in time and geographic coverage. Even though there are different definitions of developmental state, it mainly emphasize on how and to what extent state actors are involved in forging economic development, the role of state has not always been perceived positively.

As stated by Shigehisa (2013, 3)the major concept of the developmental state is based on the assumed role of the state in facilitating the structural transition from a primitive to agrarian to a modern to manufacturing society. (Mesgna, 2015:15) defines DS as

> A developmental regime would be one that is actively promoting and supporting a productivity revolution in agriculture and/or pursuing a deliberate industrial policy with a view to building capabilities and acquiring new comparative advantages for exploitation within regional or global markets(Mesgna, 2015:15).

As stated by Meredith Woo-Cumings (1999: 1) developmental state is the explanation for the East Asian industrialization. In other words this means transforming a country with industry by the intervention of the state. Victoria (2018: 3) also provides as with same definition that in developmental state development entailed economic transformation through industrialization. Though economic transformation used to be viewed as a mechanism through which states funded and sustained war efforts, this conceptualization changed as states political legitimacy and domestic order came to depend more on economic strength. According to Laura (2012: 7) developmental state is one which produces developmental outcomes. What counts as a developmental outcome is mainly associated with economic growth.

Luiz (2016: 6) puts the definition of developmental state in comparison with liberal state. While liberal state limits itself to guaranteeing property rights and contracts, controlling the national

currency, and to maintaining healthy public finances and leaving all other activities to the market's organization; the developmental state intervenes in the market, through planning the economy's non-competitive sector and by practicing strategic industrial, implementation, and an active macroeconomic policy. Developmental State has the following defining elements.

2.1.3 Defining Elements

A. Having a developmental vision

Victoria (2008, 4) state that to achieve successful developmental state, the political elite needs to have political will, long-term vision and determination achieve development. Most of the successful East Asian developmental states countries faced a terrible threat and had to make choice which was either they have to develop quickly or be forcefully swallowed by more powerful neighbors. Therefore the political elites had great developmental vision.

B. Development oriented political leadership

Numerous analysts highlight the essentiality of development-orientated political leadership bound together by a powerful economic and political ideology focused on development (Amsden 1989). Wade (1990: 26) states that:

> "While the bureaucrats 'rule', politicians 'reign'. Their function is not to make policy but to create space for the bureaucracy to maneuver in while also acting as a 'safety valve' by forcing the bureaucracies to respond to the needs of the groups upon which the stability of the system rests: that is, to maintain the relative autonomy of the state while preserving political stability"

As stated by Weiss (2000:139) development-oriented leadership evolves from of a clear consensus within the governing elites, both administrative and political, over the scope and direction of development .As a result of their high levels of acumen and sufficient economic credibility, these political elites were able to win the trust and cooperation of the bureaucrats as well the private sector (Huff, 2001).In East Asia situation which give rise to a development-oriented political leadership was based on "systemic vulnerability" which encompass three major elements and thus are broad coalitional commitment, scarce resource endowment and severe security threats (Woo-Cumings 1999: 9). Accordingly successful economic performance was the

primary source of political legitimacy. Political elites largely depended on delivering growth with equity as a means of strengthening their legitimacy and support base.

C. An efficient bureaucracy

Ebrahim (2011: 426) states that DS must have very capable and competent bureaucracy. This bureaucracy needs to be free from any particularistic interests and the bureaucrats need to view furtherance of state goals as being in their interest.The developmental degree of a state lies in the nature of its bureaucracy, not just its presence. To have such kind of bureaucracy it is necessary that the state select its staff based on meritocratic recruitment. Based on the tasks they perform the bureaucracy needs to consist of rational personnel components. The best composition is a majority of public policy generalists mastering law and economics, and a number of engineers and technicians (Hung, 2012: 66).To maintain the role of the controller, these bureaucracies exhibited a rare form of well-developed administrative capacity which rested upon two major elements: a powerful set of policy instruments and a specific form of state organization (Wade. 1988: 130 and Kim, 2008).

Victoria (2008: 5) states that having efficient bureaucrats creates a sense of corporate coherence and loyalty within the bureaucracy that enables bureaucrats to be 'autonomous' from societal pressures and work towards collective interests. Where *(Onis, 1991: 114) stated that:*

> "Rigorous standards of entry not only ensured a high degree of bureaucratic capability, but also generated a sense of unity and common identity on the part of the bureaucratic elite. Hence, the bureaucrats were imbued with a sense of mission and identified themselves with national goals which derived from a position of leadership in society"

According to Johnson (1982: 314-5) the bureaucracy has to perform three fundamental duties based on market-conforming principle. They have three basic tasks; the first by identifying and choosing the necessary industries carrying out the industrial structure policy. Second is the implementation of the industry rationalization policy. The third duty is the supervision over the competition in selected strategic sectors to make sure that they develop well and efficiently.

D. Capable and unified political elite

As stated by Leftwich (2008) In DS there should be 'the coherence of a coalition of internal elites. Considering the imperative conditions of a country under severe threats, if the political elites form a coherent coalition, then it is likely that they can form a strong state which can minimize internal conflicts and cope with the tangible threats. Accordingly founding leaders have often been the essential element in the elite. Examples are influential figures as Park Chung Hee in Korea, Lee Kuan Yew in Singapore, or Seretse Khama in Botswana. This helps them persuade the people to thrive for development only. Secondly the elites should have close relation with bureaucrats. And thirdly they should always shift their coalition as the situation changes.

E. An efficient coordinating centre

Developmental states as those states whose successful economic and social development performance illustrates how their political purposes and institutional structures (especially their bureaucracies) have been developmentally-driven, while their developmental objectives have been politically-driven (Leftiwich , 2008:12). Johnson (1982: 19) states that DS has to have industrial policy, that means, it should pay special attention to the identification and promotion of the most rational structure of its domestic industry in which the structure allows the country to enhances its international competitiveness. In order to give special attention to industry pilot agency is needed.

The pilot agency further from being small in size, to be effective a pilot agency has to possess several key characteristics. It should control some financial sources to actively carry out its plans. This is to free it from direct control of government funds, and thus from subservience to other governmental organs, notably the Finance Ministry. In addition, a pilot agency must have think-tank functions, as it is always proactive in identifying and designing industrial policy. More importantly, it does not only do the planning, but also necessarily gets involved in the implementation of industrial policy at the micro level via its vertically organized bureaus (Johnson ,1982: 19).

Under the control of state there should be concentration of power and continuity of policy in the beginning. This power concentration and policy continuity has generally either been achieved by the control or support of military or by the continual holding of power by one single or a dominant political party in the country. To maintain power concentration and policy continuity, the developmental states that emerged in successful East Asian countries have all shown their firm commitment, either ideologically or pragmatically, to growth and equity, even where these goals were set and pursued only for the sake of political stability (Hung, 2012). As stated by Chibber, the failure of developmental states in the south Asian countries was caused by their inability to set up the correct institutions to bring about development, which was paradoxically caused by the national bourgeoisie or capitalists.

F. Protecting Infant Industries

Evans (1995: 100) argued that the classical developmental state had a near-exclusive focus on high economic growth. Many East Asian countries pursued high growth through export-led industrialization strategies which involves protectionism against foreign imports and state support of domestic industries.

Protectionism allows for the formation of "greenhouses", which are rules that protect infant firms that would not survive facing free trade competition. Through policies that limit imports and restrict foreign investment, greenhouse environments protect firms or industries that are then able to develop to a point where they can compete in global markets. To protect thus domestic infant industries the government has to intervene by designing policies that could actually protect them.

2.1.4 Contemporary developmental state

There are different forms of developmental states; the first classical developmental state has been autocratic (example, the Republic of Korea and Taiwan Province of China), the second type of developmental state is the contemporary Democratic type (Leftwich, 1998).Chang (2010) argues that the present developing countries can not adopt the East Asian model and expect the same 'miraculous' results due to the global landscape has shifted and disallows the same outcome.

Accordingly, the East Asia countries were successful in their own context or situation. The first reason is that they received much support from the United States in the latter's fight against the spread of communism during the Cold War. Now the geopolitics have changed, meaning that support for developing countries has changed in nature and urgency. Second, as opposed to East Asian developmental states whose legitimacy was derived from economic performance, contemporary developmental state legitimacy comes from its performance in social welfare, meaning that the state must do more than ensure a strong economy. And third reason is there is change in the international environment that did not permit protection of industrial policies. Evans (1995) supports this argument by stating that construction of a developmental state depends 'on specific historical endowments and the character of the surrounding social structure which are unique to each country.

It is important to note that while Africa may not replicate the East Asian developmental states, there are specific lessons to be learnt from that experience in terms of the objectives and institutional setup necessary to achieve those objectives. For the above mentioned reasons many African countries tried to incorporate democracy in to development and this is called the Democratic developmental state (DDS) model.

2.1.5 Democratic Developmental State

Before defining Developmental Democratic State although there is no general consensus it important to define democracy and development. According to Tedaro (1999) development is a multi dimensional process, involving major changes in social structures, popular attitudes, and national institutions and also the speeding up of economic growth, the decrease of inequality, the abolition of poverty, unemployment and illiteracy. It absorb social and economic transformation, the implementation of new technologies, transition from agrarian based to industrial based economy and general improvement in living standards. Sen(199) defines

> Development is a process of expanding the real freedom that people enjoy", and this requires the removal of major sources of un freedom, poverty as well as oppression, poor economic opportunities as well as social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states.

Democracy is a system that includes accountability of public representatives to the electorate, public participation in a country's governance and decision-making processes, including the holding of regular, free and fair elections and change of government through popularly authorized, constitutional means. It also involves exercising civil and political liberties freedom of expression, freedom of the press and freedom to form and join organizations (Maphunye, 2009).As stated by Edigheji (2005: 5) liberal democracy has some basic principles of democracy and thus are citizen participation, equality, political tolerance, accountability, transparency, regular, free and fair elections, economic freedom, control of the abuse of power, a bill of rights, the separation of the powers of the executive, the legislature and the judiciary, accepting the result of elections, human rights, a multiparty system and rule of law.

It is in the light of this many scholars have criticized this in which democracy must be made to deliver some economic empowerment and a higher state of living for the people. If democracy cannot deliver on the basic needs of the people will be short-lived. Therefore democracy and development must go hand in hand. In other words this means that Citizens are able to exercise real choice after they have overcome poverty, ignorance, as these constitute constraints on freedom and equality. That means social, economic and political empowerments are mutually inclusive. Entrenched in such conception is citizens' active participation as a necessary requirement in the development and governance process (Awa, 1991).

This possibility theorem is also supported by Sen (1999) in which he states that free, competitive elections limit the tendency of State's grasping behavior, the redistributive tendency of democracies broadens market and promotes economic expansion, only under the condition of pluralism. Then most innovative and competitive technologies emerge then the addition and protection of civil liberties and basic freedoms are thought to generate the security of expectation necessary to motivate citizens to work, save and invest. Democracies are better at allocating investment and have more legitimacy, which helps them to reduce political instability and help make decisions easily and, democracy promotes development by safeguarding property rights. (Fakir, 2005).

> My contention is that politics and policy, democracy and delivery, transition and transformation, are essentially complementary rather than creating conflict. Casting them on conflictual and mutually exclusive grounds serves only to stultify debate, at best, and hold the roll out of pubic goods and services to ransom. The need for a developmental State that emphasizes performance, managerialism, technical and bureaucratic efficiency and effectiveness, and institutional rationalization and transformation must co-exist with the idea of a democratic State that creates a voice for the poor and marginalized, that promotes, enhances and protects the rights that accrue but pursues the obligations owed to it by citizens, and which inculcates diversity, responsiveness and representation and representatively, the institutional separation of powers and functions, transparent decision making, accountability and effective oversight.

According to Whitee (2000) democratic developmental state foster both democracy and development. This means that not only is the state able to transform its economic base by promoting productive, income generating economic activities but must ensure that economic growth has the resultant effect of improving the living conditions of the majority of its population and also needs to work in democracy. Development includes a process of economic change involving the construction of more complex and productive economies capable of generating higher material standards of living. Accordingly to achieve democratic developmental state has to have clearly defined socio-economic objectives that require active state interventions. And those include alleviation of absolute and relative poverty, the correction of glaring inequalities of social conditions, provision for personal safety and security.

United Nations Economic Commission (1990) states that in order to achieve the above mentioned there should be an organization. The organizations should be grassroots-based, voluntary, democratically administered, self-contained and rooted in the tradition and culture of the society. In other words they should be community-embedded.

According to Evans (1995) this organizations should have autonomy of state institutions and this enables it to define and promote its strategic developmental goals. This is the state forming coalition with key social groups in society that helps it to achieve its developmental goals. In this perspective, autonomy implies the attendance of high degrees of logical state agencies that are able to formulate and implement coherent developmental goals. Put differently, autonomy means the ability of the state to behave as a coherent collective actor that is able to identify and

implement developmental goals. Cooperation is a central element of the democratic developmental state. The state's ability to use its autonomy to consult, negotiate and elicit consensus and cooperation from its social partners in the task of national economic reforms and adjustment (Edigheji, 2005).

According to Mann (1998) another characteristics of DDS is 'inclusive embeddenes', this means that the social basis and range of accountability goes beyond a narrow band of elites to embrace broader sections of society. This becomes the basis of the state infrastructural capacity. That is, to go through society to elicit cooperation and consensus from its social partners in its developmental activities.

Institutional coherence is another element of DDS which implies the distribution and use of political power, in the relations between different sections of the bureaucratic apparatus, and in the nature of the party system in political society. This stress presupposes that political society creates channels of political participation, particularly the structure and social base of the party system. There are a number of developmental and democratic imperatives that flow from the nature of political society. The social base of a political party is likely to significantly determine its developmental agenda. A political party of the poor is more likely to be attuned to advancing a poverty reduction strategy than a party of the elite.

Although it does not specify what type of constitutional system it exist Whitee (2000) states that in democratic developmental state constitutional systems of government (parliamentary, presidential, and unitary, federalist) is another element.

There are also some critics against the DDs theories; generally they are termed as the incommutability theory. One of the arguments is that democracy encourages ethnic and other cleavages and creates instability that endangers development. Democratic regime will not be able to pursue policies of curbing consumption because the consumers are also voters, and they will punish the politicians at the ballot box as soon as they get the chance.

Bardhan states that democracy involves abandoned social participation and this unreserved political participation allow social groups to make wide-ranging demands on the State, forcing it to serve particularistic interest and preventing it from pursuing the broad interest of society as

whole. Accordingly due to the participatory nature of democracy many impatient groups may express their demand which results political instability. This means that in democracy, governments cannot lag themselves from social pressure groups and cannot enforce programs against oppositions effectively and efficiently and thus it would be difficult for them to implement the kind of policies necessary to facilitate rapid economic growth.

Authoritarian regimes are thought to be able to exert firmer control over labor and labor markets and they are more efficient in allocating resources (Sørensen, 2008). \Another argument is that socio-economic development brings about democracy. Particularly, middle class, being a reflection of economic development and receptive to democratic ideals is put as an essential precondition for democracy to take place Dahl (1997).Accordingly democracy is a consequence of the transformation of class structure, the emergence of a bourgeoisie, economic development, increasing urbanization, the prior development of democratic values and other cultural and religious values.

2.2 Developmental state: African Experience

At independence, most African governments set for themselves the task of pursuing vigorously the process of nation-building with the aim of uniting their multi-ethnic, multicultural and multi-religious societies. In fact nation building and national unity was the rallying cry of the immediate post-colonial African leaders. But this process was undertaken in typical top-down fashion with centralizing tendencies (Laakso, 1996).

The African state has been rendered incapable of running a state. For this reason the possibility of a developmental state for a long time was not even considered. However the fact that states have been able to make some positive strides in terms of beginning the rebuilding process from periods of conflict, demonstrates that such a template may be useful.

Accordingly African states also embarked on processes of economic and social modernization. Immediately after independence many states followed a strategy of massive state interventions in all fields of the economy as part of their ideological commitment to development intended to eradicate poverty, ignorance and disease. Whether through the adoption of mixed economy

policies or African socialism, there were massive state interventions in the social, economic and political life of the emerging societies(Laakso, 1996).

According to Adebayo (1985, 14) Africa has gone through different economic plans. The Lagos Plan of Action (LPA) was the first landmark and expression of African economic self-consciousness. Thus in order to get access to mental independence leading to economic independence, the LPA policymakers undertook to face three major tasks: first was to challenge the conventional wisdom of inherited theories of development and economic growth; the second was to analyze the impact of imitative life-styles and borrowed foreign concepts and ideologies on Africa's social and economic transformation; and the 3rd was to make African authorities accept the need for a fundamental change.

Accordingly LPA is a culmination of an effort of four years initiated by the Economic Commission of Africa (ECA). This effort consisted in reviewing the achievements of economic development paradigms that Africa followed since the period of independence in the 1960s. The period reviewed covered 1960 to 1975. This showed that the economic performance was obviously in decline. Thus, in 1976, ECA proposed a Revised Framework of Principles for the Implementation of the New International Order in Africa. This framework contained four fundamental principles which were thought to lead to an auto centric economic development in Africa, namely: self-reliance, self-sustainment, democratization of the development process, and a just distribution of the fruits of development. The uniqueness of LPA was its emphasis on collective self-reliance, self-sustaining development, and economic growth. The reason for this emphasis was for Africans to move away from the external dependence.

However, LPA was based on a borrowed development theory, namely the dependency theory which has its cultural and historical context in Latin America. Although this theory was an excellent tool for showing how Africans are victims of economic imperialism, it gave no adequate advice on how to extricate themselves from such conditions. In fact, it would seem as if the dependency theory in Africa was like a seedling transplanted in a new environment without considering the nature of the soil and the climate (Apter & Rosberg, 1994, 39).

The policies African state used to create growth were not beneficial to themselves. This made them relay on external sources of funding. This led to the implementation of policies that limited bureaucratic strength of African states in making decisions that would be beneficial to their development process. However, this negative view really underestimated the capability of the African state, the level of intervention in the Asian economies is not replicable today not just because of the apparent inability of the African state, but of the current economic and political environment (Mkandawire, 2001:293).

According to Diagne (2004) due to the failure of LPA, in 2001 New Partnership for Africa's Development (NEPAD) was enacted. It is defined as a pledge by African leaders to eradicate poverty and place their countries on a path of sustainable (economic) growth and development. NEPAD was to respond to two major issues relating to the economic development of poor countries, namely: the effectiveness of development aid and the market economy as a solution to underdevelopment.

NEPAD promised to meet this conditionality, and in return, get a massive aid inflow for Africa to escape from economic stagnation and poverty. However, the problem is that a country may receive development aid and become aid dependent. And this dependency may have negative effects on economic growth in return. NEPAD is accused of being dependent on aid. But the problem is not only material dependence, but also philosophic dependence (Lensik & White, 2001).

According to World Bank 2000 report stated by Ntibagirirwa (2003) Africa shifted from trade dependence to aid dependence. This shift is even deeper: it is the africans' continual shift from being to having in their value system. Instead of digging deeper to see what their own beliefs and values can offer, Africans seem to satisfy themselves with whatever avails to them.

Another program Africa adopted after independence was the structural adjustment program (SAP). SAP was started in order to access new credits from the International Monetary Fund (IMF) and World Bank as well as bilateral donors. These programs involved a complete turnaround of economic policies from the statist approaches of the post-colonial period to the market-oriented reforms of the 1980s and '90s. The expected outcome, however, did not

materialize. The perseverance of the poverty crisis has led international donors to refocus their aid programs on debt relief-funded poverty reduction strategies. The extensive failure of SAPs reopened the search for feasible development strategies. Then towards the end of the 1990s, the concept of developmental state prevailed in Africa (Peter &Charity, 2010, 8).

Fesseha (2017) also supports the idea that the implementation of donor-induced neoliberal programs in Africa and the adoption of the developmental state in South East Asia has coincided in the late 20th century. The juxtapose view of the two development paradigms as implemented in two regions brought two different outcomes. The South East Asians experienced a "miraculous" economic development in the post-World War II. This has resulted mainly two things. First, forced donor agencies to refocus their aid programs on debt relief-funded poverty reduction strategies. Second, it forced African states to search an alternative development path/paradigm which can get the continent out of the vicious circle of poverty and backwardness. This has brought the debate of developmental state to Africa.

2.2.1 Botswana developmental state

In Africa the early references to adopt the developmental state were two sub-Saharan countries. And those countries were both Botswana and Mauritius have been described as developmental states (Meisenhelder 1997).As stated by Edge (1998, 335) when Botswana gained political independence in 1966 the country seemed an unlikely candidate to become a successful developmental state. It was one of the poorest countries in Africa, its expansive territory consisted largely of semi-arid desert land and it was a landlocked country surrounded by hostile white settler-dominated neighbors. But Botswana has distinctly come to be known not just as a developmental state, but a democratic developmental state.

Accordingly after Botswana got her independence the country was struggling with issues of basic survival, existence before independence was most strongly influenced by Boer settlers and British imperialism in South Africa. The Tswana population managed to withstand Boer invasion attempts in the mid-1850s. The Tswana chief then requested British protection againstDue to the Britain's relation with Bores this was rejected. Things changed when Germany in 1884 established colonial rule in South West Africa. Britain now feared Germany

might seek to expand its influence eastwards and block a territorial corridor to the north through which the British imperialist in South Africa, Cecil Rhodes, dreamed of building a rail link "from Cape to Cairo". For strategic reasons, therefore, Great Britain in 1885 proclaimed the Bechuanaland Protectorate (Beaulier 2003: 229).

South African influence continued to threaten the existence of Botswana. When, after the Second Anglo-Boer War, the Union of South Africa was proclaimed in 1910 the future incorporation of Botswana into South Africa. Great Britain finally abandons the aim of incorporation and eventually granted independence to Botswana (Hermans, 1973).

In order to ensure Botswana's survival promoting the socio-economic development of the country and establishing a stable democratic system were the two pillars of Botswana's post-independence trajectory (Hermans, 1973:197).

Accordingly initially, Botswana was fortunate to begin its development odyssey since independence with a sustained development-oriented political leadership that made economic development as the sole overriding objective. The leadership provided by both Seretse Khama, the country's first President and his successor Quett Masire has been cited as the principal reason for the country's success. They worked to promote the principles of 'democracy, development, self-reliance and unity'. There was continuity in development policy under the aegis of National Development Plans. The policy choices were good and growth promoting.

Then, Botswana set about gradually building state capacity, creating a competent and effective public service which in turn, attracted foreign aid and private investment and facilitated the rapid growth of the economy. And alongside building a bureaucracy based on merit, the political leadership also endowed it with autonomy in pursuing the country's development objectives. The civil service was made immune from political interference, thereby shielding it from corruption and guaranteeing its professionalism (Edge, 1998).

Thirdly, Botswana encouraged the development of a production-oriented private sector. Since independence the country welcomed private investment. It made Botswana a market-based economy on the one hand while the state remained as the main propeller of growth (Meyns &

Musamba, 2010).Accordingly, Botswana has promoted performance-oriented governance. And despite its blessing in the form of diamond mining, the country has managed to avoid the resource curse by pouching back large parts of its mining revenue into development-related investments such as roads, water supply, energy, education and health, which have contributed significantly to improving the living conditions of the population.

According to Edge (1998, 337) its growth has been comparable to that of East Asian developmental states, in some respects even surpassing them. Between 1965 and 1990 Botswana's GDP grew by 10% annually and its GDP/GNI per capita at a rate of 8.4% per year, and that both growth rates were the highest achieved in the world in that period.Beaulier (2003: 231) even though growth rates slowed down during the subsequent decade, they have, according to World Bank Indicators, still remained at a consistently high level. The dissimilarity between Botswana and the East Asian developmental states is that, while the East Asian growth was based on industrial production, Botswana benefited from the discovery and exploitation of mineral resources, particularly diamonds, which became the driving force behind its political economy.Musamba (2009) sees the Botswana experience using the four defining features of a developmental state.

A. Development-Oriented Political Leadership

At independence Botswana's economy was based on agriculture, principally on cattle farming. Today its economy is based on mining of natural resources, principally diamonds. Diamond mining has without a doubt facilitated the country's extraordinary growth. Its success could, therefore, be attributed to the discovery of natural resources in the 1960s. While the element of good fortune cannot be denied, many other countries rather than benefiting from similar luck in respect of diamond or oil resources are in succumbed.

According to Taylor (2003, 41) the leader recognized Botswana's vulnerability situation and the need to build a national economy capable of improving the living conditions of the population and thereby also securing the country's independence. Under his leadership the state assumed a leading role in initiating a process of social and economic development. Taylor has pointed out that this orientation was not undisputed in the aftermath of independence as some civil servants

favored a conservative, purely administrative approach of balanced budgeting, while others advocated an approach which sought to raise resources, also through external aid, for public investment in projects which would advance economic growth (a development-oriented approach).

Once the latter approach prevailed development planning became and has remained the guideline for Botswana's economic policy; the National Development Plan 9 covered the six-year period from 2003/4 to 2008/9. The continuity of Botswana's development experience is shown also by the national principles of "democracy, development, self-reliance and unity" which it proclaimed in the 1960s and the national objectives of "sustained development, rapid economic growth, economic independence and social justice" which have informed development plans since then. The same principles and objectives are evoked in recent development plans and in Botswana's Vision 2016 document (Edge, 1998:335). The leadership provided by Botswana's founding leaders Seretse Khama from 1966 to 1980 and his long-standing cabinet colleague and successor Quett Masire (1980-1997) have been cited as principal reasons for the country's success (Hartland, 1978:79)

B. Autonomous and Effective Bureaucracy

According to Hartland (1978, 71).Botswana built such state capacity gradually after independence, relying initially given the lack of home-grown manpower – strongly on expatriate expertise. This pragmatic approach has been seen as instrumental in creating a competent and effective public service which, in its turn, attracted foreign aid and private investment to the country and thereby facilitated the rapid growth of the economy.

Beside the creation of a public service based on merit Botswana's political leadership also had an interest in ensuring the autonomy of the bureaucracy so as to allow it to pursue the country's developmental objectives. Botswana's first two presidents, Khama and Masire in particular, protected the civil service from most political interference thereby shielding it from corruption and guaranteeing its professionalism, and turning it into a powerful agent of development (Holm, 1996: 101).

The Ministry of Finance and Development Planning has become the personification of the developmental state in Botswana. It has both institutional capacity and the authority to prepare the National Development Plans and to oversee their implementation. Furthermore, they block others from this agenda by meticulously enforcing a planning regulation that no development funds are allocated unless a project is in the current plan or has gone through a extra review process which takes over a year" (Holm, 1996:100).

As stated by Leith (2000:10) an important area of effective government intervention was the mining industry which from the 1970s onwards has been the main source of funding for development planning. Wisely the state had proclaimed all mineral resources to be national property. In goodwill of private investment and in need of foreign capital and expertise to exploit the resources, the state aimed to obtain a large share of the profits from the mining operation and negotiated a joint venture with De Beers to form the "De Beers Botswana Mining Company".

Using its negotiation power being the owner of major deposits and with a competent negotiating team, comprised essentially of top bureaucrats, Botswana in the mid-1970s increased its stake in the equity shares of De Beers Botswana Mining Company to 50% and is estimated to receive up to 75% of the profits of diamond mining through royalties, taxation and dividends. Also, the state is also involved in the global marketing of diamonds by participating in the De Beers-led cartel, the Central Selling Organization (Jefferis, 1998:304).

C. Performance-Oriented Governance

Considering that Botswana since independence has moved from a predominantly agrarian society to an increasingly urban society and an economy based on mining, it seems hard to deny that some structural change has occurred. However, diamond mining has not created a great amount of employment in the country and, as an export industry, has only limited linkages to other sectors of the economy. Added to the much reduced amount of labor migration to South Africa, it becomes understandable that Botswana has been facing problems of unemployment, despite impressive growth rates. The fact that the state has ploughed large parts of mining revenue into development-related investments such as roads, water supply, energy, education and

health, which have contributed significantly to improving the living conditions of the country's population, is not disputed.

2.2.2 South Africa

At the time of the democratic transition, the South African was very weak in that it had limited ability to organize and exercise power for the centralized, institutionalized, territorialized regulation of many aspects of social relations. This was due to the fact that state was unable to prevent the transition from apartheid authoritarianism to non-racial democracy (Mann, 1993).

Accordingly at the height of its power, in the 1970s, the apartheid state had had substantial 'infrastructural power' in relation to white and black populations, the "power to penetrate and centrally coordinate the activities of civil society", which depends on organizational, institutional and administrative infrastructure.

Even though able to avoid being overthrown and force a negotiated changeover, the apartheid state's authority its ability make decisions binding on the population became attenuated through the 1980s, as it proved unable to establish infrastructural power in comparison with the new forms of black social organization which had emerged from the late 1970s. The new democratic state inborn the structures of the old, and state weakness at the point of transition was reflected in difficulties in regulating behavior of individual citizens and in carrying out many of its basic functions including policing, border control and taxation. Over the past five years, public agencies in these areas have been transformed or re-constituted, and the state has enhanced its management and regulatory capabilities in exercising such basic functions (Gelb, 2001).

Accordingly Since 1994, only limited progress has been made in improving economic growth from its dismal performance since the mid-1970s, as GDP growth averaged only 2.9 percent per annum between 1994 and 2004. Private fixed capital investment averaged only 12.1 percent of GDP between 1994 and 2003, compared with more than 13 percent in 1982 and 14 percent in 1988 (after the foreign debt standstill), and 10.6 percent average even between 1990 and 1993, when the economy was in deep recession and the political situation fundamentally uncertain. Though many believe that South African economy has 'turned the corner' and established itself on a higher growth path with growth of 4.5 percent in 2004 and 4.9 percent in 2005, serious

vulnerabilities remain, especially from the external sector: imports grew nearly 10 percent in 2003 and 15 percent in 2004, and in early 2006, the current account deficit was an excessive 6.4 percent of GDP, its highest level since 1982.

Even though business confidence at present is as high as it has been for two decades, the South African economy has yet to escape from its low-level equilibrium trap. This suggests that, notwithstanding the re-entry of the jargon into our political discourse, the South African state is not yet a 'developmental state'. This will have to emerge out of a sustained growth process based on a developmental model. This depends largely on the stance of business towards the model and the possibility for the state not simply to support firms' investment in line with the development model's objectives, but crucially to exercise discipline in relation to the performance targets which accompany that support.

South Africa has an extensive and complicated history of racial discrimination that has heavily impacted its developmental route since 1994. During the apartheid era (1948-1994) institutionalized racism separated white and black South Africans in nearly every conceivable way, from policies barring black South Africans from the same access and quality of education as their white counterparts to setting aside separate living areas in cities and rural areas and revoking South African citizenships. In the eyes of the apartheid regime, black South Africans were a cheap labor source, and as such there existed no justifiable reason for them to be educated beyond training for menial jobs. This deeply divided society has understandably rendered South Africa's developmental path a difficult one, as subsequent democratic governments have been faced with crises at every turn, from managing the economy to redressing massive inequalities created by the apartheid regime (Seekings, 2015:3).

When the African National Congress government came into power in 1994 it enacted and promulgated various people-centered policies and strategic programs. The government adopted principles of the developmental state with the belief that the state economic intervention could enhance and strengthen the state capacity to deal with the legacy of apartheid, particularly challenges of poverty, unemployment and mass inequalities. However, the government is faced with many obstacles in order to get a start on a developmental state (Stephen, 2006).

There is a strong belief by those nations that adopted neo liberalism that state intervention would impede progress and therefore these dominant and wealthy nations are opposed to the policies of state intervention as incorporated in the developmental state model. Furthermore, they do not consider possibilities for the South African government to follow the route taken by the Newly Industrialized Countries and the Tiger economies approach to development.

ANC deliberate performed policy reforms post 1994 a. In essence, ANC had to undo the legacy of apartheid, reforming institutional, legislative and administrative arrangements that were largely undemocratic and discriminatory. This has entailed governance arrangements that involve some form of coordination and decentralization. Notable reforms are reflected in the Medium Term Strategic Framework (MTSF), Medium Term Expenditure Framework (MTEF), the Public Finance Management Act (PFMA) and others which all allow for sound, strategic planning and more accountability, auditing, reporting and so on (Vusi, 2007).

As stated by LARISSA (2011) ANC had two major policies. The first was Growth, Employment and Redistribution (GEAR) and this was launched in 1996. This policy was strongly rejected for being a neo-liberal conception replicating the structural adjustment programs of the Breton Woods Institutions which prescribed models of development for developing countries. The second was Accelerated and Shared Growth Initiative of South Africa (ASGISA), which was launched in 2005, and this had four basic aims and this were bisect unemployment, halve poverty, accelerate employment equity and improve broad-based black economic empowerment.

South Africa was officially democratic developmental state. Many institutional reforms side by side with necessary legislative changes were taken. This process is continuing, focusing more and more on building effective governance and service delivery institutions going forward. South Africa's constitution, in the general enforcement of the rule of law, in relatively healthy democratic institutions, a well performing bureaucracy and the strategic alliances between the state and civil society, notably the alliance partners,

According to Robinson (1998:28), one of the most important features of a democratic developmental state is innate state ability to promote human development. This not only assumes state ability to achieve economic growth, but also assumes a state with a native ability to

improving the living conditions of its citizenry. In South Africa although human poverty as measured by the Human Poverty Index remains high, most studies suggest that all dimensions of poverty are declining in magnitude.

Accordingly in the South African determined developmental elite; relative autonomy; the effective management of non-state economic interests; and legitimacy and performance. With regard to 'ideology-structure nexus', the attributes that the ANC lists as the main attributes of the (envisaged) South African developmental state include issues such as the proposed strategic orientation and capacity to lead the definition of an overarching developmental agenda and the mobilization of people around it. The ANC appears to also draw from Cummings and dimensions of state capacity. It highlights organizational capacity and technical capacity.

According to Vusi (2007) South Africa has demonstrated a commitment to create a developmental state. Second, the political and technocratic elite have maintained their independence and have been relatively insulated from external influence. Thirdly, that the government appears connected, to some extent, to the private sector. Government has employed various strategies to promote economic development, including forging a synergistic and co-operative relationship with business.

Accordingly democratic developmental state is a state that principally embodies the following four principles: electoral democracy and popular participation in the development and governance processes; economic growth, state driven socio-economic development and embedded autonomy. All of these seem to obtain in South Africa. Institutional arrangements as an important variable to the success of a democratic developmental state and the South African policy making institutional mechanisms seem sound.

2.3 Federalism

The federation developed in a bottom-up process: Independent states coming together formed a loose confederation. The majority rule would force on them politics, ideas and ways of life that they objected to, and would cause them to lose their identity as communities. To render the federation and majority rule more acceptable for them, strong federalist institutions were necessary, participatory rights for the regions as such as well as for the citizens. (Linder, 2003: 16)

The terms federation do not appear to have attained precise and determinate meaning. Different scholars tried to define the term in different way and some of them are as followed.Elliot (2017, 3) federalism is a constitutional mechanism for dividing power between different levels of government so that federated units can enjoy substantial, constitutionally guaranteed autonomy over certain policy areas while sharing power in accordance with agreed rules over other areas. Thus, federalism combines partial self government with partial shared government. As stated by CÉLINE (2005) federalism is a political system in which there is power-sharing. In which the government consists of at least two orders: a central or federal government and the governments of constituent units. Both the central and regional governments have their own power to exercise.

Similar definition is given by Riker (1975: 101), federalism is a political organization in which the activities of government are divided between regional governments and a central government in such a way that each kind of government has some activities on which it makes final decisions. *(Elazar, 1987: 5) states that:*

> Federal principles are concerned with the combination of self-rule and shared rule. In the broadest sense, federalism involves the linking of individuals, groups, and polities in lasting but limited union in such a way as to provide for the energetic pursuit of common ends while maintaining the respective integrities of all parties'

According to Eliot (2017, 3) Federal systems are usually associated with culturally diverse or territorially large countries. Notable examples of federal countries (or countries with federal like characteristics, sometimes referred to as 'quasi-federations') include Argentina, Belgium, Brazil, Canada, Germany, India, Malaysia, Nigeria, Pakistan, Spain, South Africa and the United States.

2.3.1 Characteristics of federalism

Ronald puts six structural characteristics distinguishing to federalism

- Two orders of government, each in direct contact with its citizens.
- An official, constitutional sharing of legislative and executive powers and a sharing of revenue sources between the two orders of government, to ensure that each has certain sectors of true autonomy.
- Designated representation of distinct regional opinions within federal decision making institutions, usually guaranteed by the specific structure of the federal Second Chamber.
- A supreme written constitution that is not unilaterally modifiable but requires the consent of a large proportion of federation members.
- An arbitration mechanism (in the form of courts or a referendum) to resolve intergovernmental disputes.
- Procedures and institutions designed to facilitate intergovernmental collaboration in cases of shared domains or inevitable overlapping of responsibilities.

Another characteristic of federalism is stated by GAURI and he divides them in to nine (9) sections.

- **Division of Powers:** One part of the authority and power of the state is vested with the central government and the rest is vested with the state governments. Each works within a definite and defined sphere of functions.
- **Written Constitution:** Written constitution is mandatory so that there will be defined division of power among the federal and regional government. The constitution is the deliberate and conscious act of political construction.
- **Rigid Constitution:** A federal constitution has also to be a rigid constitution because it is to be kept immune from unilateral amendment efforts on part of The Centre Government or states. Only the central government and the state governments together can have the power to amend the constitution.
- **Supremacy of the Constitution:** The constitution is the supreme law of land. Both the central government and the state governments derive their powers from the constitution.

- **Special Role of the Judiciary:** to protect the supremacy of the constitution. Judiciary is essential for performing the role of an arbiter of disputes between the centre and states or among the state governments in respect of their areas of action and power.
- **Dual Administration:** A federation is characterized by dual administration one, uniform administration of the central government for all the people of the federation and the other state administrations which are run by the governments of federating units and which differ from state to state or region to region.
- **Bicameral Legislature:** the legislature of the federal government is made a bicameral legislature. In one house the people of the federation are given representation while in the other house the units of the federation are given representation on the basis of equality.
- **Equality of all Federating States:** One of the key underlying principles of the federation is to treat all states/units of the federation equal, without any consideration for the differences in their size, population and resources. It is because of this requirement that all states are given equal seats in one of the two houses of the central legislature and each enjoys equal rights and autonomy.

CHAPTER THREE

Research Methods

3.1 Method of the study and Data type

The research as qualitative and descriptive type and it used secondary data and primary data. Data is collected from articles, books, journals documents and also through interview. In other words, the researcher has used both primary and secondary data, with a more focus on the secondary data. The Selected small interviewees were from those who are engaging in the Ethiopian political and economic activates. The primary data was collected through interview. The advantages of having interview are more information and that too in greater depth can be attained, Interviewer by his own ability can overcome the resistance, observation method can as well be applied to recording verbal answers to a variety of questions and also non-response generally remains very low.

In order to get depth data he interview was Semi-Structured. This type of interview done face to face, two way conversations and it is flexible because it gives an opportunity for immediate Feedback for the issue and complex questions that cannot easily be asked in telephone or mail can be handled by this type of interview. In order to communicate well the interview was translated to Amharic and Tigrigna, and these interviews were made with opposition group, practitioners and academicians. The interview was made with six key informants in total. Sine the interviewees are high profiles persons it is difficult to bring together and to have a group discussion.

3.2 Research Strategy and Design

Before determined the type of sampling technique the researcher determined the specific population parameters which are of interest. For example, it may be engrossed in estimating the amount of persons with some characteristic in the population, or we may be interested in knowing some average or the other measure concerning the population. There may also be important sub-groups in the population about whom we would like to make estimates.

After determining the population parameter the researcher chose purposive sampling (non-probable sampling, restricted sampling) technique was used to select the sample respondents from Varity of section. On other words the researcher has chosen the respondents deliberately. The reason the researcher used this technique was to select cases that were assumed to be familiar with some fundamental issues concerning the nexus and compatibility between democratic developmental state and federalism system in Ethiopia.

In order not to bias or to have good sample design and entertain different ideas the sampling design was representative of different actors. In which the practitioners, academicians and opposition were purposively selected. This is not only because of their seniority but also their relevance was considered from the interview they gave in different Medias and also their position to provide the required information for the study.

In research cost contemplation, from useful point of view, have a major impact upon decisions relating to not only the size of the sample but also to the type of sample regarding this there was some financial constrain. What this mean by this is that some of the people who were to be interviewed are currently living someplace else than Addis Ababa. There was some problem also on getting the interviews in the appointment that they set.

3.3 Methods of Data Analysis

Research studies result in a large quantity of raw data which must be reduced into standardized groups if we are to get significant dealings. These facts require categorization of data which happens to be the process of assembling data in group's basis on common characteristics. Data having a common characteristic are placed in one class and in this way the entire data get divided into a number of groups or classes (Kothari, 2004).

Based on these criteria in order to analyze the gathered data the researcher divided the interviews in to three categories. The first are the practitioners, the second are academicians and the third categories are Opposition party members.

Regarding the method of analyzing qualitative data obtained through interviews were analyzed by describing (narrating) and interpreting the situation deeply and contextually. This type of

research is a specific type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. After the information is collected and evaluated, the sources are used to prove a hypothesis or support an idea. Therefore the researcher chose the analytical methodologies because the researcher wants to critically evaluate and analyze the facts and information's that are already available in the literature that are used in the research.

In order to achieve the specific objective after the information's that are founded from the literature and interviews conducted are collected. Then the dates are analyzed using the political economic theory of democratic developmental state.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

Before we exceed to the results and discussions, it is vital to include some historical backgrounds and regimes. The researcher incorporated the following historical topics so that it will be clear why the regime adopted federalism and DDS. In this chapter the compatibility, success and challenges of implementing DDS and Federalism System is discussed.

4.2 Haile Sellassie (1930- 1974)

Modern Ethiopian history from 1889 it can be generalized as monarchial regime. This period covers from Emperor Menelik II to Emperor Haile Silassie. Menelik II came to power in 1889. Then he pursued his imperial policies of modernization and centralization. He undertook different military conquests to expand his territory particularly to the southern and western parts of the country. On the other hand, in order to modernize the country, the Emperor introduced different modern technologies and built infrastructures. Besides, the Emperor gained a historic victory over Fascist Italy in defending the Ethiopian territory from colonization, and this victory has even been considered as African victory (Bahru, 1991).

According to Markakis(1989) after HaileSellassie came to power he made many reforms including; he changed the old leadership with young educated ones (the Japanizers), adopted Japanese style constitution on 16 July 1931, and in 1955 the constitution was revised, modern national government was institutionalized, roads, schools(only the wealthy family could afford it), hospitals, communication were also built.According to Almayhu (2005) Land was the critical resource, the control of which was invaluable for any economic agent that aspires for power. In this period the Imperial Regime pursued a market-based economic policy. Land was important not only for the economic purpose but it was also considered as source of power.

According to Teshome (2016) *"the tenure arrangement were termed as communal (rist), grant land (gult), freehold, or sometimes referred to as private (gebbar tenures), church (samon), and state (maderia, mengist) tenure regimes*". The tenure system between Northern and Southern

part of the country were different. In the Northern part of Ethiopia Rist, renting and sharecropping were the tenure system, which was characterized by less exploitation. Gult holders were largely an aristocratic group, whereas in the southern periphery, it was civil and military servants of the imperial regime who had received Gult rights as compensation for their services. Gult is the right to land, it has also been characterized as a right to the manpower of the peasants living on the land. The other system which holds land in both South and north were Church and government (hold 11.8% of the land).

Also as stated by Bulti (1992) this regime had three basic economic policy in which they contain five years each. The First Five Year Plan started from1958, the Second Five Year Plan 1963-1967 and the Third Five year Plan 1969-1974. This makes Ethiopia the first African country to prepare comprehensive planning for socio-economic development. During the first five-year plan, the actual GDP growth somewhat fell short of the target standing. The first five-year plan was completed with a trial and error process of reforms.

As stated by Bulti (1992) in the second five-year plan, the economy registered an average annual growth and this was an achievement brought due to the reform measures taken targeting the foreign private investment. Reforms on FDI, tax concessions, tariff and remittance of profit were observed. The third plan was relatively weak due to weak agricultural performance.

According to Giulia (2016) the people started to raise questions. The question include avoiding corrupt officials, democracy, pay increments, administrative reforms, the right of association, better working and the major question that exacerbated the situation was the question of land ('Land to the Tiller').

According to Markakis (1989) during the Imperial regime there were different movements against the regime. Accordingly until the eruption of the Ethiopian revolution in 1974 many ethnic groups were usually opposing the regime that took military intervention. Although it ended with Ethiopia entering in to war with Somalia, in 1963 the Ogden raised question of secession which Ethiopia considered as an act of Somalia's irredentism. The war eventually involved Somalia to fight against Ethiopia for the time being ended with the defeat of Somalia. But at the mean time the revolution was so wide spread to include Bale and Arsi in south eastern

Ethiopia. The history of the rebellion in Ethiopia's different regions is obvious even in the core areas of Amhara and Tigray. After those uprisings the radical Students movement emerged with Militant Marxist View and later this adopted Leninist principle of self-determination as a solution to the country which they termed as prison of nationalities. The revolution was largely an urban process which the major actors were the armed forces, the teachers, the trade unions, the civil servants and largely high school and university students.

According to Kiflu (2008) in 1952 the Addis Ababa university students movement was going in slow motion then in 1953 although it was not successful there was coup d'état by General Menegistu Neway and this motivated the students for further revolution. Since 1956 the universities had different association in each university but since 1956 the universities got united. In 1957 they had their first meeting and questioned the treatment of the farmers and asked land for the tiller.

According to John (1994) the students movement actually entered in the political arena in 1965 when they marched to the parliament demanding land reform. Most students came from non-aristocratic backgrounds so they recognized that they are faced off with landlessness. Especially students from Amhara and Tigray region used land to Tiller to draw south Ethiopian peasant together for revolution. Accordingly unemployment was sky rocketing, professionals also were not happy that they were excluded from political participation and power, Eritreans also started demanding self determination.

In early 1974 Haile Selassie's government had realized that the popular uprising was not limited to corporatist demands like pay increases, dismissal of departmental officials and recognition of union rights but, more importantly, extended to reforming the government itself. Then to address thus demands it established a constitution-drafting committee which completed its work in the summer of the same year by drawing up a liberal constitution. At the height of the uprising the cabinet was apparently divided among those who sought to leave all questions of reform to the government which was to be constituted in accordance with the new constitution, and those who sought to start adopting reforms right away (Andargachew, 1990:134).

Accordingly (149) the Haile-Selassie's government tried to answer the unfair land system by establishing of Ministry of Land Reform and Administration to deal with the matter. One notion promoted by that ministry, well before 1974, was the redistribution of individually owned land in excess of twenty hectares. A draft proposal to that effect was shelved for lack of support in government circles. The government officials had their economic and hence political power based on land, so they were not happy with this reform.

According to Bahru (2002) the most pitiless opposition to the feudal regime was from the students movement. It also had great contribution more than any other factors to blow up the 1974 revolution. Finally the regime was overthrown and in 1974 the military regime (Derg) came to power.

4.3 The Students movement

Ever since the dawn of medieval universities, students have protested against and challenged the established order of their society with considerable frequency. worldwide student movements that demanded more significant roles in mapping the course of their nations' development and greater access to their countries' social, economic and political systems. Of course, students' demands were relative to each region's historical and cultural characteristics; however, the call for some form of social change was universal.

According to Meresa (3) Ethiopia was the country in Africa that conducted students led social revolution against home grown (imperial regime) and century long monarchism in the 2nd half of 20th century.

According to Colin (1997) the students movement was not easily established it had three main periods. The first attempt to establish students union was after 1959 February when Hagos Gebre Yesus, president of the Student Council, attended the eighth International Student Conference in Peru. The second attempt was in 1960 when Girmame Neway and his brother Mengistu, together with other bodyguard officers, seized power while Haile Sellassie was out of the country. The students were having talks with both so that they can have the union but the cue failed. The third and successful attempt was in 1967, when the University Students' Union of Addis Ababa (USUAA) was finally established.

Although the students formally got organized in 1967 there were many protests healed against the imperial regime. According to global non violence action database In 1964 students rallied around the issue of land tenure, and in 1964 and 1965 they held large demonstrations under the slogan ‘Land to the Tiller’ which called for a redistribution of land from wealthy landlords to working class tenants. The students did not direct their protests at Emperor Selassie, but instead they appealed to Parliament.

According to this site the methods that were used to topple this regime were as followed: writing anti government issues on newspapers and journals (Addis Ababa students start to print 'The Struggle') form alternative social institutions such as Student Unions, Student strikes, group or mass petitions, students tried to distribute their demand through Leaflets, pamphlets, and books, Ethiopian students in Russia in the Ethiopian Embassy, Marches and Assemblies of protest or support.

The students got also external allies so that these foreign nations could put pressure on the government, like Sweden (before the 1967 campaign) and Germany and also Ethiopian students overseas in Russia staged a sit-in in the Ethiopian Embassy.

When the students started to get the attention of the international society the Imperial regime try to listen to their demands. But it was not successful, although they were stopped by force many protests and class boycotts were done in universities.

As you can see because United States was major alien of the imperial the students had to relay on the support of the Soviet Union. In which it largely affects there ideological stand to be Marxist. As stated by Randi (2009) the student movement was a dominant factor for the fall of Haile Selassie’s regime in 1974. After the military regime came to power it also become socialist therefore the regime tried to fill the libraries and the teaching system with Marxist ideology.

4.4 The Derg: 1974 – 1991

After the overthrow of the Haile Selasia imperial regime there was no organized political party to take over power. According to Andargachew (1990) despite there were some organized associations that led the revolution (Teachers Association, and the Student Unions) the Military

regime suspended the constitution of the imperial regime, abolished the parliament and arrested the king and declared itself as government in September 12, 1974 with Marxist view. Although the groups that were active in the revolution of 1974 did not came to power some of the associations continued to be politically active. Like that of Students Unions opposed the regime and demanded the replacement of the military regime with civilian government.

According to Tomas (2016) Although before the revolution there were two political parties All-Ethiopia Socialist Movement (MEISON) and Ethiopian People's Revolutionary Party (EPRP). They were passive therefore because of the power vacuum the military took.

According to Paul(1994) During the emperor Haile Selassie regime Ethiopia was dependent of united states arms and training, after the overthrow of this regime there was change . The time military regime came to power is during cold war where ideological war between Soviet Union (Socialist) and United state of America (capitalist) but the war was not only in those two countries but the world was divided in to two sides. Therefore the military regime also chose a side, which was Marxist-Leninist ideology for the following reasons. Mengistu (leader of Derg) was anti-USA because of his unpleasant experiences during his stay in America, his admire Castro in his effort of getting Soviet to back him up, deterioration of America because of war in Vietnam, and the failure of the West to support the military government to support the reforms in Ethiopia were the reasons that the military regime adopted the Marxist View.

Accordingly when the military junta came to power the first step it took was removing the king and killing the former rulers. Another thing it did was entrusted with sweeping law-making powers. In which it was authorized to enact law, declare war and take all necessary measures to safeguard the integrity and defense of the country, and determine which treaties and international agreements would be subject to ratification before becoming binding on the state, and ratify. An example of the Derg's law-making power noted earlier is the issuance by it of proclamations. The third thing that was done was Derg band all protest or strikes against the regime. And also the main principle of the regime was 'Ethiopia first' the people who went against these provisions were to be tried before a military court without any right of appeal.

As stated by Andargachew (1990) in December 20, 1974 the military regime's first fundamental political and economic program was, "Ethiopian Socialism". In which it contained only twelve pages. The Derg's policy statement explained that it was derived from an interpretation of "Ethiopia First" and from Ethiopian culture and religions. This program had five basic principles: sovereignty, the absoluteness of Ethiopia's unity, self-reliance, the dignity of labor and the precedence of the public good. Elaborating the policies of the program in the economic sphere, it said that those assets which were beneficial to the public would be nationalized and those which, if left in private hands would not go contrary to "Ethiopia First", would be left in the private sector. It was also stated that land would be owned by the people and the cottage industries would be promoted.

Accordingly there were also some bold changes that the military regime took: the first was it nationalized business sectors. The other radical change was the land use system, in which in order to answer land to the tiller there was new legislation. With the exception of large-scale private farms which, in terms of the law, the government could run either as state farms or convert into co-operatives, all privately-owned rural land was to be distributed to people who were willing to cultivate their holdings personally. In other words Nationalization of land is in line with the Marxist-Leninist principle of bringing the means of production under state ownership. Once the state is made the owner, land cannot be distributed to farmers in the form of ownership because two owners over one thing is not logically tenable. But use right was allowed. This nationalization of land was also implemented in urban areas. Additionally extra house were distributed to the people.

As stated by Randi (2009) one of the regime's most impressive achievements was the effort he put in to decreasing literacy. In 1980 this was also awarded by UNESCO Literacy Award. After the two-year closure of the university in which the large-scale zämäča (ዘመቻ) took place, in which there was a requirement that all students who had sat the twelfth-grade examination were to teach a course of approximately three months' duration in the literacy campaign. This participation was a prerequisite for entering university.

The regime also had constitution (1987). The constitution had much contradiction within it. We can take the example of chapter five 'Foreign policy'. In the beginning it states that Ethiopia has

the non alignment policy. But in Article 28 number 2 it states that Ethiopia should have relation with socialist countries.

> The people of democratic republic of Ethiopia shall promote all round relation and cooperation with socialist states, and strengthen its relation with international working class movement, revolutionary democratic forces, national liberation movements and other democratic and peace loving force. (Constitution of the people's democratic republic of Ethiopia, 1987)

According to Tomas (2016) the students recognized national oppression or the Nationality Question and they followed Marxist–Leninist ideology and Stalin's theory of nationalities. The division in the student's movement was in the way to fight against the Derg or it was in tactic. The first faction was pan–Ethiopian nationalist groups who believed "assimilation of periphery cultures into the Amhara or Amhara/Tigray core culture made the creation of the Ethiopian nation possible" so there is no need to change this and the solution to the problems Ethiopia face is class based struggle instead of ethnic struggle. All-Ethiopia Socialist Movement (MEISON) and Ethiopian People's Revolutionary Party (EPRP) were the followers of this tactic. The second faction had colonial Thesis or in other words they believed that Ethiopia was a prison of nations so they believed ethnic based struggle for complete secession from Ethiopia. Proponents of this tactic were Oromo Liberation Front (OLF), Tigray People Liberation Front (TPLF) and Eritrean People Liberation Front (EPLF).

According to John (1994) after the coming of the military regime the student's movement was divided in to two factions. The first was Ethiopian People's Revolutionary Party (EPRP) which demanded the abolishment of the regime. The second faction that was created was All-Ethiopia Socialist Movement (MEISON), who thought that the military regime can be changed by working together. In 1976 the tension between EPRP and the government and this led to bloodshed (red terror).

Regarding the economy it was still agrarian. According to Harold (192) the Derg regime nationalized land in 1975. According to Almayhu (2003) Derg opted for a socialist economic system where market forces were deliberately repressed and socialization of the production and distribution process pursued vigorously.

As stated by Lirenso (1987) the military government introduced centrally planned economy. In which it nationalized rural land, abolished tenancy, ordered all commercial farms to remain under state control, redistributed lands, and maintained a highly overvalued currency. The most direct interventions included fixed pan-territorial grain prices, restrictions on private inter-regional grain movements, and producer grain quota. The outcomes of these policies are well-known: economic growth was thwarted, farmers smuggled cash crops to neighboring countries due to highly overvalued exchange rates, and also this killed the motivation of the farmers.

Also accordingly the military expenditure was very high. 1980s defense expenditure accounted for 7-11 percent of GDP. This was also another reason for the economy to deteriorate

According to Harold (193) Derg adopted Marxist- Leninist (Ethiopian Socialism) ideology in 1975-76. But this did not stop the formation of many ethnic rebellion groups like that of EPLF, ELF & TPLF. This forces base was the peasant and they were a big headache to the military regime. Accordingly these forces also had Marxist ideology. Then after war for 17 years the Derg regime was overthrown.

4.5 Ethiopian People's Revolutionary Democratic Front (EPRDF)

In 1991 may Ethiopian People's Revolutionary Democratic Front (EPRDF) came to power. The EPRDF rose in response to the military regime denial of provincial and cultural autonomy. After coming to power in 1991, the EPRDF conducted Peace and Democracy conference and established Transitional Government of Ethiopia (TGE) and adopted a transitional charter which recognized freedom of association and speech, multi-party democracy, referendum for Eritrea and the right of nations, nationalities and peoples' to self- determination. In 1992, the country's internal administration was structured with the formation of 14 regional administrations along ethno linguistic lines. After two years in 1994, the FDRE (Federal Democratic Republic of Ethiopia) constitution which recognized the right of ethnic self-determination up to secession was adopted in a view to addressing the grievances of the various ethnic groups in the country. As a result, the federal government reorganized the 14 regional states into nine regional states and two city administration cities (Assefa, 2006; Aalen, 2006).

As stated by Turton (2006) and Hashim (2010) the federal arrangement enabled the EPRDF government to decentralize power and address nationalities question by accommodating the country's various ethno–linguistic groups. Thus, it essentially liberated different ethnic groups from the domination of one language, one culture and one religion in favor of multi-language, multi-culture and multi religion. The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) also guaranteed this in Article 39 (sub-article 2) by stipulating that "every nation, nationality and people in Ethiopia has the right to speak, to write and to develop its own language; to express, to develop and to promote its culture; and to preserve its history." The political ideology of the country also shifted from socialism to multiparty democracy.

According to Aregawi (2008), when EPRDF came to power the ideology it had was Marxist Leninist view. The regime adopted this ideology due to the international situation of then. In other words during the cold war the world was divided in two this means there were two blocks. And thus were Communist bloc which was led by Soviet Union and the second block was American led capitalist block. The regime adopted the socialist ideology due to this. Also another factor the regime adopted this ideology is the Student movement.

As stated by the interviewees the party changed its ideological view for three reasons. The first reason they provided was that after EPRDF defeated the military regime it had to change its name to Democratic revolutionary party. The Military regime had Marxist ideology and the people hated the ideology not because they understood the ideology but for the fact that they really hated the government. Therefore to be accepted by the society it had to change the name of the ideology.

The second reason was that the international political economic system shift. When EPRDF came to power Soviet Union had collapsed and liberal ideology had taken over. Therefore in order to blend in with the international system or to get acceptance and different aid they have to shift.

The third reason was the party final goal was to build a socialist political economy but the situation that existed in the country was not suitable to do so. This means that there was no

industry to build on the socialist political economy. The party changed its out look to the revolutionary democracy state.

As stated in the EPRDF revolutionary democratic document the party changed its ideology to revolutionary democracy as bridge to transit to capitalism. Accordingly meaning of revolutionary democracy is that to achieve democracy taking any necessary step. This should be achieving through direct participation of the people.

4.6 What is DDS and why did Ethiopia adopted the model?

The ruling EPRDF in the late 2000s has made a U-turn for adopting a developmental state from Asian Tigers ignoring neoliberal ideology that was there in the country for more than a decade. In a variety of occasions the party clearly stated that neo-liberalists' policies and programs have failed to help less developing countries of the third world countries of the global south reduce the level of poverty. Rather, the gap between the developed and poor countries is ever increasing, and makes developing countries just suppliers of raw materials to the western manufacturing sectors (Daba, 2017).

Before the researcher carry on analysis, the respondents can generally be categorized in to three. The first respondents are those who believe that democratic developmental state model and federalism are compatible and also Ethiopia is pursuing this in good way. The second categories are those who believe that democratic developmental state model and federalism are compatible and although Ethiopia is practicing this there are many problems associated. The third category is those who believe that democratic developmental state model and federalism are not compatible and Ethiopia should consider other options.

The second category respondents state that democratic developmental state is the combination of development. Democracy is acknowledging different interests, administrating yourself and deciding on your own fate.

Democratic developmental state is achieving development while practicing democracy. After the three continents got their independence achieving development was major issue. Those issues brought different ideologies and thoughts. For instance there was Growth model and this is that

few investors create wealth and this wealth trickles down to the poor. Which means development is linear. In other words societies develop and pass through different stages then development occurs. The other model was the Marxist model. This model discusses the issues of class and class struggle. This ideology mainly believes that the developing countries are underdeveloped because of the developed countries. The other ideology that was adopted in Latin America was Depending theory. The ideology raise the issue that developing countries are dependent in the developed countries, therefore in order for them to develop they should not be dependent.

The other ideology was the Liberal ideology in which the countries developed following other foot steep. After African states got their independence they adopted this ideology. But this did not fit the situation they were in rather it worsen things. For example before adopting liberalism Ghana was much better that North Korea. This means while the Asians were developing due to developmental state theory they used Africans were trying to adopt liberalism.

Accordingly, even though this developmental state model was implemented in 1960 in Asian countries, but the European countries also went through this political economic theory. Although they preach that there should not be government intervention, after industrial revolution there government was protecting market.

Developmental state is allowing the government to intervene in the market. Also there is gap in the market and in order to fill this gap government has to intervene. This is because the private sector aim at profit without considering other things, so to fill this gap the government had to intervene. So in Ethiopia the government is trying to practice the Asian model of development hand in hand with democracy. Ethiopia had to introduce democratic element due to her situation that the country exist in. Ethiopia has different ethnic groups and if there is no democracy this could lead to conflict. Also if the development is not complemented by democracy it will not be sustainable. The first category of respondents also stated similar points. Accordingly, after the down fall of the military regime (Dergu) Ethiopians economy was very weak, so in order to solve this problem there had to be free market. In order to make the market free the first thing that was needed to do was chose suitable political economic theory. Therefore developmental democratic state model was the option that was chosen.

This theory had three essential elements sustainable development, free economy and beneficial to the people. To achieve those elements and immerse the society from deep poverty the government, private sector and people should work together. Although the Asians brought development with dictatorship Ethiopia could not do the same thing. Unlike the Asian countries Ethiopia has diversified ethnic groups, culture, religion; etc so if the democratic element is forgotten the country could fall apart.

This perspective is also clearly stated in the EPRDF document, in 2001 expressed its commitment to building a developmental state in the country (EPRDF, 2006). Since 2003 the Ethiopian Economy achieved a double-digit growth. The government argues that its success is fundamentally related to its rejection of the 'neo-liberal' economic policy, following its own indigenous ideology of 'revolutionary democracy', and above all the government attributes this growth success to its embrace of the idea of a 'developmental state'.

The third category of respondents had different opinion on this issue. After the 1997 E.C election the ruling party EPRDF main problem is revolutionary democracy (which later was transferred to Democratic developmental state model), because the so called revolutionary democracy is neither not revolutionary nor developmental. For instant if we take China, she still has strong revolutionary party due to their strong commitment. But in EPRDF the only committed and strong party member is TPLF. So while consolidating power in undemocratic way you cannot neither achieve democratic developmental state nor federalism.

4.7 Federalism and its implementation

As stated by Haile (1996) territorial autonomy for geographically intense ethnic groups is an important section of the Ethiopian federalism. This is the reason why the Ethiopian federalism is often referred to as ethnic or, as its detractors would usually like to put it, tribal federalism. The present dispensation does not only mark a new political watershed in post-colonial Africa but also represents a major break from the era of centralization that characterized the Ethiopian state for most part of its history.

Ethiopia has ventured on an experiment that has seen the marrying of federalism with ethnicity. The point of departure for self-government as expressed in the federal arrangement is not

geography but ethnic groups. Article 39 of the Ethiopian Constitution states that every "nation, nationality and people" in Ethiopia has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits. Constitution Article 46 states that the geographical configuration of the federal state should be based on the basis of settlement patterns, language, identity and consent of the people concerned. Based on this there are nine states that are largely delimited along linguistic lines and two administrative cities are established (Smith, 1995:6).

The constitution is often considered quite a unique experiment, because it brings the acknowledgement of cultural diversity to the extreme consequence of using ethnicity as the fundamental organizing principle of the state. The constitution defines Ethiopia as a polity composed by the nation, nationalities and peoples of the country. The first category of respondent stated that Ethiopia had to adopted federalism due to diversification in many things. Initially when the federalism was to be implemented many people supported this, but later some started to question it, because they wanted to bring back autocracy.

According to the third group of respondents, in Ethiopia federalism is and was not implemented. Federalism has its own characteristics and those include division of power, supremacy of constitution and election. In Ethiopia there is no division of power in which the power is concentrated in certain people. There is supremacy of people in power rather that supremacy of constitution. The other element that should have existed but that does not is Election. Although election is healed every five year the election is not fair election. So generally although federalism is necessary to our country it is not implemented.

The second respondents stated that although federalism is necessary to Ethiopia it is very difficult to implement it. This is due to the fact that there is no consensus among Ethiopians and politicians. We cannot simply compare Ethiopia with South Africa, state which her economy was bullied by the white and Botswana state that does not have even half the population of Ethiopia. Federalism in Ethiopia should be democratizing. The major problem of the ruling party is that it's trying to implement federalism by itself without the help of the people.

4.8 Characteristics of democratic developmental state and its implementation in Ethiopia

According to Leftwich (1998) Developmental state has certain characteristics and thus are having a developmental vision, Development oriented political leadership, an efficient bureaucracy, capable and unified elite, pilot agency, institutional coherence, etc.

The third respondents stated that in order to achieve successful democratic developmental state government intervention, have development soldiers, development oriented government, have common view on development so that everybody gets on the same page, thriving civil servant and having private sector without having too much connection with government. The other characteristic of developmental democratic state is that there should be vanguard party. Development is not some plan for a year, it takes 20 or more years, and so one party should stay in power in order to maintain the development. In order to be elected continually the party should show fruitful outcome of development and democracy. So that the party could show that it deserves to be elected and gain the peoples voice. But Ethiopia does not fit any of the above mentioned characteristics. So she could not be labeled as democratic developmental state. In other words the developmental democratic state model is not being practiced in Ethiopia.

The second respondents stated that the elite should have been unified and committed but in Ethiopia the elite is divided and not committed to development, rather it runs its own agenda to further their individual interest. The elite should have been helping in uniting the people to and for development. The elite could not do this because it's not united itself. The other element is having efficient bureaucracy. The bureaucracy that Ethiopia has is the one that have been working since the monarchy and the military regime. In other words this means that bureaucracy has not changed in its mentality and structure. So having this large and not development oriented bureaucracy has made it to be inefficient.

The first group of respondents mentioned that to have flourishing democratic developmental state there are certain elements and thus are having developmental vision and policy and also shared developmental view, efficient bureaucracy and holding power for long time in democratic way, allowing investors get benefit while they are benefiting others.

The government has tried to fill the civil service based on merit, in other words it tried to reform the sector based on capability. This was not effective the bureaucrat cams to office not to serve others rather to serve him/her self. But that does not mean they are contributing to development, it means they are weak. Also the political elite is not committed enough to development. When you see the democratic elements, there are works done but it is no enough. For instance if we see election, although there should be vanguard party repeatedly wining this should be in democratic election, but in our case our election miss democratic elements.

Additionally the respondents also stated that the bureaucracy has problem. The problem is that bureaucracy is based on ethnic arrangement, which did not consider profession and capacity. The regional parties provide people based on their quota. Additionally the problem we see in the bureaucracy exists due to the fact that there is no clear line between government and party. So you have to work in building there capacity. For instance the government bullied boarding school and civil service collage, so that they can fill the knowledge gap and they can contribute to the federal system. Some work should have been done are also being done to bring elite consensus. There were many problems in this area, which the ruling party tried to alienate the opposition elites. We cannot go the same rode like we did before. The elite should play its role for development.

As stated by Tshilidzi (2006) the fundamental driver for success in developmental states is industrialization. The objective of industrialization is to create a country that produces goods and services with high added values. For instance instead of exporting goods and products, people can be employed to beneficiate these manufacture goods thus add economic value. The model aims to bring structural change through prioritizing and modernizing agriculture and moving towards industrialization (UNDP, 2015). When we take this element to our case the countries policy is clearly gives priority to industry and also agriculture.

The 2002 Industrial Development Policy primarily focus on the promotion of agricultural-led industrialization, exported development, and expansion of labor intensive industries and also states that this can be build only through the implementation of agricultural and rural centered economic and industrial development ADLI strategy can be successfully practiced, then it would be gradually transformed into industrial-led development strategy.

The industrial sector development operates within the framework of the country's overarching economic development policy, ADLI The state actions to fulfill all the necessary infrastructures and establishment of industrial zones is already started and plan to expand it Protects and nurtures some industries like the East Asian developmental states did; the centre of support lies basically to domestic private firms There is fertile ground to give much emphasis for industrialization based away from emphasis to agriculture.

According to Agriculture transformation agency Agriculture led industry transformation can be generalized in the following graph. And the graph below shows that there is interlink age between agriculture and industry and the country is trying to develop using both.

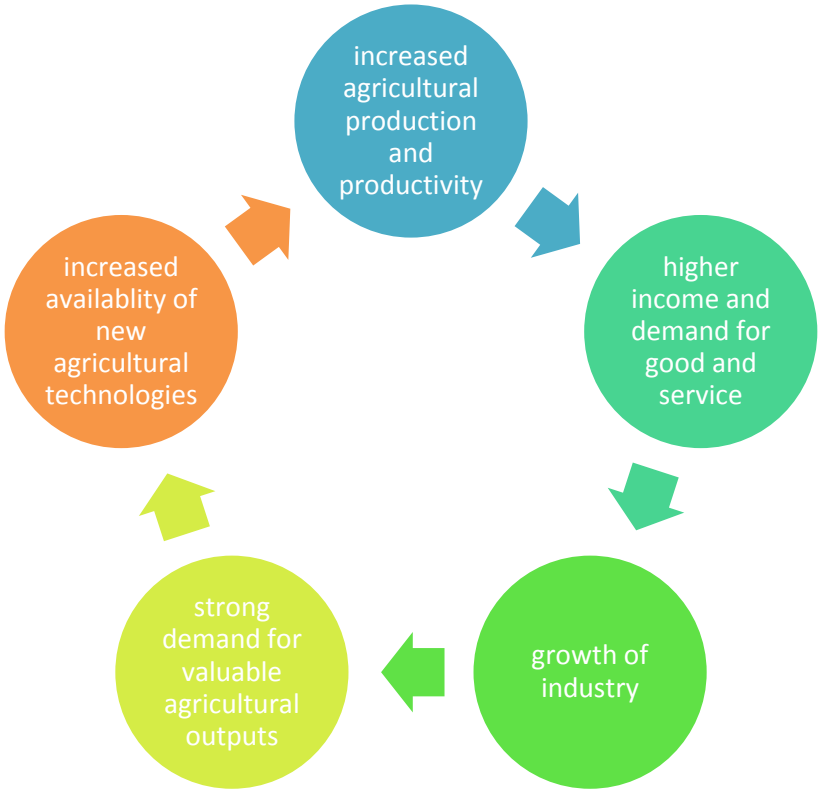


Figure:1 Interlink age of industries and agriculture

Source: Agriculture transformation agency

As stated by Marwala (2007) an engineering education (educated population with high levels of numeracy and computer skills) is essential to DDS. This can be achieved by introducing a robust early education strategy. This is because by the time the young learners go to school they have already acquired all the skills they require to develop numerical, computers and visualization skills. This helps to create an extensive bureaucratic layer consisting of mainly engineers who have high technical, computers and analytical skills.

The EPRDF developed the education and training policy in 1994, and launched consecutive the Education Sector Development Program. This shows the emphasis given to education is almost similar to the East Asian countries, and the attention first is for primary education, then to secondary, and finally to tertiary level. Value and moral education has already started both in a formal way in the school and informal trainings. This helps build broad-based and firm democracy.

4.9 Success and challenges of implementing DDS and Federal System

While practicing the DDS and Federal system Ethiopia has had many challenges and also some changes. Third respondents state that although Ethiopia is trying to achieve developmental aspect of DDS and has forgotten the democratic element of it. The so called Democratic developmental state model is not democratic. This is due to the fact that the parliament is packed with members of one party (EPRDF). The parliament does not understand what is happening in the country. Also the media is always controlled, so people try to make their voice heard in other ways. There is no opportunity for opposing parties. Even though theoretical the government puts democracy as priority that cannot be compromise in practice it is not. Also the government is not federalist either developmental state. It's actually autocratic system. In which it's cheating the people by claiming it has brought development and democracy, but that's not the case.

Unlike the former respondent the second respondents believe that Ethiopia is practicing democracy. The respondent also stated that we can cheek this using some criteria of democracy.

- Coming to power in democratic way (election). In America and Europe parties come to power through election. The same thing happens in Ethiopia, although there are some problems.
- There is power sharing with in the government, which is one element of democracy. This is not perfect there are some problems in cheek and balance and also accountability.
- Building democratic institution is another element. Regarding this we are starting to bullied them, in other words the process has started.
- There are civil societies. Although there are some reservations in their participation, but this is good start than the other African countries.
- Also group and individual right is respected.

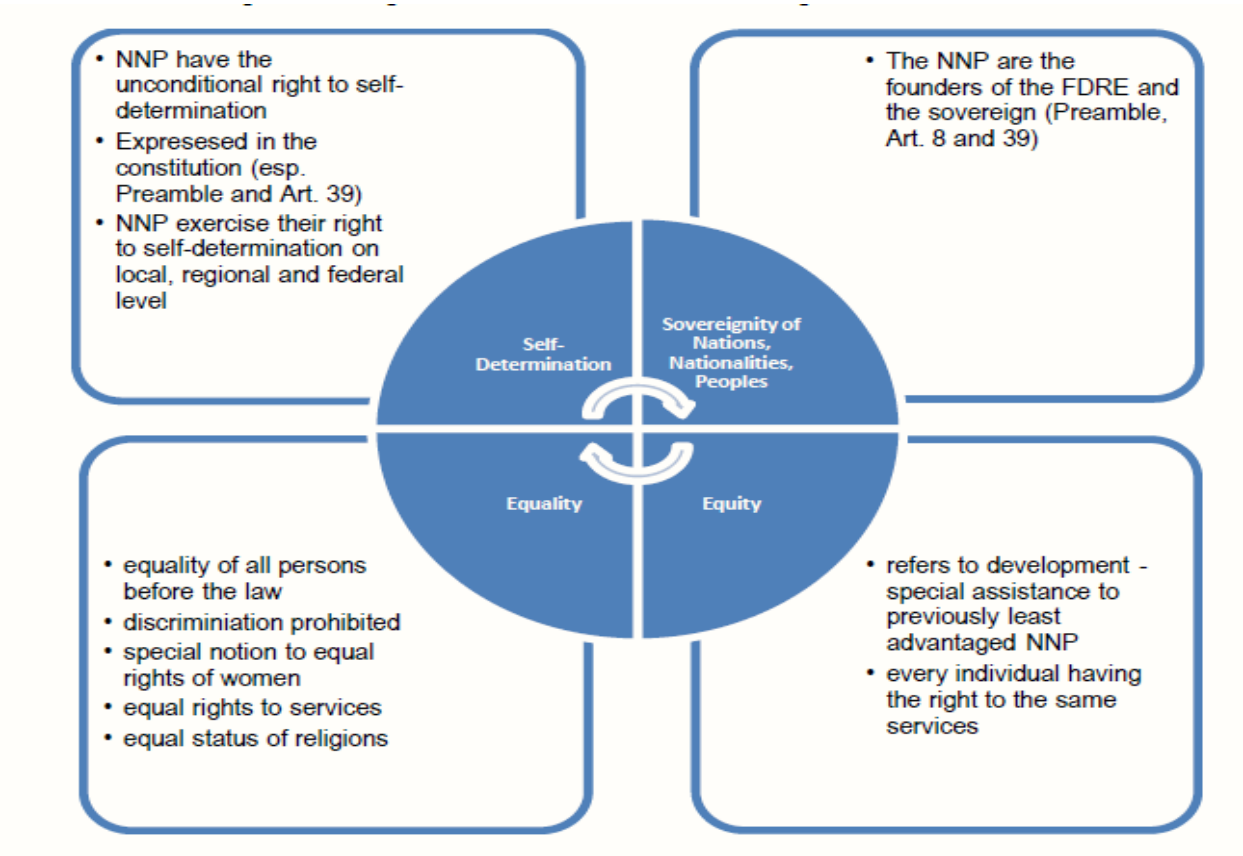


Figure 2: Federal System of Ethiopia

Source: Zimmermann-Steinhart Federal System of Ethiopia (2012)

The constitution can be generalized as the above figure. This all are right track to build democracy. But this is not enough those gap mentioned earlier are also going to be ground to kill democracy. So we have to change our economy to help flourish those democratization beginning.

In federalist State the Participation of the regions decision-Making is important. These interests and rights must be both respected and protected. There should be a venue for the regional state voices to be heard during policymaking by the federal government (Montes, 2006).

Ethiopia fits this element perfectly, in which she has two house and those are house of federation (HF) and house people's representatives (HPR). In both parliaments the regions are represented by their representatives. But this does not mean they don't have problems, mostly the houses are criticized for being passive.

As stated by Fishea (2017) accommodation of diversity is also basic feature of federalism. The states in which there are multicultural communities adopted federalism as the main solution to their lingering ethnic conflicts or inequalities by recognizing the existing diversities. Diversities existed in terms of ethnicity, language, religion, cultures and others are natural to human beings. This can be achieved through allowing multi-cultural groups the right to self government by ensuring their autonomy constitutionally. In this case federalism is substratum to ensure unity within diversity or multi-cultural communities.Based on this criteria Ethiopia has more than 80 nations and nationalities so accepting this diversity is mandatory to exist as a state. The constitution recognize this in its preamble

> We, the Nations, Nationalities and Peoples of Ethiopia: Strongly committed, in full and free exercise of our right to self-determination, to building a political community founded on the rule of law and capable of ensuring a lasting peace, guaranteeing a democratic order, and advancing our economic and social development;

This clearly shows that there should be coexistence between the nations and nationalities based on rule of law and also states that the regions have the right to decide on their fate. This is one step of change than the previous regimes.

The constitution also recognize human rights Article 14 Rights to life, the Security of Person and Liberty, Article 15 Right to Life, Article 16 The Right of the Security of Person, Article 17 Right to Liberty, Article 25 Right to Equality, Article 26 Right to Privacy, Article 29 Right of Thought, Opinion and Expression and Article 30 The Right of Assembly, Demonstration and Petition, etc. are some of the rights.

In this regards the country has many problems that even all parties agreed on. For instance is we take freedom of speech in recent years The Federal High Court convicted journalists, bloggers and other activists on terrorism charges and handed down prison sentences (Amnesty international, 2017/18 and human rights watch, 2018). Ethiopia has/is facing many problems in the civil service sector. Despite the fact that Civil service should be meritocratic, in Ethiopia it is not. The Bureaucrats are elected not based on their skill or effectiveness rather it based on quota given to those parties. In other words in EPRDF there are 4 member parties and 5 affiliated parties. For each member parties there are quota and they take their places and the people elected for this position have to be party members and trusted by the party.

To solve this problem as stated by the policy makers the civil servant is taking trainings that could improve their capacity. Civil servants have clearly separated functions, they are trying to recruited based on meritocracy, managing the Ethiopian bureaucracy, and have improved their skills via various experiential learning seminars and trainings (Asayehgn, 2012). Also recent study by the World Bank on the public sector reform program in Ethiopia discloses that, there is an overall improvement across the various levels of government bureaucratic institutions with some capacity limitation (World Bank, 2013).

Regarding National consensus in many of the developmental projects among the nations was one of the great contributing factors for the success of their economic development and transformation of many of the East Asian developmental states. But in Ethiopia where there are diverse ethnic groups is paramount and necessary but it is not an easy task. The Ethiopian Elites have the power to galvanize the society to development, but the elite is focused on gaining political power. So this makes it challenging to have national consensuses.

But this does not mean that the Government did not try to build national consensus for instance against fighting poverty and natural resource conservation through soil and water conservation campaign to build a green economy. However, there are individuals or groups of individuals who move against the direction of the developmental state and this indicates there is a need further efforts to narrow the gap via creating consensus in many of the development projects. Such gap should narrow down via accelerating the development process and improving the well-being by creating equal development opportunities for all. Strengthening the broad cross-section ties of state-society, which helps to boost the participation of citizens in planning, implementation, and evaluation process will be crucial. For example we can take the great renaissance dame, when this project was launched there was highly national consensuses that this dame should be build.

The other element of DDS is building strong and competitive private sector so that the economy transfers to capitalism. The government does this through boosting public investment in infrastructure and institutions to create conducive investment environment, promoting economic diversification and create employment opportunity to address the existing unemployment, and to assure egalitarian resource distribution both in rural and urban areas. Creating such an opportunity is a kind of economic rent distribution, which is very relevant for the buildup of social, physical, and human capitals through promoting public and private investment. The accumulation of such capitals which play a critical role in accelerating economic growth, increasing returns to scale in the economy and improving the standards of living. So, a developmental state must able to be directed and supported economic development through building a strong public bureaucracy, creating an investment friendly environment for the private sector, supporting small business development and using state owned enterprises effectively in the economy.

According to Yacob (2010) Some of the infrastructure services, such as roads, railways, air transport, and telecommunication services are in the process of being reengineered and a few are now in use. Though worthwhile attempts have been made to electrify the rural areas, still a large segment of the rural population and especially women become covered by toxic smokes that result from the burning of wood or cow dung while cooking, and the use of kerosene lamps for lighting their shattered houses. The health facilities available in the country seem to be better

than under previous regimes, but it is sad that the health care service centers operating in Ethiopia are still ill-equipped. Actually, a number of households in rural Ethiopia fetch their water for home use from contaminated streams and rivers. Because of this, priority has been given in the five-year GTP to provide universal potable water services to a large section of the country. In quantitative terms, it is remarkable to notice that Ethiopia has achieved almost universal primary education.

Political elite commitment in achieving development is also another element of DDS. According to Ghani (2005) a developmental state's leadership is strongly committed to developmental goals, and which places national development a head of personal enrichment and/or short-term political gains.

When we see the political elite of Ethiopia there are two stands. The first is that although there are some problems the political elite is committed. This is also stated in EPRDF document (2011) that the government also views ensuring development as an issue that determines regime-survival. It also claims that there is conflict between the 'develop mentalist' and 'rent-seeker' leaders of the party which the former was able to win. Similarly the first respondents state the same thing. The elite is committed that is why the country got double digit growth, but there are some political elites that are rent seekers.

They also stated that the other problem of this is that the money that the political elite got from corruption is not invested in the country rather its saved in abroad. In other words if this money was invested in Ethiopia it could have benefited many people by creating job opportunity and also it could have been source of revenue for the government. The respondents also stressed that although there are some rent seekers there are also many committed Political elites. This idea is also supported by Foune (2011) who claims Ethiopian political elites viewed economic growth as important for its impact inside a country, but also as crucial for achieving international independence and gaining the respect of others.

Corruption is one major challenge of the country which has affected the implementation of DDS. The government runs big projects and runs the market system, and this involves large amount of money which can led to corruption. So to avoid this there should be effective system that could

control such failure. Ethiopia also is being challenged by corruption. This corruption begins from the lower class up to higher officials. The following index reflects this reality.

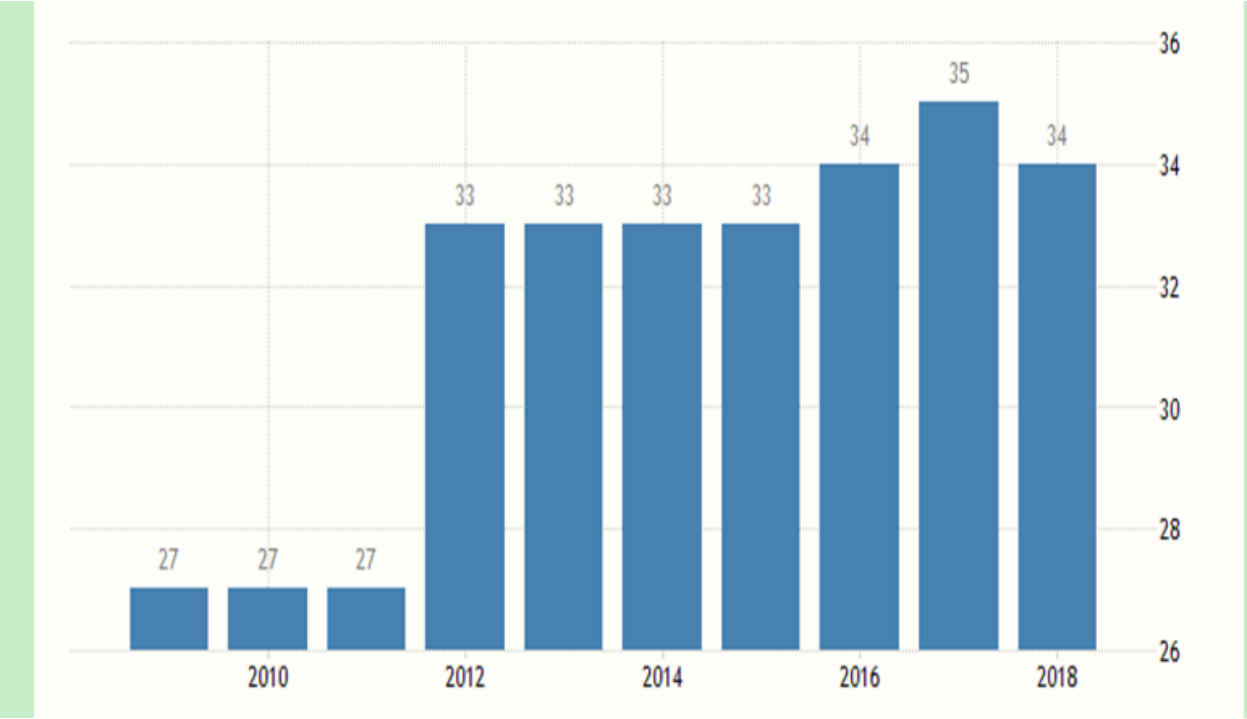


Figure 3: Ethiopia corruption index

Source: Transparency international (2018)

The second opinion is that the political elites of Ethiopia are not committed and their only envy is gating power and collecting money. The third respondents also believed that the political elite of EPRDF highly corrupted and rather than being committed to development they are committed to be rich by themselves. Also from the party the TPLF leaders are much better in this regards, but that does not mean they are not part of the problem. This idea is also supported by Merara (2003, 146) he stated that Ethiopian political elites are regarded as dictators and tyrants owing to "the politics of exclusion" which the government purposefully uses.

Developmental states as those states whose successful economic and social development performance illustrates how their political purposes and institutional structures (especially their bureaucracies) have been developmentally-driven, while their developmental objectives have

been politically-driven (Leftiwich , 2008:12). Johnson (1982, 19) DS has to have industrial policy, that means, it should pay special attention to the identification and promotion of the most rational structure of its domestic industry in which the structure allows the country to enhances its international competitiveness. In order to give special attention to industry pilot agency is needed.

In the case of Ethiopia there is special attention given to the industry and a good example of this is that the Industry parks that are being build rapidly. According to investment commission Ethiopia has planned to increase the number of its industrial parks to 15 by June 2018 as part of its efforts to boost manufacturing and export. Ethiopia's aim in building more industrial parks is to enable the manufacturing sector to contribute to 20 percent of Ethiopia's GDP and 50 percent of the export volume by 2025. This indicates that the country is committed to industrialization.

4.10 The compatibility of DDS and federal System

The third group of respondents believe that Democratic developmental state and federalism don't go together. The Ethiopian government tried to implement the policy for the last 27 years in closed doors, without considering other options; but this was not effective. DDS needs central government or institution that controls other institutions. But in our country there are many opposition groups that oppose the central government. Even if the government doses something good they will always try to degrade its work. This is due to the fact that African politician are interested in power not the good of the society. So, DDS needs central authoritarian government not federalism.

So we need social democratic government not democratic developmental state or liberal. We cannot simply make the country liberal state because majority of the people are poor and the private sector does not care about them so government is needed to fill this gap, therefore social democratic government and federalism actually go hand in hand.

The first category of respondents state that, federalism and Democratic Developmental State actually go hand in hand. Ethiopia cannot be unitary state like the Asian because the country has diversified ethnic groups, so to accommodate this right choice is federalism. It cannot be liberal like Kenya and also Social democrat like Scandinavian countries, due to the fact that our

countries situation does not fit their situation. The other issue is that some people criticize the government favoring to group right than individual right. But this does not mean that the government does not respect individual right. Rather it has to prioritize group right, for example If the government don't believe Gambela region the right to self administer and believe that they don't deserve political and economic right you will not build an airport their; then in this same situation free market policy won't build this Airport because there is no profit their because there is no infrastructure. So the government first has to work on developing those basic developments then we can transfer to a capitalist state. Therefore the government has to have finance to build those infrastructures (physical and human), and to do so democratic developmental state model vis-à-vis with federalism is the best way.

The second respondents believe that federalism and DDS are compatible. The only way they can be compatible is if the federalism system is democratic and institutionalized. In the federalism system there should be shared and self rule between the federal and regional government. When we say shared rule they all share the countries policies then they can implement this based on their regional reality. What this means is that the regional government takes the federal policy as base and it enacts its own policy for the region (self rule). Also the agendas of the policy should emanate from the people so that they can corporate in its implementation. Generally if this process is democratized both systems are compatible. Accordingly, social democracy does not work in Ethiopia because this system works on rich countries and Ethiopia is Very poor country. So, the DDS and federalism are best solution to the problem. The main problem Ethiopia has had is that the parliament we have is very week and also regional administrative did have actual right to administer themselves, in other words this means that the federal government was highly focused on the capital city. The other problem is that the technocrats came to certain position based on their trust worthiness rather than their capacity. This kills the development as well as the democracy.

The first respondents believe that Ethiopia is running compatible political economic policy. The policies are enacted by the federal state and also issues like finance are sprint by the central government, but this does not mean that the federal government does not share power it dose. According to the FDRE constitution article 51, basic policy issues like land, economy and

finance etc are given to the Federal government. Since these policy issues are very vital to adopt an ideology or economic program therefore the DDS is not contradict with Federalism system.

There are also certain issues that the regional government administers. So it fits both criteria, that federalism there should be shared rule, and the element of DDS that there should be central planning.

Additionally Ethiopia had no choice rather than adopting federalism, this is due to the fact that after the coming of Derg in 1974 there were many Ethnic fronts that had their own question. To answer the ethnic question federalism was the answer to this. Unlike other African countries Ethiopia chose to recognize this diversity and gave them the right to administrate themselves. Although state intervention is necessary in DDS it could also create corruption. Generally before jumping to liberalism we should create middle class that could balance the lower and upper class, schools should be build to increase human capacity.

The third group of interviewees had different response, which is that the theories did not go hand in hand. And we can see the implication of this in our home; in the sense that there is corruption, Ethiopia is dependent on foreign aid are examples. This shows that the failure of the policies.

Supporting the above argument Daba and Fesseha (2017) also argue that although the Ethnic based Federal arrangement of Ethiopia give all ethnic groups full unbreakable right to establish their own state government and administer themselves at any time (Art 47 (2)). However Ethiopia's ethnic based federalism as it would reduce citizens to the extent that they would not identify themselves not as Ethiopians, but as they belong to a certain ethnic group. Thus, this might result in reducing national consensus and sense of belonging to one country. This would further affect the country's Democratic Developmental State Ideology since this ideology needs popular mobilization to one common and utmost goal i.e. economic growth.

Even though this could be true and Ethiopia is facing this problem, this is not due to the incompatibility of DDS and Federalism. Ethnic federalism of Ethiopia allows the regions to administer themselves, but what we should remember is that before they implement their policy the general agenda emanates from the federal government. Which means although they have right to administer themselves but they also have common agenda.

The other issue is the FDRE constitution allows region to seaside themselves (Article 39). This means one region only stays united if that region believes its part of the country. So as long as the region is with in Ethiopia it means or it indicates that there is still common interest. In other words this shows that they have common agenda that allowed them to live together.

Some argue that Federalism is decentralized system of government while DDS needs centralized planning. But in the case of Ethiopia there are two layers of administration and thus are the federal and regional government, this means that there is power distribution among them. Still there are some issues that are handled by the central (federal) government such as Finance and deference are examples. Also the major policies of the country are outlined in federal level. In this event the regions are also represented to make decision, and then after the federal policy is outlined then the regions also outline policy that go hand in hand with the federal policy and also outline policy that could help them achieve their goal. This system shows as while there is common policy (centrally planned) the regions also have right and say in this process.

4.11 Implementation of DDS with federalism and some lessons for Africa

The second respondents stated that DDS can be implemented if the elite and leaders are committed to do so. There should be accountable leadership, cheek and balance and institutionalization of democracy. If those are implemented they will be successful.

Although Botswana and South Africa are considered to be DDS, we cannot compare Ethiopia with those countries. The first reason is that Botswana is a small country compared to Ethiopia and also they are endowed with diamond, but Ethiopia's economy is based on agriculture. Also they are not federal state. In the case of South Africa they started the DDS at the same time with Ethiopia and also officially they don't claim to be federal state. Additionally they also depend on natural recourse and their economy was build while they were under colonization. Our countries situation is different that there is no consensus in constitution and development; most works are done for certain time. For example in certain time there was launch to solve water shortage and the government dig many water sources, but this stopped without result.

The African states could take some lessons from Ethiopia's implementation of DDS and Federalism system. One is that Most of the respondents from all categories appreciates the

Economic and social development that Experienced in the past 15 plus years. To support this argument they provide different facts and figures. They refer governmental and international reports which show the fast GDP growth and infrastructure improvements. For example the 2015 IMF report stated Ethiopia's state-led development model has brought fast economic growth, reduced poverty, and improved social wellbeing (IMF, 2015). The report witnessed Ethiopia's average double-digit economic growth for a decade and it has built a biggest economy in East Africa and one of the 5 big economies in Sub Saharan Africa. In the same year the World Bank also recognizes Ethiopia is the first leading recording rapid economic growth in the world (World Bank, 2015).

The Ethiopian government annual reports also show that Ethiopia has passed with impressive economic and infrastructure development. Poverty has stridently fallen from 56 to 22 percent. Per capita income is increased from 373 USD to 794 USD within the last 15 years. Life expectancy is increased from 40 to 64 which show a dramatic change (FDRE Annual report, 2017). Education and health coverage also have showed dramatic improvements. Ethiopia has achieved most of the Millennium Development Goals. Universal primary education and decreasing infant death are among the success stories in this case. (Assefa, 2018).

Ethiopia invests a lot in connecting cities and villages through road, rail and air transport. Many asphalt roads, the modern new train transport connects Addis Ababa to Djibouti and Addis Ababa Light public train transport and the 21 airports are among the many transport networks. Hydro, wind and geothermal electric generating plants also developed the helps currently the country generates over 4200 MW electric power. Before a decade, the electric power capacity was below 1000. (FDRE Annual report, 2017).

The other issue is that Africa has very diverse ethnic groups, culture, language and religion. Most African countries don't recognize this fearing this could result conflict. But it did not stop from happing in every election if certain party wins certain ethnic groups go in to conflict. So not recognizing diversity does not help, they should recognize them. In the Ethiopian case the question of self determination was been asked before for a long time. According to Kiflu (2006) land and the question self determination was raised since the student's movement. So even

though still there are some conflicts here and there, the federalism system is necessary for Ethiopia and other African states.

African states should take a lesson not only from the remarkable experiences but also from our failures too. The journey of building DDS in Ethiopia is challenged by weak elite commitment, anti-democratic practices that become a result for mal-administration. Lack of strong bureaucratic system and strong institutors affects the good set up of DDS negatively. Corruption is also another challenge here. Building strong institutions is important. But it seems in Ethiopia the party overshadows the state activates. Institutions remain weak. (Assefa, 2018).

Also being developing and diversified country DDS and Federalism system could be their option. But this does not mean DDS could work for every country somewhat they have to shape it in the context of their own country, rather than copying directly.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Ethiopia adopted ethnic federalism due to the fact that the question of the 17 years armed struggle was question of ethnic equality. Additionally Ethiopia had to adopt the Democratic developmental state policy in order to create capital that could help the country transfer to free market policy. Due to the fact that Ethiopia adopted Federalism and Democratic developmental state has been issue for discussion. When we analyze this in the case of Ethiopia the researcher conclude that they are compatible but this does not mean that there are some problems in the way of implementation.

Ethiopian bureaucracy is very big and was not organized based on meritocracy. This makes the civil services ineffective. Even if the civil service has capacity it is not autonomous its highly controlled by the political elite. According to the government there are some measures taken to solve this problem and those are training the existing staff.

Elite consensus is important in order to have common developmental goal. In Ethiopia elite consensus is very weak that the elites are highly focused on their political gain. In other words they are highly focused to control power and they raise issues that divide the people rather than common agenda. Regarding the central planning element of Democratic developmental state and federalism the decentralization element compatibility has been issue. The Ethiopian federalism is characterized for having shared and self rule. This means that the regional and federal government share common agendas at the central level and then the regions take those policies and agendas and implement based on their own situation. For example if the federal government aims to transform the industry sector, then the pastoralist regions could contribute to this by providing leather products to the industry and the agrarian regions could contribute by providing sun flower to produce oil. So although they have common agenda they also have self rule (right to decide for themselves).

The other problem Ethiopia is facing is corruption, and corruption begins from the lower class up to higher officials. Corruption is killing the motivation of the society to engage in developmental issues. Generally, although there are some problems in the implementation of both political economic policies, it's clear that both federalism and democratic developmental state are compatible. This is due to the fact that Ethiopian Developmental state has democratic element in it.

5.2 Recommendation

- Creating national consensus is very essential to make the general population rally behind the developmental state policies and strategies. Accordingly, the nation injecting billions of capital in the form of public investment for building basic infrastructure such as energy, rail and road transport to create conducive environment to the development process. Indeed, implementing pro-poor and pro- development policies have been the biggest catalyst for the nation's high growth rate and laid the foundation for the national consensus on the need of development to eradicate poverty. The developmental state has been pretty clear about what it needs and how it would satisfy the need of the economy via the integration of state and market, which help to mobilize resources in efficient manner for the betterment of the poor.
- Making the civil service effective by giving training to the workers and also making it autonomous from the influence of the political elite and also private sector.
- Education of human capacity building should be given priority. Especially hard science (Natural science) should be given priority and also they should be interlinked with the economic sectors that the country have.
- Federal system should focus on creating national consensus among the people. To do so, there should be elite consensus in the fact that the country needs development and democracy. To do so, there should be discussions among the elite.
- The government should take strong measure in order to solve corruption. Those measures should begin from the lower position.

Reference

- Addison Wesley, 1999, Economic Development, *seventh edition*.
- Adebayo Adedeji, 1985, The Monrovia Strategy and the Lagos Plan of Action: Five Years After. In Economic Crisis in Africa. African Perspectives on Development: Problems and Potentials.
- AMIYA KUMAR BAGCHI, 2003 "The Developmental State in History and in the Twentieth" Century", *Regency Publications New Delhi-lID 008*
- Alice Amsden, 1989, Asia's Next Giant. South Korea and Late Industrialization, *New York: Oxford University Press*.
- Apter, D E & Rosberg, C G. 1994, Political Development and the New Realism in SubSaharan Africa. Charlottesville: *University of Virginia Press*.
- Assefa Fissiha, 2006, Theory Versus Practice in the Implementation Ethiopia's Ethnic Federalism.
- Assefa Fissiha, 2018,Federalism and Development: The Ethiopian Dilemma, koninklijke brill nv, leiden
- Awa, Eme, 1991. Democracy and Governance in Africa: Preliminary Statement.
- Bahru Zawde, 1991, A History of Modern Ethiopia, 1855- 1974.
- Bardhan P, 'Democracy and Development: A Complex Relation ship.' *University of California, Berkeley.*
- Beresa Abera "Ethnic Federalism and Democratic Developmental State in Ethiopia:Pan-*African University Some Points of Contradiction", retrieved 2015*

- Bizuayehu Daba & Fesseha Mulu, 2017, The roleof democratic developmental state ideology for national integration: an assessment from the perspective of 1995 federal democratic republic of Ethiopia constitution.
- Bulti T, 1992, Recent Trends in the Development of Manufactured Industries in Ethiopia.
- Business Dictionary (11 October 2014 http://www.businessdictionary.com/ definition/development. Html//ixzz3nQgCif32 36A Sen, Development as Freedom.
- Calabresi, 'Limited and Enumerated Powers', n.1, 775
- CÉLINE AUCLAIR ,Federalism: its principles, flexibility and limitations, *BVol. 5, No. A-1 / 200)*
- Christopher Clapham "Ethiopia: Federalism and the Developmental State,Centre of African Studies, *University of Cambridge, Retrieved 2013*
- Clement Akwasi Botchway , 2017, The need for executive federalism in federal province relation: lessons from the Canadian federalism.
- Clement Akwasi Botchway, 2017, The need for executive federalism in federal province relation: lessons from the Canadian federalism.
- Dahl R. Polyarchy, 1997, Participation and Opposition. *Yale University Press, New Haven.*
- Diagne, S B. 2004. On Prospective: Development and a Political Culture of Time. Africa Development, *vol.29, no.1*.
- E Fakir, 2005, The Democratic State Versus the Developmental State: A False Dichotomy', Isandla Development Communiqué, *Vol. 2, No. 6*.
- Daniel Elazar, 1987, Exploring, *University of Alabama Press, Tuscaloosa*

- EPRDF, 2011 "Ideologies for Transformation Federalism and Ethiopia's renaissance" , *Addis Ababa, Mega Printing PLC .*
- Esteban Pérez Caldentey The Concept and Evolution of the Developmental State, retrived September 2008
- Ethiopian investment commission 2019 (www.theiguides.org/ethiopia)
- Evans Peter, 1995 Embedded Autonomy: States and Industrial Transformation. *New Jersey: Princeton University Press.*
- Evans Peter, 2010. Constructing the 21st century developmental state: potentialities and pitfalls." In Omano Edigheji (Ed.), Constructing a Democratic Developmental State in South Africa: Potentials and Challenges (pp. 37-58). *Cape Town: HSRC Press*.
- Fanon, F, 1967, Towards the African Revolution, *New York, Grove Press*.
- Thomas Fleiner, 2003 : Federalism in a Changing World – Learning from Each Other. Conference Reader. *St. Gallen, Switzerland*.
- Thomas Fleiner, Kälin Walter, Linder Wolf, Saunders Cheryl 2003: Federalism Decentralization and Conflict Management in Multicultural Societies.
- Geoffrey de Q. Walker, 2015, Ten Advantages of a Federal Constitution and How to Make the Most of Them.
- Hartland-Thunberg, Penelope 1978: Botswana. An African Growth Economy, Boulder: *West view*.
- Heywood Andrew 2000: Key Concepts in Politics. St. *Martin's Press, New York*.
- John Holm D, 1996: Development, Democracy and Civil Society in Botswana.
- http://www.imf.org (2015)

- Huff, W. Gregg/Dewit, Gerda/Oughton, Christine 2001: Building the Developmental State: Achieving Growth through Co-operative Solutions. A comment on Bringing Politics Back in: Journal of Development Studies.
- James N.G. Cauthen, 2003, Horizontal Federalism in the New Judicial Federalism.
- Kiflu Tades, 2006, Ya tiwlid
- Kim, K.S. 2012. Developmental state policy, educational development, and economic development: Policy process in South Korea.
- King Preston, 1982, Federalism and Federation, *Croom Helm, London*
- Laakso Liisa & Olukoshi, Adebayo O, 1996, The Crisis of the Post-Colonial Nation-State Project in Africa, Challenges to the Nation-State in Africa.
- LARISSA INEZA SUBIRA, A Developmental State in Africa What can policy makers in Africa learn from the idea of Developmental State?
- Lensink, R & White H, 2001, In Changing Conditions for Development Aid: A New Paradigm .
- Lirenso (1987)
- Longman, Addison Wesley, 1999. Economic Development, *seventh edition, Longman*.
- Mann Michael, 1998, States, War and Capitalism. *Oxford: Basil Blackwell*.
- Maphunye K J. 2009 Public Administration for a Democratic Developmental State in Africa: Prospects and Possibilities, Research report 114, Centre for Policy Studies, *Johannesburg*.
- Meles Zenawi, 2006 "AFRICAN DEVELOPMENT: DEAD ENDS AND NEW BEGINNINGS'',

- Merara Gudina, 2003, Ethiopia: Competing Ethnic Nationalism and the Quest for Democracy, 1960-2000, *Netherlands: Shaker Publishing.*
- Montes R., 2006, Understanding Federalism.
- F Mulu GEBREMARIAM, Moges, A (N.da) Ethiopia: A Democratic Developmental State?
- Charity Musamba, 2009: The Developmental State and Poverty Reduction in Africa. The Case of Zambia, Doctoral dissertation, *Duisburg: Universität Duisburg-Essen*.
- Ntibagirirwa S., 2003. "A wrong way: From Being to Having in the African Value System.".
- P Zimmermann-Steinhart and Y Bekele, 2012 THE IMPLICATIONS OF FEDERALISM AND DECENTRALISATION ON SOCIOECONOMIC CONDITIONS IN ETHIOPIA, *VOLUME 15 No 2.*
- R Pankhurst, 1982, History of Ethiopian Towns from the middle Ages to the Early Nineteenth Century. *Wiesbaden: Franz Steiner Verlag*.
- Plato 1993, The Last Days of Socrates, H. Tredennick, H. Tarrant trans. *London*
- R. Epstein, 1992, Exit Rights Under Federalism Law and Contemporary Problems.
- William Riker, 1975, 'Federalism', in Greenstein Fred and Polsby Nelson (eds), Handbook of Political Science, *Addison-Wesley, Reading, vol. V, 93-172*.
- Lensink Robert, 2001, Are There Negative Returns to Aid? In Changing Conditions for Development Aid: A New Paradigm .
- Ronald L. Watts , 1998, Institute of Intergovernmental Relations *Queen's University Kingston, Ontario.*
- Sen 1999, Development as Freedom. *Oxford University Press, Oxford*.

- Smith, G, 1995, Mapping the federal condition: Ideology, political practice and social justice.

- Sorensen, 2008, Democracy and Democratization: Processes and Prospects in a Changing World. *West view Press, Colorado*.

- Stephen Gelb, 2006 The Edge Institute and *University of the Witwatersrand.*

- Sung, J., & Raddon, A. 2014, Skills demands in the Asian developmental states. In Buchanan, J., Finegold, D., Mayhew, K., & Warhurst, C. (Eds.), *Oxford handbook of skills and training Oxford: Oxford University Press.*

- Hobbes T., Leviathan, 1991, *Cambridge.*

- Marwala T. 2007, The anatomy of capital and the National Democratic Revolution. In Umrabulo, *Vol. 29.*

- Taylor, Ian 2003: Botswana as a Developmental State, in: Pula: Botswana Journal of African Studies.

- Third Five Year Development Plan-1968173, 1968, Berhane Selam Hailai Selassie *Imperial Printing Press: Addis Ababa.*

- United Nations Economic Commission for Africa (UNECA), 1990, African Charter for popular participation in development. *Addis Ababa.*

- Vusi Gumede, 2007 South Africa as a developmental state in the making Development Studies, *University of Johannesburg.*

- Robert Wade, 1990: Governing the Market. Economic Theory and the Role of Government in East Asian Industrialization, *Princeton: Princeton University Press.*

- Linda Weiss, 2000: Developmental States in Transition. Adapting, Dismantling, Innovating, not "Normalizing," in: The Pacific Review.

- www.worldbank.com 2015 report.
- የተሃድሶ መስመርና የኢትዮጵያ ህዳሴ ህዳር 2003 ዓ ም፣ ሜጋ አሳታሚ ድርጅት
- የአብዮታዊ ዲሞክራሲ ስርዓት ምንነት 1987 E.C *unpublished.*
- የኢትዮጵያ ፌደራላዊ ዴሞክራሲያዊ ሪፐብሊክ መንግስት የኢኮኖሚ ስራዎች አፈጻጸም 2009 *unpublished.*

Appendix

Addis Ababa University

Collage of social science

Center for African studies and oriental studies

Master's program of human and economic development

The compatibility between democratic developmental state and federal system in Ethiopia: Lesson for Africa

Questions of Interview

1. Why did Ethiopia adopt democratic developmental sate model?
2. How the Implemented in Ethiopia?
3. Are Federalism and DDS compatible (Federalism major element is decentralization of power while developmental state preaches centralization of power in order to achieve development)?
4. What are the good lessons gained from the implementation of DDS with Federalisim system in Ethiopia?
5. What are the drawbacks of the implementing of DDS with Federalism system?
6. What is the lesson of taking in to practice DDS with Federalism system to developing countries particularly to African states?

Amharic

1. ኢትዮጵያ ለምን የልማታዊ ዴሞክራሲያዊ ሞዴል መከተል መረጠች?
2. በኢትዮጵያ የልማታዊ ዴሞክራሲያዊ መንግስት እንዴት ተተገበረ?
3. የልማታዊ ዴሞክራሲያዊ መንግስትና ፌደራላዊ ስርዓት አብረው ይሄዳሉ? (የፌደራል ስርዓት ስልጣን ከታችኛው የስልጣን መዋቅር ጋር ይጋራል፤ ልማታዊ ዴሞክራሲያዊ መንግስት ደግሞ የማዕከላዊነት ባህርይ አለው)
4. ልማታዊ ዴሞክራሲያዊ መንግስት ከፌደራል ስርዓት ጋር በመተግበር ረገድ የተገኙ መልካም ልምዶችና እና ተሞክሮዎች ምንድ ናቸው
5. ልማታዊ ዴሞክራሲያዊ መንግስት ከፌደራል ስርዓት ጋር በመተግበር ረገድ ያጋጠሙ ተግዳሮቶች ምንድ ናቸው
6. የልማታዊና ዴሞክራሲያዊ መንግስት በመግበር ረገድ ኢትዮጵያ ለሌሎች የአፍሪካ ታዳጊ ሀገሮች የምታስተላልፈው ልምድ ምንድ ነው?

Tigrigna

1. ኢትዮጵያ ልምዓታዊን ዴሞክራሲያውን መንግስቲ ሞዴል ንምንታይ መሪጻቶ?
2. ናይ ልምዓታዊ ዴሞክራሲያዊ መንግስቲ ባህርታት ኣብ ኢትዮጵያ ብኽመይ ተተግቢሮም?
3. ልምዓታዊ ዴሞክራሲያዊ መንግስትን ፌደራላዊ ስርዓትን ብሓባር ይኽዱ ዶ(ፌደራላዊ ስርዓት ስልጣን ን ታሕተዋይ መሓውር ስልጣን የካፍል እዩ፤ ልምዓታዊ ዴሞክራሲያዊ መንግስቲ ድማ ናይ ማእኸላውንት ባህርይ ኣለዎ ስለዝበሃል)?
4. ልምዓታዊ ዴሞክራሲያዊ መንግስቲ ምስ ፌደራል ስርዓት ብምትግባር ዝተረኽቡ ጽቡቕት ተመክሮታት እንታይ እዮም?
5. ልምዓታዊ ዴሞክራሲያዊ መንግስቲ ምስ ፌደራል ስርዓት ብምትግባር ዘጋጠሙ ጸገማት እንታይ እዮም?
6. ልምዓታዊ ዴሞክራሲያዊ መንግስቲ ካብ ኢትዮጵያ ናብ ካልኦት ኣብ ምዕባይ ዝርከባ ሃገራት ኣፍሪካ ክሓልፍ ዝኽእል ጽቡቕ ልምዲ እንታይ እዩ?

Lists of key informants

1. Haileyesus Taye (PHD)
2. Asefa Fisha (PHD)
3. Merera Gudina (PHD)
4. Mr Asmelash Weldesilasse
5. Mr Sibhat Nega
6. Tsadkan Gebrestinsae(**L. General)**

Statement of certification

This is to certify that this thesis entitled "The compatibility between democratic developmental state and federal system in Ethiopia: Lessons for Africa" submitted in partial fulfillment of the requirement for the award of MA Degree in Human and economic development to the department of Center for African and oriental studies, collage of social Science, Addis Ababa University done by Yemane Gebreselasse is an authentic work carried out by him under my supervision. The matter embodied in this thesis has not been submitted earlier for award of any degree or diploma to the best of my knowledge.