

Assessing the State of the Developmental State Model in Post-2018 Ethiopia

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Abstract

Until recently, Ethiopia's experiment with the developmental state model since 2002 has been a milestone in the post-1991 political trajectory of the country. The model, however, seems to be losing its momentum following the changes seen in recent years. This article examines what the core reform measures introduced in post-2018 Ethiopia by the Prosperity Party mean for the viability of the developmental state model. It finds that these reforms – propelled by the ethos and institutions of medemer (in English, "synergy") – suggest a major policy shift towards a liberal form of political economy. This move reverses the revolutionary-democracy-driven developmentalism applied by the now-defunct Ethiopian People's Revolutionary Democratic Front. However, a deeper understanding of the reforms underlines the continued relevance of a state-led developmental approach for shaping the country's political economy.

Keywords: *Democracy, federalism, developmental state model, Ethiopian People's Revolutionary Democratic Front, Prosperity Party, Medemer*

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1. Introduction

Ethiopia's experiment with the developmental state model (DSM) since 2002 has been a milestone in the federalising trajectory the country has been on since 1991 (Abbink, 2011). Under the now-defunct Ethiopian People's Revolutionary Democratic Front (EPRDF), the DSM was, for 20 years or so, understood as a viable path for achieving rapid economic growth and industrialisation (Meles Zenawi Foundation, 2017). Following the election of Prime Minister Abiy Ahmed (PM Abiy) in April 2018, however, the dominant role of the DSM as the ideological framework for the country's political-economy seems now to be in question, if not already consigned to the dustbin of history (Asayehgn, 2019; Temin & Badwaza, 2019). Many of the liberal political and economic reforms under PM Abiy's leadership have encroached on areas previously considered off-limits by the EPRDF (Mokkadem, 2019). Indeed, Abiy's administration has criticised the EPRDF's DSM as both out-dated and authoritarian and called for a more democratic, pragmatic approach to development (Abiy, 2019).

Since 2018, PM Abiy's administration has taken several notable reform measures in the political and economic arena. As PM Abiy himself has often stressed, his administration began with a series of bold political measures that sought to address the sources of the protests that destabilised the country following the fifth national election of 2015 (Abiy, 2019). These measures included the release of thousands of political prisoners, the repeal of draconian laws, and a peace pact with Eritrea that ended 20 years of 'no-war-no-peace' between the two countries. In terms of the economy, the Abiy administration liberalised several areas which had been reserved to the state under EPRDF rule (Freeman, 2020). This is evident in the government's intentions to privatise certain areas (telecom, finance, banking, and airlines, for example) by amending or enacting legislation such as the investment proclamation. The trend towards liberalisation is also apparent in the Home-Grown Economic Reform Agenda (HERA) and the 10-year strategic development plan, which provides a new roadmap for the country's economic development (MoFED, 2020). HERA promotes the privatisation of state-owned companies, and aims to stimulate the economy, ensure sustainable development, reduce unemployment, and maintain macroeconomic stability (Ibid.).

The formation of the Prosperity Party (PP) also poses a significant challenge to the viability of the DSM (Tefera, 2019; Asayehgn, 2019). The PP brings together three parties that were former members of the EPRDF, five others that were affiliated to it, and except the Tigray People's Liberation Front (TPLF).¹ In line with PM Abiy's thinking (medemer), the manifesto of the PP states that 'the *raison d'être* for the establishment of the PP is to design an alternative development model to bring about all-rounded wealth in Ethiopia' (PP, 2019; author's translation from Amharic). Consequently, following the disintegration of the EPRDF and its replacement by the PP, the reforms that have been undertaken are guided largely by the new principle of medemer ("synergy"). This aims at securing economic vitality by making the private sector an integral part of the country's economy; opening the latter up to international business through the sale of minority shares in state-owned enterprises; the reallocation of public expenditures; and encouraging public-private partnerships (PP, 2019).

It is worth noting that the PP's political programme and manifesto are strongly influenced by PM Abiy's book, *Medemer*.²² Roughly translated, this means "synergy" in English (the notion of medemer will be discussed more fully below). The PP uses the idea of medemer as a framework for analysing and addressing the country's problems (PP, 2021). According to PM Abiy, the introduction of medemer into Ethiopia's political discourse (and as manifest in the formation of the PP) represents a significant new resource for addressing the third and as yet unaddressed question first raised by the student movement in the 1960s (alongside the land question and the nationality question): democratisation (Abiy, 2019).

According to PM Abiy and PP, realising the principle of medemer involves the articulation of three interdependent forces: the building

1 The EPRDF consisted of the following parties: the Oromo People Democratic Front (OPDO), renamed post-2018 as the Oromo Democratic Party (ODP/EPRDF); the Amhara National Democratic Movement (ANDM), renamed post-2018 as the Amhara Democratic Party (ADP/EPRDF); the Southern Ethiopian People's Democratic Movement (SEPDM/EPRDF); and five other parties that were affiliate partners of the EPRDF – the Afar National Democratic Party (ANDP); the Benishangul-Gumuz Democratic Party (BGDP); the Somali Democratic Party (SDP); the Gambela People's Democratic Movement (GPDM); and the Harari National League (HNL).

2 Abiy's book *Medemer* has been the subject of much debate, both in regard to the etymology of the titular term, given that this term is meant to be the basis for an entire ideology, and to the usefulness of its policy prescriptions for Ethiopia's complex political, economic and social problems (Tefera, 2019; Musena, 2020).

of a vibrant democratic system in the country; ensuring regional integration and openness to the world; and, finally, restoring economic vitality (Abiy, 2019; PP, 2019). Medemer is further explained in the PP's economic programme as the building of an inclusive economic system. This is one that realises the prosperity of the people and in which the government plays a key role by ensuring a fair distribution of wealth and intervening in strategic areas, following the principles of a market-led economy (PP, 2019).

In some ways, the medemer approach does not seem that far from that of the DSM (in which the state is understood to play a constructive and interventionist role in addressing market inefficiency). The PP, however, claims its approach differ from the EPRDF's in at least two ways: first, with regard to federalism and democracy; and secondly, in relation to the role of the private sector. The PP argues that, as practised by the EPRDF government, the DSM in fact undermined the values of democracy and federalism as well as severely curtailing the growth of the private sector and its potential contribution to the country's development. In addition, the PP points to the ways in which the EPRDF used the DSM to support party-owned businesses (such as TPLF's endowment organisation, the Metal Engineering Cooperation) at the expense of the private sector (Abiy, 2019; PP, 2019).

In general, the widespread adoption of medemer since late 2018 seems to represent a profound shift or reversal in Ethiopia's political rhetoric from the revolutionary democracy-driven developmentalism of the EPRDF to the new liberal political economy of the PP (Asayehgn, 2019; Mokaddem, 2019). For some, this new rhetoric of reform reflects an inclination towards neoliberalism which has characterised the post-EPRDF era. As Asayehgn (2019: 41) puts it:

Often in defiance of his party members and the Ethiopian Parliament, PM Abiy is unilaterally reversing the country's long-held developmental state. Using the dwindling foreign-exchange reserves as an excuse, PM Abiy is bending to the core tenets of the liberalization and privatization process.

By contrast, some informants argue (see below) that the PP is simply the EPRDF by another name. In this view, state intervention,

central planning and dictatorial intervention in the affairs of the country have reached an even higher degree in post-2018 Ethiopia than before. It is not the party that rules but PM Abiy alone. Nonetheless, several informants (as will be seen later) reject all such criticisms as ungrounded and failing to see the reality of the positive transformation effected by the reform leaders.

Whatever the case, it seems that Ethiopia's reform measures since late 2018 have opened a new chapter of political and economic liberalisation in the country, with the ideology of the EPRDF era apparently having reached its sell-by date (Temin & Badwaza, 2019). While it would require a detailed case-by-case empirical analysis to substantiate this claim, the present article addresses it through the lens of the DSM. As such, the article restricts its investigation to the question of what the core reform measures undertaken by the PP since 2018 mean for the viability of the DSM and raises the question: How does the application of medemer principles in reform policy effect the viability of the DSM in Ethiopia? Little has been done so far to address the larger issue in this particular way.

The article is divided into six sections: an introduction; a description of research methods and materials; an exposition of the theoretical framework of the DSM; an account of the application of the DSM under EPRDF rule (from 2002/2003–2018); trends and developments since late 2018, including the ways in which the adoption of medemer and the formation of the PP has impacted on the application of the DSM; and, finally, a summary of the article's findings.

2. Research methods and materials

This article adopts a qualitative research methodology to argue its case. Such an approach enables systematic investigation, interpretation and understanding of the core conceptual and institutional underpinnings of the EPRDF's DSM and the PP and PM Abiy's medemer reform measures. Description and analysis of the two stances help to ground an understanding of the continued viability of the DSM in Ethiopia.

The research deployed a variety of qualitative methods for collecting and analysing data from primary and secondary sources. The principal sources used in the study are documents pertaining to the study's focus, such as official plans, policies, programmes, legislation, and reports by both the EPRDF and PP administrations. Secondary data comprise materials such as scholarly works; videos of interviews of political figures posted on social media; and reports on Ethiopia from international organisations. The desk review and analysis of data were triangulated with data obtained from personal observation and semi-structured interviews conducted with selected key informants (former and present government officials; opposition party members; and political and economic observers and analysts). Due consideration was given to ensuring that the sources selected were representative of prominent views.

3. Theoretical and conceptual framework

While the DSM has been defined in various ways, the definitions share common elements. According to Gemandze (2006: 79), the DSM is active in those states “whose politics have concentrated sufficient power, autonomy, capacity, and legitimacy at the centre to shape, pursue and encourage the achievement of explicit developmental objectives”. In its basic form, as Woo-Cummings (1999: 1–2) explains, the developmental state is “neither socialist ... nor free-market ... but something different: the plan-rational capitalist developmental state (which links) interventionism with rapid economic growth”. The DSM is at once both an ideological and an institutional paradigm. In it, the state plays a critical role not only by regulating the socio-economic and political affairs of the country, but also in creating and dictating pathways for these affairs in order to achieve accelerated economic growth, usually in regard to industrial take-off (Castells, 1992).

Although DSMs vary from country to country, there is consensus on the main structural features common to a successful DSM. First, there is the prior existence of a politically and economically strong interventionist state (Pereira, 2007). A necessary precondition for successful economic transformation is that the state is politically strong enough to regulate the market (Fritz & Menocal, 2007). Similarly, the state must be economically strong and enjoy “the

necessary capital to finance or invest in the economy and to provide targeted financial subsidies to domestic firms, and to build large-scale infrastructure” (Pereira, 2007: 4). As Pereira (2007) notes, East Asian developmental states were fully vested with the ability to intervene in the economy. At the same time, as Samuels argues (1987: 4), this intervention was effective as “the state is highly centralized either vertically, vis-à-vis local and regional governments, or horizontally, with a consolidated national bureaucracy”.

The second key feature is what is known as “embedded autonomy”. According to Evans (1995: 12), the DSM is autonomous in so far as it has a rationalised bureaucracy characterised by meritocracy with long-term career prospects (traits that make civil servants more professional and detached from powerful rent-seeking groups). It is this autonomy that allows the DSM to define and promote its strategic developmental goals. “Embedded autonomy” here refers to the capacity to form alliances with key social groups in the pursuit of developmental goals. For embedded autonomy to work, Evans (1995) observes, the state must create a meritocratic bureaucracy of highly skilled people who can freely combine their close contacts with the private sector with their independent understanding of the global market to help steer economic planning in directions which are good for the national economy as a whole.

Another essential element for the success of the DSM is that developmentalism becomes the driving ideology of the state. This means there must be a committed, visionary and disciplined leadership, one which creates grand national projects and developmental agendas and can effectively mobilise national resources towards the achievement of national developmental goals (Leftwich, 1994). Hegemonic developmentalism requires the elite to articulate a vision that connects state to society in a mutually binding way, usually in the form of a shared, recognised “national project” (Ghai, 2000).

In addition, the nature of the party system plays a key role in the success of the DSM (Grindle, 1980; Chang & Evans, 2005). The party system is the main driver of the ideology of developmentalism and its translation into institutions and practices with the necessary

ideology and commitment to the DSM. In this regard, the DSM tends to prefer a party-political system that favours centralised governance and avoids the procedural encumbrances associated with the practice of multiparty democracy (Booth, 2012). Hence the successful DSM is usually associated with what is known as the dominant or hegemonic-party system (Woo-Cumings, 1999). Such a system is geared to expedient collective action and can smooth centralised rent creation and distribution (aligned with the development objectives of a state); it also promotes the longevity of the incumbent developmentalist party so as to ensure the implementation of its long-term vision (Leftwich, 1998). According to Woo-Cumings (1999), a dominant-party system refers to a system in which the incumbent party is so dominant that victory at the polls is considered a formality and there is little or no electoral challenge.

Perhaps the central feature, then, is the DSM's authoritarianism. As numerous scholars of the East Asian developmental states have argued, the model promotes a governance system which is "hegemonic, centrist and interventionist". It gives priority to economic development over everything else, including democracy (Chu, 2016; Prado et al., 2016). Indeed, Samuel Huntington even reads "legacies of oriental despotism" into the authoritarian tendency manifest in East Asian developmental states (Leftwich, 2005: 686). Other explanations simply suggest that the successful application of the DSM requires the state to unburden itself of the procedural hurdles of democracy in order to deliver fast economic growth, while noting that governments need to remain in power in order to ensure the continuity of policy necessary to transform a country (Fantini, 2013).

While the dominant scholarly views on the DSM associate it strongly with authoritarianism, there is a counter-narrative, one that argues for the possibility of building a democratic developmental state model (DDSM) (Mkandawire, 2010; Chibber, 2014). In this counter-narrative, authoritarianism is an exogenous rather than endogenous feature of the DSM; the fact that there are democratic developmental states in the 21st century shows that the model can function in a democratic way (Chibber, 2014; Evans, 2010; Mkandawire, 2010).

With regard to Ethiopia, the dominant view is that the DSM under ERPDF rule was thoroughly authoritarian in nature (Abbink, 2017; Clapham, 2018). This is a view shared by Ethiopia's leaders after 2018, with the PP in particular accusing the EPRDF of an authoritarianism that undermined both federalism and multiparty democracy. Only a developmental policy model based on medemer can avoid such authoritarianism in the pursuit of national prosperity (Abiy, 2019; PP, 2019). The PP has argued for a DSM which would avoid the authoritarian dimensions associated with the EPRDF government (PP, 2019). However, others see Ethiopia's experiment with the model (prior to 2018) as having been democratic in nature and implemented in a way that complements and supports the country's federal arrangement (Tefera, 2019).

So, was the EPRDF's deployment of the DSM anti-democratic and authoritarian, as some critics maintain? Or was this deployment in the interests of democracy, as others suggest? To answer these questions, it is necessary to identify the core features of the DSM under EPRDF rule.

4. An overview of the DSM under the EPRDF

The adoption of the DSM in Ethiopia is often characterised as a milestone that marks the fourth major stage in the political trajectory of the Ethiopian state after 1991 (Abbink, 2011). The government claimed that the DSM is an apt development path for addressing poverty in the country and bringing about the necessary economic development (Meles, 2006). As often EPRDF argued that the DSM holds the greatest promise for African development since the neoliberal economic reforms prescribed by the Bretton Woods institutions (that is, the International Monetary Fund and World Bank) failed to bring about the desired changes (Meles, 2006). Invoking the early stages of development in the East Asian countries, Meles (2011: 70) argued that the neoliberal model's insistence on reducing the role of the state in the economy to just that of a "night watchman" is inappropriate in the case of Ethiopia. The country's pervasive market inefficiencies require an opposite strategy: a DSM which insists on a strong role for the state in directing economic policy. Only the DSM can clear the way for appropriate development (EPRDF, 2006; EPRDF, 2010).

According to this line of argument, the DSM is considered necessary to the delivery of the fast economic growth. Such growth is essential to addressing the chronic poverty which threatens the total social and political disintegration of the country (Bereket, 2011). As the EPRDF repeatedly argued, Ethiopia's adoption of the DSM was prompted by the need for a strong state to address pervasive market inefficiencies and bring about the necessary structural transformation of the economy. Since 2002, the adoption of the DSM resulted in a broad range of political, economic and social capacity-building efforts and reforms (as outlined in numerous national policy and strategy documents). The Agriculture Development Led Industrialization (ADLI) was one of the principal policy tools. It was translated into action by various sub-sector strategies and plans, such as the Poverty Reduction Strategy Paper (PRSP), Plan for Accelerated and Sustainable Development to End Poverty (PASDEP 2005–2010), and two five-year strategic development plans – the Growth Transformation Plan I (GTP I: 2010–2015) and the Growth Transformation Plan II (GTP II: 2015–2020) (MoFED, 2006; 2010a&; 2020). These and other similar measures sought to entrench the DSM in Ethiopia.

Against this view, others argue that the adoption of DSM was primarily intended to ensure the continued political domination of the EPRDF (Tronvoll, 2011; Ayenachew, 2014; Melisew & Cochrane, 2018) rather than a genuine attempt to address market inefficiencies or implement a state-driven form of capitalism in the country (Lefort, 2013; Messay, 2011). Messay (2011), for instance, argues that the adoption of the DSM was intended to help establish one-party hegemony while allowing nominal political pluralism in the country. However, according to the EPRDF the DSM had three core features: that development must be considered and treated as an existential question; that the political and economic independence of the state needed to be protected from influence by the country's economic elite; and, finally, ensuring the hegemony of developmental thinking in society (EPRDF, 2010; Meles Zenawi Foundation, 2017). The adoption of these features would help to extricate the country from poverty and lead to Ethiopia's becoming a middle-income economy between 2020 and 2023 (EPRDF, 2010). Thus for EPRDF the goals of development are understood as both economic and political.

In this vision, the state should be fully in charge of the rational, development-oriented policies and strategies aimed at realising rapid economic development (Fantini, 2013; Eyob, 2018; Endalkachew, 2018). In it, the DSM incorporates the EPRDF's old political programme in which "revolutionary democracy" was propelled and enabled by the principles of "democratic centralism". This is articulated in one of the early political document in the following terms: "The Developmental State Model needs a developmentally-oriented dominant party that would stay in power until and up to its developmentalist mission is achieved when the core tents of developmental objectives are realized" (EPRDF, 2010: 45). The implication of this line of thinking is well noted by Lefort (2013: 461):

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

Indeed, the ways in which the ideas of revolutionary democracy are translated into developmentalism are apparent in most of the major party and government policy documents dealing with topics such as democracy and development (2006); rural development and transformation (2002); and capacity-building reforms to the civil service as well as education and justice sectors (Meles Zenawi Foundation, 2017). As some argued that by bringing together of the ethos and institutions of the DSM with the principles of revolutionary democracy allowed the EPRDF to project itself both as a vanguard party and one able to gain "legitimacy" through its success in implementing the DSM (Abbink, 2011). Hence, as Lefort (2013) notes, the DSM served to support the claim that the EPRDF was building a vanguard capitalist state in which the party (EPRDF) is the omniscient and omnipresent propeller of the state's political economy and also adheres to the general principles, paths and goals of developmentalism.

So it is that the EPRDF has repeatedly claimed that Ethiopia's developmental success over the past two decades was the result of

its own efforts (particularly its effective leadership) in building a democratic DSM in Ethiopia (Bereket, 2011). Double-digit growth since 2002, together with the EPRDF's commitment to democracy, helped it to stay in power with the full approval of the voting public. Despite these claims, public dissatisfaction with the EPRDF and its deployment of the DSM gradually began to emerge (Ermias, 2021). The 2005 general election is usually seen as a watershed moment. The DSM was by then beginning to take root on a practical level, with the post-2005 elections period representing the climax of the EPRDF's hegemonic rule but also a moment that marks an apparent regression in terms of multiparty democracy and a closing down of open political space in the country.

Following the 2005 elections, the party began conducting widespread smear campaigns against the political opposition, against the independent media, and against civil society. Referring to its critics as "enemies of development", "agents of neo-liberalism", "anti-peace elements", and even as "terrorists", the EPRDF sought to make them all legitimate targets for its clamp-down measures in the name of pursuing much-needed development (Ibid.). Some, though, would argue against understanding this as reneging on the respect for the political pluralism held as a central value of any supposed multiparty democracy (Bereket, 2011; Meles Zenawi Foundation, 2017). They have argued that the EPRDF won the battle for the hearts and minds of the rural majority whose votes led to the party's victory in the last four general elections (Ermias, 2021). The party's long political dominance is simply the result of changes to the political culture of the country. The rise of a single dominant party is consistent with the multiparty setting put in place by the Constitution of the Federal Democratic Republic of Ethiopia (FDRE).

It is, however, clear enough that the EPRDF's attempt to establish itself as a dominant party undermined both democracy and federalism (Ermias, 2021; Fisher et al., 2019). After the EPRDF claimed a hundred per cent victory in the fifth national election of 2015, widescale public protests (particularly in the Oromia and Amhara regions) rocked the country (Zekarais, 2018). The public protests in the Oromia region were principally related to land issues. The people around Addis Ababa city had vehemently opposed not only the controversial Addis Ababa Master Plan

but other federal-led projects (such as large-scale commercial farming, industrial park developments, sugar plants, and condominium housing developments). These were regarded by the inhabitants as conspicuously unconstitutional and as representing unwarranted intervention and control by the federal government (Ermias, 2021). Farmers on the outskirts of Addis Ababa opposed the projects out of fear that they would end up harming the local people, making them victims of land alienation and displacement and depriving them of their means of livelihood. In addition, protesters drew attention to the dangers the projects posed to their own cultural and linguistic identities through the promise of a large influx of outsiders following the proposed expansion of city (Ibid.).

Similarly, public protests in the Amhara region started as opposition to what was seen as undue intervention by the federal government in the control and management of the region (Fisher et al., 2019; Zekaris, 2018). They were apparently triggered by the mismanagement of development policies and projects as well as a disregard for the values and principles of the federal land governance system (ibid). This opposition to the government's development projects eventually led to violent public protests that threatened to shatter national unity. The government was forced to declare a state of emergency on two occasions. The situation eventually led not only to a split in the leadership of the EPRDF but also to a change of prime minister. PM Hailemariam Desalegne resigned and PM Abiy became the chairman of the EPRDF and the country's prime minister in April 2018 (Fisher et al., 2019).

Since April 2018, the political landscape in Ethiopia has seen profound changes. PM Abiy introduced a range of political and economic reforms. These signalled not only the end of nearly three decades of hegemonic rule by the EPRDF but also its disintegration and the subsequent formation of the PP (Tefera, 2019; Tronvoll, 2021). What effects has Ethiopia's new political trajectory had on the DSM? This is discussed below.

5. The DSM after 2018

Regarding the post 2018 reforms in Ethiopia, the principal departure point from EPRDF era, as often argued by the current

administration, is the merger of EPRDF and the creation of PP (PP, 2019&2021). Due to the front's Marxist social base analysis ruling parties in the Afar, Benishangul-Gumuz, Harari, Somalia and Gambella regions were not allowed to join the EPRDF. On the contrary, as claimed by the post 2018 administration, the formation of PP broadens the party's social base against EPRDF's one-sided affiliation that was based on socialist class analysis as propagated by EPRDF for so long. According to the PP, in a large country with so many different interests, languages, identities, groups, classes, religions and so on, 'big tent politics' provides a better mechanism for balancing tensions between diverse interests than the EPRDF's insistence on the centrality of the agrarian class for revolutionary democracy (PP, 2019). In this insistence on inclusion rather than exclusion, the PP broke new ground in Ethiopia's political history by breaking with the usual established divisions between centre and periphery and between lowlands and highlands.

In fact, as several commentators have argued, the rise of the PP as a unified national party was prefigured in several earlier debates within the EPRDF itself. The issue was first raised in a series of fora following the fifth EPRDF conference (2004), although it did not come to a head until the eleventh conference in 2018 (Abiy, 2019; PP, 2019). At the Hawassa conference in 2018, the Front decided on the merger of the EPRDF, empowering the Front's council to carry out the task as soon as possible. The EPRDF executive committee submitted its proposal of the party's programme to the EPRDF council for a decision where the council unanimously approved the merger decision. This phenomenon is widely seen as one of the thorny issues that led to crises in northern Ethiopia, if not the whole country (Clapham, 2018; Tronvoll, 2021).

However, the focus of this study is not the question of the merger or its validity, but rather the implications of the medemer reform measures of the Abiy administration for the future of the DSM, and particularly so with regard to the PP's claims that its new approach – directed against the dogmatism and authoritarianism of the EPRDF's measures – is both more democratic and pragmatic than before (Abiy, 2019; PP, 2019). For the PP, the EPRDF's version of the DSM produced a centralised, top-down, and repressive policy formulation and implementation. This approach yielded

very mixed outcomes, with its success in socio-economic terms counterbalanced by significant deficits in politics, especially so with regard to the key terms of legitimacy, accountability, and participation (PP, 2021).

The PP presents two main perspectives from which to assess the workings of the DSM: the political (how it engages the principles of democracy and federalism, and the economic (questions of economic growth and development). The assessment is mixed. There is recognition that the DSM was successful in stimulating economic growth but so too criticism of the ways in which the private sector was conceptualised and consequently marginalised (Abiy, 2019; PP, 2019). In particular, the EPRDF is criticised for producing structural deficits which resulted in the disenfranchisement of some groups from both the process and the fruits of the economic growth and thus failed to bring about equitable and sustainable development (PP, 2019).

As noted above, Abiy argues that the new reforms are informed by the principle of *medemer*, a view echoed by the PP (Abiy, 2019). Indeed, the PP's manifesto and programme are heavily indebted to Abiy's book *Medemer*, with the manifesto stating that *medemer* provides the framework for the party's analysis of, and solutions for, the country's problems (Ibid.). As the result, this book and the PP programme are important sources in our examination of the future of the DSM under the PP leadership. The examination of the state and fate of the DSM should thus begin with an understanding of the philosophy of *medemer*.

5.1. Medemer: An overview

In *Medemer*, PM Abiy argues that political analysis and policy prescription in 20th-century Ethiopia were driven largely by foreign knowledge and experience (Abiy, 2019). The ideas and ethos that drove the Ethiopian Student Movement (ESM) were influenced by the foreign leftist perspectives associated with Marxism and Leninism. PM Abiy claims that little attempt was made to create local solutions for local problems, solutions that would be derived from a thorough engagement with and understanding of the country's actual history, culture and politics. Consequently, both the definition of the country's problems and

the proposed solutions to them were derived from forms of political thinking (from extremes of both left and right) taken from other national and international contexts. PM Abiy and his party claim to have found a balanced and pragmatic framework for analysing and addressing the country's problems in the philosophy of medemer. It is the principle of medemer that guides the reforms his government has initiated since taking office.

However, both the etymological accuracy and the term's actual usefulness to policy formation have been questioned (Musena, 2020). In PM Abiy's book, medemer is defined in two ways: lexically and politically. Etymologically, the roots of the word are found in the Amharic verb demere/ደመረ, meaning "to gather", "to store", and "to accumulate". These meanings are given a political sense in Abiy's deployment of the term, as he uses it to connote unity of purpose, a positive-sum game, and the institutionalisation of a process of change and reform at the political level (Abiy, 2019; PP, 2019). In this political deployment, medemer defines all the qualities necessary to building a resilient and adaptive socio-political and economic system in Ethiopia. At the heart of this lies the notion of balance: the balance between competing interests, between civic and ethnic nationalisms, between competition and cooperation, and between state-led and market-led ideas of the economy. The insistence on a positive-sum approach entails acknowledging the mistakes of the past as well as looking to the interests of future generations (Ibid.).

Medemer implies that since the country's problems are not ideological in nature, their solutions are not to be found (as the EPRDF insisted) through the application of rigid ideological doctrines (Abiy, 2019; PP, 2019). Capital accumulation is essential to Ethiopia's progress, but this can be achieved through cooperation rather than through the (ideological) notion of competition. Similarly, the philosophy of medemer suggests that the Western model of competitive multiparty democracy is not appropriate to Ethiopian politics and experiences (Abiy, 2019; PP, 2019). Hence, according to Medemer, policy loyalty is for its ability to strike balance, forge cooperation, and realise the accumulation of positive sum-ups (PP, 2019). Such views seem, at least in theory, to stand in direct opposition to the EPRDF's long-held principles of revolutionary democracy, democratic centralism and statist

developmentalism. To assess whether this is indeed the case, we shall now examine the effects of medemer on the DSM and the quest for economic improvement.

5.2. The impact of PP reforms on the DSM

The PP viewed the modus operandi that propelled the DSM under EPRDF rule as top-down and coercive (PP, 2019&21). In its authoritarianism, the model undermined the possibility of political pluralism, whether in the form of multiparty electoral democracy, freedom of expression, freedom of association or self-governance. In contrast, the PP claims that its own reforms have democratisation as a central objective. Its reforms will take what was good from the EPRDF project, as well as rectify its shortcomings, by means of democratic developmentalism.³ For PM Abiy and the PP, their reform projects repose on three major pillars: democratisation and the widening of political space; institutional reform (security and democratic institutions); and, all in all, a new political settlement, one based on deliberation and what is termed ‘consociationalism’ (Abiy, 2019: PP, 2019&21).

Democratisation seeks to undo the effects of authoritarianism by opening up political space which had been closed down over three decades of EPRDF rule.⁴ The immediate reform measures worked to dismantle the leadership, practices, and institutions that had brought about protests from 2015 to 2018.⁵ The first measures taken were the lifting of the state of emergency and the freeing of political prisoners from the notorious Makelawi prison. As an interview respondent noted, “Exiled opposition political parties and media organisations were invited into the country: press freedom was granted by unblocking more than 260 websites and blogs.”⁶ This was followed by a range of institutional reforms that

3 Interview with official with the rank of state minister at the PM’s Office, October 2020, Addis Ababa.

4 Interview with senior party official in the PP, October 2020, Addis Ababa.

5 Ibid.

6 Ibid.

involved the repeal of oppressive laws.⁷ These laws had been used by the EPRDF to build its hegemonic rule at the expense of political pluralism (as noted by one informant).⁸ In addition, several high-profile leaders suspected of large-scale corruption and human rights abuses were brought before the courts, even though some criticised this move as a means for the PP to consolidate its power through an ethnically motivated attack on Tigrayans.⁹ That is to say, the endeavour was critiqued as an ethnically-charged political measure that targeted Tigrayans and TPLF members (Temin & Badwaza, 2019).

Over and above these specific measures was the general attempt to resolve the country's problems through the application of the principles of medemer (Abiy, 2019; PP, 2019). Medemer paves the way for deliberative democracy based on consociationalism (Ahmed, 2019; PP, 2019), and stands in contrast to the EPRDF's commitment to revolutionary democracy and hegemonic developmentalism. In this regard, PM Abiy (2019) argues that a culture of political pluralism and deliberative, consensus-based democracy is necessary for the accommodation of the country's diversity and its preparation for a new, idea-based politics.

As a part of this, PM Abiy argues the need for institutional structures that facilitate self-rule for ethnic groups and enable power-sharing at the federal level, as well as the establishment of a national programmatic party such as the PP (Abiy, 2019). Such a party would work to aggregate interests and facilitate the efficient decision-making essential to successful state-building. As some argued, the aspiration of the new administration to bring national reconciliation and consensus is in line with building consensus and deliberation-based democracy.¹⁰ In fact, the 1995 Constitution, seeking reform rather than revolution, had already set up the federal institutions necessary for a deliberative and consensus-based democracy (PP, 2019). This notion of deliberative

7 The amended legislation includes the Charities and Societies Proclamation; Anti-Terrorism Proclamation; Electoral Board Establishment Proclamation; Prisons Proclamation; Electoral Law Proclamation; Criminal Proclamation Procedure Law; Media Proclamation; Broadcast Service Proclamation; Freedom of Information Proclamation; Commercial Law; Federal Courts Proclamation; Judicial Administration Proclamation; Lawyers Administration Proclamation; and Religious Affairs Administration Proclamation.

8 Interview with former attorney-general of the federal government, October 2020, Addis Ababa.

9 Ibid.

10 Interview with PP official, October 2020, Addis Ababa.

democracy or consociationalism entails issue-based deliberation as well as the balancing of top-down and bottom-up engagement that involves grassroots communities in reconciliation and nation consensus-building (PP, 2019). In PM Abiy's view, this notion of deliberative democracy or consociationalism is fully consonant with that of the democratic developmental state. The pragmatic and inclusive approach, based on cooperation, advocated by medemer is closer to the ideal of a democratic developmental state than the authoritarianism of the practices and ideology of the EPRDF's revolutionary democracy as argued by Abiy (2019) in explaining the democratic and pragmatic aspect of medemer. Hence, pluralism of ideas and joint efforts to solve common problems, as advocated by medemer, is the road map of the post-2018 reform which acknowledges adaptive and context-sensitive development policy-making as well as the commitment for democratization to manage diversity (ibid). In this regard, it is argued by PP that it (PP) is a party that has opened the door for Ethiopia's youngsters another window for entrenching a new political culture in the Ethiopian body politic as the role of this generational shift to the democratization of the country substitutes the communist culture of the prior generation (PP, 2019).

With its adoption of a new inclusive, pragmatic ideology of medemer and the appointment of new leaders drawn from the youth of the country, the PP claims that the post 2018 reform in Ethiopia brings fresh perspectives and the promise of the practical implementation of new policies (PP, 2021). Some even argue that the PP represents a new politics for Ethiopia distinct from that of the 1960s and 1970s (Freeman, 2020), while others argue the opposite, asserting that what has been done since 2018 does not count as reform at all, or that reform is reversed and has missed its path.¹¹ Reform, it is argued, does not seem to have worked in terms of guaranteeing a full democratic transition, given that the PP's own political organisation struggles to assume hegemonic power and establish the infrastructure it argues is necessary for development.¹²

11 For more information, see, for example, Jawar Mohammed's interview with Ubuntu TV on 26 May 2022, available at <https://www.youtube.com/watch?v=OP2bp43YRKM>; and Lidetu Ayalew's interview with EthioTimes on 12 July 2019, available at <https://www.youtube.com/watch?v=w8Rvm16SWh0>.

12 Interview with former senior EPRDF Official, February 2021, Addis Ababa.

All in all, it may be that the PP's arguable political failings are best understood in the context of a political culture strongly associated with violence and that the PP's reformist policies face strong resistance from this culture.¹³

5.3. Economic reform and the DSM

The PP has acknowledged, in accordance with the principles of medemer, many positive aspects of Ethiopia's development under EPRDF rule. There was the expansion of access to drinking water and the building or improvement of infrastructure (including power supply); the significant decrease in child mortality rates (with the death of children under 5 years of age dropping by half between 2005 and 2015); the increase in average life expectancy (by 10 years); and the increases in participation rates in elementary schooling (100 per cent increase) and secondary schooling (80 per cent increase) (PP, 2019).

At the same time, the PP insists that, taken as a whole, Ethiopia's economy has experienced only low-quality growth over the past two decades. This is evident, it maintains, in the country's high and growing external debt; the severe lack of foreign currency reserves; inflation; rising unemployment; and the complete lack of structural change (Abiy, 2019). On taking power in 2018, PM Abiy says that he found that the state coffers were largely empty and that the country was unable to pay the wages of public workers or find the foreign exchange necessary to purchase essential medicines (Abiy, 2019).

As a result, it has been argued, the new leadership's immediate concerns were to seek quick fixes for these problems. This involved diplomatic requests for immediate funding from donor nations, both to replenish the depleted national coffers and reduce the stagnant foreign exchange deficit (PP, 2019). Immediate policy goals were to prepare the way for the creation and execution of medium- and long-term reform plans by relieving the constraints imposed on the government by the previous three years of severe political, economic, and security crises and social unrest (PP, 2019).

¹³ Interview with senior economic advisor to the government, November 2021, Addis Ababa.

These early moves were criticised as a case of falling into a neoliberal trap. By adopting them, it was argued, PM Abiy unilaterally reversed the country's longstanding DSM, even though the latter had brought commendable economic growth and meaningful change in the lives of millions of Ethiopians (Asayehgn, 2019). According to Asayehgn (2019: 41),

A cursory view of PM Abiy's actions and speeches over a year suggests that [he] has shifted from [the] EPRDF's ideological platform. Often in defiance of his party members and the Ethiopian Parliament, PM Abiy is unilaterally reversing the country's long-held developmental state. Using the dwindling foreign-exchange reserves as an excuse, PM Abiy is bending to the core tenets of the liberalization and privatization processes.

Indeed, PM Abiy had criticised the EPRDF for its out-dated political-economic ideology from the very start of his tenure as premier, urging that Ethiopia should embrace pragmatic, progressive capitalism as its preferred economic growth model (Abiy, 2019). This view is also reflected in the PP's political manifesto (2019), which declares that the party is founded on the goal of creating an alternative development model that would bring affluence to Ethiopia:

The very objective of the PP's economic programme is to build an inclusive economic system that realizes the prosperity of the people, in which the government plays a key role in ensuring that fair distribution of wealth occurs and intervenes in strategic areas, following the principle of a market-led economy.

As noted above, the overall strategy of the new government rests on three pillars: building an inclusive, pragmatic, and progressive market economy that would ensure shared prosperity (PP, 2019). The PP claims that, unlike its predecessor (the EPRDF), the views and approaches that underlie its economic reforms are pragmatic and prioritise public benefit and practicality over ideological commitments. The PP criticises the EPRDF's excessive commitment to a form of developmentalism based on an ideology of revolutionary democracy. It prefers what it terms pragmatic

and progressive economic reform, one which finds solutions to the country's economic problems by bringing together a coalition of actors to ensure equitable and sustainable economic growth. This process promises to allow knowledge-based state intervention to ensure social justice which is not only linked to economic growth but safeguards equitable wealth distribution (unlike the EPRDF's authoritarian 'I-know-for-you' logic) (Abiy, 2019; PP, 2019, 2021&2022).

The HERA, announced by PM Abiy's administration in September 2019, presents a roadmap for the country's economic development and a pathway towards prosperity (PP, 2021). According to the Planning and Development Commission (PDC), the main goals of the HERA are to promote the privatisation of state-owned businesses, to stimulate the economy, to ensure sustainable development, to reduce unemployment, and to maintain macroeconomic stability (MoFED, 2020; PDC, 2020). With its emphasis on privatisation, the HERA marks a departure from the previous administration's restrictions on the role of the private sector in the economy.

Similarly, the PP regards the adoption of the 10-year national development plan in 2020 as marking a substantial change in direction. By drawing on Ethiopia's economic potential, the plan seeks to eradicate extreme poverty, establish middle-income level, and transform Ethiopia into an "African Icon of Prosperity" (PDC, 2020). The 10-year plan focuses on achieving quality economic development by implementing HERA (PDC, 2020). In contrast to the EPRDF's top-down practices, the new plan is intended to work in a bottom-up fashion, starting with input from line ministries and regional states (PP, 2021&2022). It also differs from previous practice in its emphasis on the coordination of the sectors; the strengthening of systems and institutions; the establishment of a national development corridor; a focus on capacity-building; and its general aim of developing a fair and inclusive market-led economy.

The economic model ingrained in both the HERA and the 10-year plan indicates the centrality of liberal economic doctrine in the PP and the latter's rejection of the EPRDF's authoritarian policies. On paper at least, the private sector is given a much greater role in the economy than previously (Addisu, 2020). This is apparent in several major sectors of the economy. Thus, in order to provide

dry port services, Ethiopia has partially opened its doors to both foreign investors and the private sector, thereby allowing them to participate in the industry. Likewise, the government has announced plans to partially privatise Ethiopia Airlines Group SC, though it is arguable that this decision was taken mainly due to the country's shortage of financial liquidity and hard currency (New Business Ethiopia, 2020, 13 October). A similar initiative is the plan to partially privatise Ethio-Telecom SC and open it up to foreign telecom operators (New Business Ethiopia, 2020, September 7). These and other steps clearly indicate that the administration of PM Abiy and his PP is intent on encouraging private investors or actors, both local and international. They are now to play substantial roles in the country's economy, signalling a shift towards a liberal political economy and the beginning of the end of the DSM in Ethiopia.

According to the new government, competence and talent are now replacing the EPRDF's criteria of loyalty to the Front and ethnic identity as the principles underlying the allocation of posts.¹⁴ In its efforts to mobilise support for national mega-projects such as the Great Ethiopian Renaissance Dam and the sugar projects, the EPRDF had sought to revitalise so-called democratic nationalism.¹⁵ However, these efforts are now understood as essentially corrupt, undemocratic and replete with hegemonic nationalism (with the projects themselves failing). The former ruling party's successes lay in providing a semblance of peace and stability as well as safeguarding Western geopolitical interests West (PP, 2021&2022).

In contrast, the steps taken over the past four years, as claimed by the incumbent, have tried to shift control of the economy from the party to the state. First, the administration has sought to end "party businesses" by bringing party endowment companies under the state. Secondly, it has streamlined the state-owned enterprises sector and implemented an accountability drive which is aimed at curtailing the past (corrupt) practices of political financing. All these changes serve to de-emphasise the role of the party compared to that of the state (PP, 2021).

14 Interview with senior expert at the Prime Minister's Office, September 2021, Addis Ababa.

15 Ibid.

According to the current leadership of the country, the main task is to concentrate on what is available and collect the scattered potential of the country. The economic elites will bring the benefit of their experience and knowledge to oversee the economic reform strategy and contribute to it from preparation to implementation. To this end, a new entity has been formed in government, the National Macroeconomic Committee (NMC), which is designed to coordinate and lead economic policy-making efforts (Freeman, 2021; PP, 2022). The committee, chaired by the PM himself, has brought together all relevant entities in charge of economic policy so as to speed up delivery. This is often presented as a typical example of a departure from the EPRDF era of vanguard developmentalism and a reflection of steps by the new administration that have entailed a rearrangement of the country's economic policy-making structures (Tefera, 2019; PP, 2021&2022).

Some disagree with these characterisations of PP policy. For them, state intervention, central planning, and dictation have all in fact expanded since 2018.¹⁶ Critics of the PP portray the new leadership's approach to the private sector as merely rhetorical, arguing that many of the new government's projects (such as the Addis Ababa city riverside development and the beautification of various tourist attractions) are examples of a deeply centrist mode of governance, as they have been designed, approved, and launched from the centre, just as was the case in the EPRDF era (Tsehay, et al., 2021) Thus, while it may be the case that the party no longer has significant control over the economy, the fact is that the current prime minister enjoys massive power in Ethiopia and is able to induce the top-to-bottom implementation of all big interventions in tourism, mining, agriculture, and, indeed, economic growth in every sector, including gigantic projects to overhaul Addis Ababa's infrastructure.¹⁷

While the current administration is willing to admit to some problems with regard to implementing its reform plans, it nonetheless insists that the aim of these is to build the country through the democratisation of its political system, reduce

16 Interview with an economist and former opposition party leader, September 2021, Addis Ababa.

17 Ibid.

macroeconomic imbalances, and lay the ground for inclusive and sustainable development. The administration claims that many significant improvements have been made in recent years. In particular, great strides have been made in the implementation of new and old mega-projects such as low-land irrigation wheat farming; privatisation; the creation of industrial parks; road repairs and improvements; the Ethiopian Great Renaissance Dam; the beautification of Addis Ababa; the rollout of 5G; and many similar large-scale undertakings.¹⁸

For some, such successes, though, are mainly due to the approach taken by the successful NICs who previously followed the democratic DSM. In this regard, it is sometimes said that the PP's experimentation with a pragmatic political-economic approach in the name of medemer – that is, opting for policies to be context-sensitive and adaptive in attaining prosperity – is fully in line with the thinking of the DDSM.¹⁹ Other critics argue that the PP's economic reforms are less comprehensive than those of the former EPRDF. They claim that Ethiopia currently faces abysmal economic decline, political upheaval, and ethnic strife because the country's chief engine of growth – its DSM – has been failing due to administrative obsolescence (Asayehgn, 2019; Tsehay, et al., 2021). Meanwhile, some argue that the political and economic reforms of medemer simply represent a return to the neoliberal economic model, one which Ethiopia has repeatedly demonstrated to be a dead end. In this regard, Asayehgn (2019: 48) notes:

Given the experience of other developing countries, observers can reasonably predict that if Ethiopia pursues the neoliberal model, Abiy could harm his country politically, economically, and socioeconomically. Instead of sticking to an ideological premise that politics will determine a large aspect of the Ethiopia's economy, it is high time that PM Abiy should follow the advice of Bert Lance: "If it isn't broken, don't fix it".

To be sure, the administration has made some progress in laying the groundwork for privatisation. In 2019, Parliament approved a proclamation on the privatisation of state firms, with the

18 Interview with senior expert at the Prime Minister's Office, September 2021, Addis Ababa.

19 Ibid.

government creating an impartial Privatization Advisory Council to assist with the procedure (Asayehgn, 2019). For the first time, a telecom license was awarded to a private company (a consortium led by Kenya's Safaricom), while the government stated its desire to permit foreign banks to operate in Ethiopia (The Africa Report, 25 May 2021). Such moves were unheard of under the previous administration.

As a matter of fact, EPRDF led government used to consider the telecom sector as 'a cow-cash which is off-limit to the private sector. However, the Tigray conflict's effects and the deteriorating macroeconomic situation were cited as reasons why the federal government recently halted further steps toward the privatization of the telecom sector (most notably the issuance of a second telecom license and the sale of 40% of Ethio Telecom's stakes) (Freeman, 2020). According to PP, an additional aspect that delays its reform goals is the undue influence of western nations (diplomatic pressure at the UN Security Council, such as the suspension of foreign financing and access to markets from the African Growth Opportunity Agreement (AGOA)).²⁰

The ethnic nationalism and religious extremism that have resulted in death, displacement, and destruction of property on a large scale in Ethiopia have also slowed down the reform process (Temin & Badwaza, 2019; Semir, 2020). Since November 2020, the federal government has been engaged in a bloody conflict with the Tigray regional state, led by the TPLF which has lost the dominant role it enjoyed in politics prior to 2018 and is now urging secession (Fitz-Gerald, 2021). Indeed, some fear that the various conflicts across the country may result in the return to the authoritarianism of the previous period (Clapham, 2020; Semir, 2020). In this context, it is hardly surprising that broader reform efforts have faltered.²¹ The government's commitment to privatisation is, however, visible in a number of recent decisions. As of May 2021, when the international consortium named the Global Partnership for Ethiopia, comprising Safaricom Plc, Vodafone Group, Vodacom Group, Sumitomo Corporation

20 This is a sign of the deteriorating relationship between the current administration and the West. The Ethiopian government has accused the West of meddling in the country's internal affairs, to the extent of attempting to bring its long-time allies, the TPLF, back to power (Freeman, 2020),

21 Interview with Deputy Commissioner, Ethiopian Investment Commission, October 2021, Addis Ababa.

and British International Investment (formerly known as CDC Group) was announced as the winning applicant for a license to operate telecommunication services in Ethiopia. Furthermore Safaricom were granted a nationwide full-service Unified Telecommunications Service License on 9 July 2021 and were officially registered as Safaricom Telecommunications Ethiopia Plc in July 2021. A week later, Safaricom, started operating business. It is also a recent development that the Council of Ministers has passed a landmark decision to open the Ethiopian banking sector to foreign investors (CommsUpdate, 2022, November17).

From the above, it is possible to argue that Ethiopia since 2018 is in experimenting with a transition towards political and economic liberalisation in ways that do not fit with the previous government's top-down and authoritarian style of governance; however, it is perhaps still too early to conclude that there has been a complete departure from the forms of the previous style of state-led developmentalism.

Many complex forces continue to have an impact on Ethiopia's political and economic life. Its intended liberalisation measures may have been slowed down by the impact of the war in the northern regions and by both Western interference in the country and the terms of Chinese assistance (China was a key supporter of the EPRDF and its DSM project). The current necessary pragmatism will likely effect the shape of DSM under PP rule. All in all, it may well be that the government is moving towards a domestic-owned private economy and foreign state-supported foreign direct investment (as seen in Turkey under the influence of China), with policies which are, in the end, more developmental than neoliberal in their practical manifestations.

6. Conclusion

Up until 2018, the DSM experiment in Ethiopia appeared to be a key shift in the country's development trajectory. The EPRDF-led government had fully committed itself to the realisation of a developmental state in both practice and ideology, as understood in the Marxist-Leninist terms espoused by the late PM Meles Zenawi, the chief architect and ideologue of the DSM. What, however, was to become of this model with the introduction of

capitalist elements by the new incoming PP government? For, in sharp contrast, the PP espouses a liberal economic doctrine that provides a significant role in the economy for the private sector.

Overall, the current situation indicates that the DSM in Ethiopia seems to have been ‘undone by failure’: the country is still very far away from becoming the middle-income country it aspires to be. This seems to make sense considering the unprecedented political and economic reform measures being taken by the administration of PM Abiy, including the dismantling of the EPRDF (along with its Marxist-leaning ideology), which some observers say signals the emergence of liberalism in the country.

However, some caution should be observed with regard to any claims that the new government means the end of statist developmentalism in Ethiopia. Two considerations are important here: first, that the promised liberalisation of the economy is not proceeding at either the pace or with the scope initially intended by the PP government; secondly, that in practice, the hegemonic role and involvement of the state in the economy continues to be a major feature and the role of the private sector has not significantly improved.

Much of this may be attributed to the relatively short span of time since the launch of the new government’s reform process, but is also perhaps mainly due to the state of war in northern Ethiopia. The war has disturbed the country’s relations with the West, resulting in curtailed foreign investment, aid and other development assistance. This, in turn, has pushed the government to strengthen its relations with China, which perhaps exemplifies state-led developmentalism. All remains in flux. It is uncertain what the signing – in Pretoria, South Africa, on 2 November 2022 – of a new peace agreement between the Ethiopian government and Tigray Liberation Front for the permanent cessation of hostilities will mean in practice.

In the end, it is important to understand the simple fact that the overwhelming majority of Ethiopians are living in hand-to-mouth conditions. This means that the state will and must continue to play a key and active role in setting and leading the course of development governance in the country. Hence,

instead of abandoning the DSM in its entirety, the PP leadership should rather seek to rectify the major limitations of the EPRDF's experiment with the model and not seek to promote economic growth at the expense of other equally important values such as self-governance and the right to fair, equitable, sustainable and empowering development.

In general, this article recommends that the current PP administration, which won the majority of votes in the sixth national elections of July 2021, needs to work to forge the right balance between the core values and principles of the country's multiparty federal democratic system while advancing the development agenda in a manner that capitalises on the shared values of the two systems (federal democracy – self- and shared rule – and developmentalism). This entails a fundamental shift away from an elitist, centralised, and coercive approach to governance (as practised by the EPRDF) and towards a capability-enhancing state that promotes democratic governance founded on broad-based state-society alliances that ensure popular participation in development governance and in the structural transformative process.

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