

TPLF/EPRDF Regime a Contra to a Developmental State

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Introduction

One of the catchy phrases the TPLF/EPRDF regime leaders and their cadres often use to describe the regime is “*limatawi mengist*” or “*developmental state*”. However, the TPLF/EPRDF regime is not pursuing a development state economic model since the regime’s economic system does not meet standard features of a development state. Actually, the regime’s economy and its rhetoric are in contradiction with the conventional features of a developmental state enshrined in nation building and economic nationalism that unify a nation.

There is difference between state-led developmental state and state-controlled and state-owned economy of TPLF-led regime. The regime’s rulers and bureaucrats have predatory and kleptocratic motives, which are fed by structural and institutional corruptions and rent-seeking. Unlike a developmental state, which builds foundations for private entrepreneurship and innovative enterprises, Ethiopia’s monetized economy is dominated by interest groups affiliated or aligned with the regime such as REST. The regime marginalized and displaced most of the traditional entrepreneurial and business class. The foundation of Ethiopia’s economy under the current regime is not entrepreneurial or business skill but alliance with TPLF leaders. The leaders of the TPLF/EPRDF regime and interest groups aligned with them designed *get-rich-quick* schemes based on land grabs and cronyism, which have nothing to do with economic efficiency, entrepreneurship, innovative value adding, business acumens, etc. of a developmental state.

Therefore, the regime’s leaders and their cadres use of the phrase ‘developmental state’ to the describe economy is similar to the regime’s leaders and their cadres use of the word ‘democracy’ to describe the current political system.

It is also important to note that a developmental state is not always synonymous with authoritarianism and dictatorship, but many Asian states have been authoritarian to a degree, particularly at the earlier stages of development.

What is a Developmental State?

A developmental state is a term coined by Chalmers Johnson that is used to describe states which follow a particular model of economic planning and management. It was initially used to describe post World War II Japan and its rapid modernization and economic growth. It is the developmental state of Japan that led to innovative creation of world renowned Japanese brands such as Toyota, Honda, Mazda, Mitsubishi, Nisan, Sony, Toshiba, etc. Other examples often cited as developmental states include Singapore, Thailand, Taiwan, Malaysia, South Korea, and Indonesia.

In terms of an economic jargon, a developmental state is a state where the government is intimately involved in the macro and micro economic planning in order to grow the economy whilst attempting to deploy its resources in developing better lives for the people. Developmental states invest and mobilize the majority of capital into the most promising sector of an economy that will have maximum spillover effect for the society and reduce the dislocations caused by shifts in investment and profits from old to new sectors. Such state plays the social engineering role to restructure the national economic system for promoting long-term (industrial) development. Thus it is based on combinations of nurturing innovative private enterprises as the key owners and the positive role of government via an ambition use of the interventionist power of the state and its fiscal and monetary policy to guide investment in a way that promotes economic solidarity of different interest groups based vision for national economy and its growth.

Key Features of a Developmental State

In order to understand the concept of a developmental state, it is important to highlight some of the characteristics of a developmental state. Although dictators pursuing developmental states generally believe that they will attain state legitimacy through delivery of services to

citizens rather than through the ballot, they use economic nationalism to unify the nation based on a collective goal of economic development. Developmental states hugely invest in quality education, especially in technical fields in both domestic universities and overseas scholarship. This leads to the emergence of bureaucratic layers populated by extremely educated people, who have sufficient tools of analysis to be able to take economic leadership initiatives, based on sound scientific basis, at diverse levels of decision making within the government structure. Moreover, developmental states have been observed to be able to efficiently distribute and allocate resources and, therefore, invest optimally in critical areas that are the basis of growth such as education, research and development, infrastructure, etc. It is this ideology-structure nexus that distinguishes developmental states from other forms of states. Let me elaborate the ideology-structure nexus of a developmental state in two areas.

1. Economic Nationalism as an Ideology

The successful developmental states are based promoting economic nationalism as a unifying ideology. The state promotes economic nationalism as an essential keystone, which unifies different interest groups. A developmental state conceives economic development as its national mission and the mission of the country at large.

Although a development state establishes its principle of legitimacy as its ability to promote sustained development, it does not alienate experts of diverse interest groups and political views in participating in economic nationalism since real development requires expertise for steady high rates of economic growth and structural change in the productive system, both domestically and in its comparative competition in the international economy.

In spite of dictatorial development states control of political sphere, there is economic freedom where experts of diverse professions are able to establish an "*ideological hegemony*" based on economic nationalism to which key actors in the nation adhere voluntarily in order to contribute towards economic development for the benefits of their country. The main force behind the developmentalist ideology has usually been economic nationalism, inducing nations to seek to "catch up" with countries considered as more developed. It is essential to stress the ideological underpinnings of state policies knit together the ruling class and the ruled class of a country with economic nationalism as a unifying factor. In other words, the centrality of economic nationalism as an alternative ideology points to *de-politicized* national quest for economic development, which is driven by professional expertise with the help and support of a developmental state. The economy falls under some kind of *technocratic governance* of the best and the brightest a country can offer for economic development to carry out state policies that are good for the nation without focusing on cronyism and self-serving profiteering of politicians and their relatives. The TPLF-led regime does not function in this mindset.

Economic development is not only a central preoccupation for political leaders but also by professional technocrats of a developmental state. *Nationalist-cum-developmental* ideology is used for both unifying nation building and economic development. Economic nationalism ideology is used to rally the masses for national unity and economic development. The centrality of economic development was such that it acquired the status of an ideology ("developmentalism") national ideology, which seeks to subordinate the energy of the people behind a single national goal. Among others, the role of the government is maintaining public investment in infrastructure, research and development, and education to stimulate private investment, create skilled labor force and entrepreneurial class, etc. In the politics of nation building, the developmental state leadership focuses on the economics of nation building. In dictators-led developmental state leaders swear by economic growth and seem to view good growth indicators as the main source of their legitimacy.

The developmental state is also committed to resolving conflicts in the on-going process of social restructuring as it tends to induce winners and losers in economic development. Conflict management in this regard involves ensuring that the benefits, expected benefits, of the growth process are widely shared and discussed among politicians, experts and the public. The developmental state is understood to be identified with its actual achievement of economic

growth, since its legitimacy stems from the significant improvement in standards of living for a broad cross section of society. Thus economic nationalism can include political interest groups molded into a *developmental coalition* for a common goal.

2. Developmental State-Structure: Professional Capacity Building

The state-structure of a developmental state emphasizes building structural capacity to implement economic policies sensibly and effectively. The capacity is determined by structural, institutional, technical, administrative, and political engagements and professional bureaucrats. Undergirding all these layers is the autonomy of the state from social forces so that it can use these capacities to devise long-term economic policies unfettered by private interests of corrupt politicians and unprofessional bureaucrats. The quest for a "strong state" in the development process is aligned with building administrative capacity more than the political ability to push through its developmental project using political power. The developmental state has some social anchoring that prevents it from using its autonomy in a predatory manner and enables it to gain devotion of key social actors. It does not rely on asymmetric nature of centre-periphery power relations, which tend to produce various class structures. Rather, it focuses on building capacity for appropriate state structures and functions that effectively promote development as a national goal. (See "a" and "b" below)

The foundation to building a developmental state is to develop an educated population and a knowledgeable society with high levels of scientific literacy in building a knowledge economy based on professional business people and entrepreneurship. Economic nationalism leads to a harmonious society with a strategic partnership amongst labor, government, industry and society, which leads to a society that efficiently allocates and distributes resources.

a. Competent and Efficient Bureaucracy

It goes without saying that cooperation between state and major industries is crucial for maintaining stable macroeconomy since policies decided at the top levels of government are administered by middle-level bureaucrats. One of the main characteristics of a successful developmental state capacity building is creating an extensive bureaucratic layer consisting of mainly professional technocrats with highly developed economic and innovative visions, who are able to plan in large cycles that extend over long time periods. The bureaucrats also pay special attention to reconfiguring the social sphere so that the culture of appreciating the value of education is entrenched since technical education is the driver of increasing developmental capacity.

For instance, in East Asia, the developmental state's bureaucracy has several important characteristics. There was an *extensive discourse on 'developmentalism,'* the necessity of industrialization and of state intervention to promote it. The professional bureaucracy in Asia has a powerful social group of highly educated bureaucrats with predictable and coherent national interests. Thus, the *public-private cooperation* between the bureaucracy and business sector has been developed and refined through institutional adaptation over time, and responds flexibly to changing new realities in the respective country and international economic conditions. By and large, the behavior of Asian bureaucrats has been bound to the pursuit of collective goals rather than individual opportunities presented by the market, allowing the state to act with autonomy from certain societal pressures. The fact that *formal competence*, as opposed to clientelistic ties or loyalties, is the chief requirement for entry into the bureaucratic network makes it all the more valued among people.

A competent and efficient bureaucracy dedicated to devising and implementing a planned process of economic development is central role of a developmental state. Developmental states staff the bureaucracy by the respective countries' *best* human resources, who are charged with the task of directing the course of their countries' development. Thus the chance to join the state bureaucracy has a *high degree of prestige* and *professional legitimacy*. This allows a developmental state not only to continue recruiting outstanding personnel, but also to utilize policy tools that tend to give them additional authority. As a result, the developmental state

economies have developed the greatest state capacity not only to formulate development policies but also to implement them effectively to promote economic development.

The TPLF-led regime has never nurtured bureaucratic professionalism but bureaucratic *clientelism* of loyal servants.

b. Embedded Autonomy of Professional Bureaucrats and Entrepreneurs

A competent and efficient bureaucracy under a developmental state is able to maintain effective relationship, especially regarding the direction and funding of investment projects, with the domestic business sector without direct intervention of the central government. Thus, the professional bureaucrats, entrepreneurs and the business sector have “*embedded autonomy*” when it comes to the relationship between the developmental state and the business sector. A successful developmental state needs to be sufficiently embedded in society so that it can achieve its development objectives by acting through “*social infrastructure*”, but not so close to business sector that it risks ‘capture’ by particular interest groups, which tend to lead to entrenched corruptions and rent-seeking.

This no demarcation between the TPLF-led regime’s politics and the economy since politics and economy, including dominating economic ownership, are meshed together in Ethiopia-politics is economy; economy is politics.

TPLF-led Regime: A Kleptocratic State

The TPLF/EPRDF regime vividly lacks an ideology of development anchored in some form of economic nationalism that unifies Ethiopia as a collective goal. The government has not attempted to build national consensus on economic development of different interest groups with the exception of the *Grand Ethiopian Renaissance Dam (GERD)*. Some argue that the GERD campaign by the regime is more for finance and political expedience than unifying the people under a national project.

Economic growth rhetoric is sold as the domain and monopoly of the regime whereas the general public is ridiculously divided into “*pro-development*” and “*anti-development*”. And the opposition groups, by and large, fall under the category of “*anti-development*”. Surely, this is anti-thesis to a developmental state’s theme of building economic nationalism, which binds different interest groups of a country so that they all accept and take part in it as a collective national goal.

Abay Tsehaye, in one of his interviews, clearly stated the economic goal of the regime in the long run. He stated that the regime has the agenda of creating an economically empowered class, which will control the economy and lead politics. This agenda has nothing to do with a developmental state agenda founded on building national consensus and economic nationalism as an ideology. The regime’s economic agenda is aligned with “*divide-and-rule*” and long term goal to lord over Ethiopia. Like the political goal of the regime, the economic agenda is also inherently discriminatory in its nature.

In the lack of nurturing national development ideology and intrinsic one-party rule, loyalty to the regime easily overrides societal development goals. Individuals aligned with the regime often hold highly idiosyncratic mindset that they flout with impunity and with no moral qualms in politics, the economy and their general interaction with the business sector and the society at large. Consequently, TPLF/EPRDF regime’s leaders have no moral basis on which they could demand enthusiastic and internalized compliance to whatever “*national project*” they launch due to the lack of ideology of development, which addresses the public demand and national economic interests shared by all interest groups.

Unlike the developmental state, the central political stage and layers of bureaucracies of the regime are not occupied by well educated professionals, who are guided by the aspirations of nation building and economic development. Loyalty is the major factor in bureaucratic appointments from top to the bottom, and hence most of the regime’s bureaucrats are less merited to occupy their offices. Rather than being competent and efficient bureaucracy, the

processes of appointing less qualified individuals based on loyalty has led to an inescapable "*development of underdevelopment*" in Ethiopia's bureaucracy, which in turn produced a series of political and economic contradictions and bureaucratic cronyism.

Moreover, unlike a development state, the TPLF/EPRDF regime portrays foreign dependence syndrome, with a significant part of the regime's budget covered by international budgetary aid. Externally dependent growth is not conducive for dynamic capital accumulation, which builds basis for a development state economy. Thus, even accepted at face value, equating the regime's claimed booming economy of Ethiopia with a developmental state becomes problematic since the economy heavily depends on external factors, such as export of primary products and aid inflows.

TPLF-led State Controlled and Owned Economy

The institutional and economic structures of the regime are reinforced and constructed by political power to control the economy rather than developing national economic ideology or creating discourses with interest groups. Structural aspects of the regime's economy include mass dislocation of society without offering alternative settings or means of survival. This kind of economic structure resembles settler colonial economy much more than a development state. This is most apparent in land-grab and the privileging of elements of the regime, their families and supporters. Access to politicians paves way for getting rich much more than individuals' entrepreneurial and business skills. Large chunk of renowned entrepreneurs and business people have been forced to leave Ethiopia and migrate to other countries.

The economic system and its bureaucracy are structured as a predatory state, where top rulers and layers of bureaucracy have predatory motives, and hence less willing to part with corruptions and rent-seeking. The aim of regime is to exploit the physical, human, and economic resources for the benefit the leaders of the regime and few others aligned with them. The economic goals of regime are simple. It is to provide maximum economic benefit to the individuals in power at the expense of the majority. Like colonial settlers, the individual needs of their subjects are neither important nor part of their economic goals. The imposition of economic policy is often arbitrary and unrelated to any real need of the majority of the people. This led to inadequacy of the food entitlements and chronic malnutrition and famine.

Unlike a development state's national development driven by all-encompassing economic nationalism, the TPLF/EPRDF regime's economic agenda is more about economic subjugation and about the regime's ability to control of the economy. Improving the production methods and strengthening national economy for all people are not the priorities. It's all about empowering the likes of REST to be unchallengeable economic giants of Ethiopia.

There is a crystal clear lack of autonomy of the business sector due to the unholy relationship of state-society and state-business under the TPLF-EPRDF regime. There is bureaucratic malaise into both market and state structures and it has eaten into the very core of the edifice of modern administration rendering it both weak and incoherent, at best. Mired in *clientelism*, the state has not been able to provide the bureaucratic order and predictability that business sector and entrepreneurs need to engage in long-term investment and contribute to long-term national development.

TPLF-led regime is literally driven interest groups and mired in *state-clientelist* relationships. And hence it is even lacking in "*stateness*" in a strict sense of the word. Self-interest groups which control the state adopt policies that generated rents for them. The TPLF/EPRDF state is essentially a rent generating institution that inhibited efficient allocation of resources. Rent seeking usually involves redistribution of income from one group to another, and in Ethiopia, it is redistribution from poor to the rich through corruptions and rent-seeking. Let alone being a development state, the regime cannot pursue the collective task of development in the long run. It has crushed most of the strategies and institutions that build a solid foundation for development. *State-society* relationships are inherent to national development, and mistrust runs both ways-the regime does not trust the people and the people don't trust the regime.

Conclusion

The developmental state refers to the collective economic and human development via state's essential role in harnessing national human, financial, etc. resources and directing incentives through a distinctive policy-making process. The foundation for building a developmental state is the ability to establish nationalist educated population by creating a harmonious society with strategic partnerships amongst labor, government, industry and society as well as efficiently allocating and distributing resources. The success of the developmental state also stems from the '*embedded autonomy*,' in which the developmental state is linked intimately with the private sector but preserves sufficient distance for the renegotiation of goals and policies when capital interests are inconsistent with national development.

The key government actors under the TPLF-led are irredeemably greedy, corrupt and captured by rent seekers and economies of personal wealth accumulation, and hence focus on promoting vested interests over national development. They don't think creatively of modes of social organization at both macro and micro level that can extricate Ethiopia from poverty and lead it to the long term path of development. Appropriate institutional structures do not exist in Ethiopia to socially engineer a developmental state since a development state is a social construct consciously brought about by a state, its bureaucracy and societies. Economic nationalism of a developmental state cannot take root.

We cannot draw parallels between TPLF-led regime and developmental states implemented in Asia. Unlike TPLF, Asian dictators were/are very nationalist with the goal to change the living standard of their people and promote their countries in the world. TPLF leaders have beef with most of the people in Ethiopia such as Oromos and Amaras. TPLF's governance resembles settler colonialism of the apartheid system in South Africa and British land-grab system in Rhodesia (now Zimbabwe) much more than the developmental state systems in Asia.

The regime does not pursue collective economic empowerment agenda. In dictatorial developmental states, even where was no political freedom but people had economic freedom. Under the TPLF/EPRDF regime, there is neither political nor economic freedom. Discriminatory economic policies, with enclave economy nature, are more aligned to colonial policies. TPLF governance is unequivocally becoming ethnic apartheid in political, economic, etc. fronts. Its policies are designed to marginalize dissenting people from economic benefits and then to impoverish them for long term political and economic control whereas the leaders and their relatives profiteering through deeply entrenched cronyism. Developmental state dictators in Asia were not consumed by self-enriching schemes via corruptions and rent-seeking. Actually, the Asian dictators were very tough on corrupted individuals, politicians, etc. Although they did not stop it, corruption leads to very long imprisonments. But people join the TPLF/EPRDF regime to get license to be corrupt and rent-seeker without any repercussion. The TPLF -led regime is structurally and institutionally corrupt, which was not the case under Asian developmental state system.

Finally, the TPLF-led regime is weak, over-extended, and interfere with the smooth functioning of the markets with its repressive characters and draconian policies. It heavily depends on foreign powers for its existence. Therefore, it is not an example of a developmental state by any account. I think phrases like the "rentier state", the "overextended state", the "parasitical state", the "predatory state", the "crony state", and the "kleptocratic state" better fit the TPLF/EPRDF regime. I think it is a kleptocratic state/autocracy (rule by thieves) made up of very greedy individuals addicted to personal wealth accumulation through structured and institutionalized corruptions and rent-seeking.