

Ethiopia: Western, Foreign and Domestic Neo-Liberals' Caricature of the Developmental State, the fight and the Evolving Balance-sheet

Habtam Alebachew & Yemane Zeray (Lecturers)

1. The Notion and the Confusion

We, as students of social sciences, have paid objective attentions about the unique essentials and substances constituting the very ingredients of the 'Developmental State. However, this brand of the state with its abstract policy of 'developmentalism' largely remains to be the key 'blinds-spot' of its critics. The developmental state appears to be a messy puzzle specifically among most western policy makers, the global media, so named 'watch-dog institutions' of global values, domestic and refugee opposition groups as well as the private press.

We see every day most common misinterpretations of the nature of the developmental state among these critics in light of the existing Ethiopia's state and its friends in one or another brand of the developmentlist agenda. These hostile and rejectionist caricatures probably arise from the confusion with the extremely subtle, abstract and meticulously outlined nature of the developmental state encompassing a broad range of state types and forms.

The most common grey-areas of the developmental state lending conceptual confusions among their outspoken critics lay at the self-depiction of this state in the current world of neo-liberalized international relations. The images of most leaders of the developmental state have loomed far larger in the mind-plates of the West and domestic 'modernist neo—liberals' as elusive, fluid swinging left and right, unfathomable and nebulous. These elites view the unique achievements of most developmental states in a different and confused ways that could be divided into three categories:

A. The Innocently Growth-Tempted Neo-liberals

These people are usually motivated by the face-value and attractive side of the basic achievements of western advanced capitalism that convinces them to wish to see similar patterns and levels of socio-economic structures happen in their backward country of agrarian Ethiopia. we rightly understand from the long list of comments at many blogs, these Ethiopian good wishers often tend to make the following main epistemological mistakes while drawing comparative parallels between Ethiopia and developed states where they live:

- Ethiopia is rated as one of the democratic states in the world only when national politics could entertain the alternate reshuffles of Ruling Parties among Oppositions. The existing almost zero-presence of opposition parties in the

national parliament by itself speaks louder that there is a ‘democratic recession’ in Ethiopia due to their exclusion;

- The land-slide victory of Opposition parties in Addis Ababa during Election 2005 is a case of fast growing democracy that invites all parties to work together. It is also a right democratic option to consider possibilities of ‘coalition government’ as one criteria of stable politics and a showcase of participatory democracy;
- If the current strict control by the state over such sectors of the economy like the financial, manufacturing, communication and energy were lifted, our country would register a fast-track capitalist growth rate through the inflow of better and modern entrepreneurship, business and investment.

These well wishers under neo-liberal tones are essentially modernists who are tempted to see Ethiopia at a par with the prosperous world through transplanted capitalism.

B. The Less-militant and Conscious Modernist Neo-liberals

These Ethiopians could be seen from two angles: those who consciously understand neo-liberalized policy in the country as assured path for their quick ascendancy to political office. They have practical experiences of similar cases in many other poor African countries where the combined forces of domestic neo-liberal opposition parties and their global and Euro-America based partners overtly and covertly manipulate the political process to oust existing governments. On the economic frontier, these modernist neo-liberal Ethiopians push for restrictive market policies to be lifted and canceled as a way to serve their distinct self interests of quickly emerging as *novo riche* intermediaries between the national market and the global capitalist business class. Together, they emphasize the following policy alterations:

- The rule of the game in the Ethiopian politics should be strictly founded on the unrestricted exercise of procedural democracy. We should not worry about who comes to political prominence as far as procedures and procedural justice is maintained. If the wrong candidate comes, it is the procedure that gets him/her back into retreat;
- Democracy by itself is a political end than a means in any state regardless of levels in socio-economic growth. Economic development and redistributive justice are not ideals to be cultivated and elevated by interventionist state management but the natural and theological outcomes of limited government and liberal democracy;
- Significant state engagement in national economic management is an advisable path of growth as the government is inherently less efficient than the individual, more vulnerable to corruption than the private corporate, and more wasting than the public sector. The free market by itself is an efficient organism that could maintain itself with little or no government intervention.

However, these elites largely tend to embrace less militant tactics in their attempts at getting their interests come to reality.

C. Extremist and Militant Modernist Neo-liberals

This category of neo-liberal Ethiopians tend to be pronouncedly hostile to developmental states by understanding them as real stumbling blocks to their beliefs and themselves to access political office and economic resources. These Ethiopians come nearer to the developmental regime across the national political spectrum the other way round: while the government strongly emphasizes fast-track, collective and massive, in side out and home based socio-economic transformation as the ultimate guarantee for the survival of the political system, the extremist neo-liberals hold the belief that fast-track liberalization and unreserved, uncensored, and gross modernization of the domestic economy as assured way for their short-path advent to political power. They also advance vigorously some extremely pessimistic and self-aggrandizing values and strategies including the following:

- Political power in poor states is, as a rule, an instrument of self-enrichment by government leaders in the guise of development. The ultimate remedy for this malaise is a direct replica of the neo-liberal model of limited and fast-alternating government which blocks chances to manipulate political authority to embezzle wealth;
- Until such a political situation and political groups are created and nurtured in Ethiopia, the current regime should refrain from exploiting basic natural resources like the Great Renaissance Abay Dam and other strategic development projects. As politicians struggling for freely run national politics, we command the highest popular support and moral ground that everybody longs for our ascendancy to political power;
- The present global neo-liberal regime and power every where is unmistakably in partisanship to our cause that we can broadly mobilize this support to get the Ethiopian government removed. As our long term and purely neo-liberal goal is just and true, we are morally justified to forge tactical coalitions with state level powerful or weak foes and enemies of Ethiopia like Egypt and Eritrea to speed up the tempo of our neo-liberal and modernist victory.

One could see that these extremist neo-liberals are die-hard modernists. They aligned themselves with global interventionist elements in the guise of human rights. They never hesitate to put Ethiopia and its peoples on auction so far as their neo-liberal appetites are quenched, that is, ascending to political office, by all means available. Unfortunate to their cause, they were well overtaken by satisfactory socio-economic rise by the existing government. They could win only heavily volatile, doubtful, retreating and finally hostile followers against them as we are now witnessing what happened to what they call Ginbot 7. This is a the Iron Law of Fanaticism in every aspect of human life and a perfect reward for all extremist elements that they would finally get eaten up by their own followers.

2. The Decades-long Battle between the Neo-liberal School and the Developmental State

Let us see now some particularized cases and personalities within the overall neo-liberal category versus the developmental state and its authors fighting with each other on the Ethiopian political scene in the previous formative decade.

Meles Zenawi of Ethiopia remarked, for instance, different ideas appearing to be contradictory at face-value and confusing to his critics. Let us see one of press remarks made in 1993....

We (he meant Ethiopia's leaders) participated in the Washington Consensus mainly to appreciate the unfolding trends and new developments of the Post-Cold War era. We participated never to bargain and compromise over our distinct policy foundations that may run contrary to the present dominant principles of neo-liberalism, be it public ownership of key economic sectors or land or whatever. We do not believe that all our chances to stay in office would be determined by external pressures that try to bend our heads down to read and pursue the Articles of Faith across mainstream neo-liberalism....

Meles speaking in 2002:

How do you come to the conclusion that EPRDF and the existing government are communists, or socialists, if you like? This Constitution (he held up the blue book of FDRE Constitution high and showed it to attendees of a high-level EPRDF cadres on the morrow of inter-TPLF crisis), you can see, promotes never socialism, never communism but white capitalism.

An Opposition leader at Parliamentary Report Session in 2007 raised a question where he doubted the present and the future effectiveness and relevance of Government's closed-door policy to International Capital in the industrial and financial sectors of Ethiopia in the following words:

I could never see the meanings of EPRDF's obstinate policies which openly negate the victorious principles of free market competition and the free growth of the private sector through, for example, expanded stock market? I could not understand why EPRDF leaders argue against the unfettered Economics law of the invisible hand—Demand and Supply? What I know is that these universal formulations of Adam Smith also uniformly apply and work across the Ethiopian peasantry?

Meles answering this question reiterated the following policy rationales of his government's closed-door policy in selected sectors:

We do not believe that the vastest and poorest population in Ethiopia could rapidly become a direct beneficiary of national economic growth through the neo-liberal distributive principle and argument of 'trickle down strategy'. We do not believe that the Ethiopian peasantry is structurally a ripe social foundation of the neo-liberal tenet and Smithian dogma of a sanctified free market under limited government in a country with out such a market. We rather believe that the Ethiopian state has a lot of responsibilities to lift up this disadvantaged rural poor majority. Ask the global neo-liberal masters about what we have begun achieving in our efforts to realize these goals...

Of course, the Opposition leader's reaction was, by all academic and epistemological standards, more sensational than rational, more intuitive than knowledge-based and informative as he said the following:

Prime Minister, what I realized from your answers is that you are trying to defend your cover beliefs in the old-fashioned Marxist-Leninist Ideology. As far as modern Economics is concerned there was no such a concept as 'Trickle-Down Strategy'; your and your party's real motive behind your closed-door policy is political—controlling the Ethiopian peasantry as option-less...'

These and many other policy remarks by Meles Zenawi could not make sense however among Western and domestic Opposition critics. We jotted down a dozen of Opposition doubts and criticisms during the Election debate in 2010 vibrantly pronounced. Some of these include the following:

The most curious but the least insightful opposition leader and chairman of the Ethiopian Democratic Party reflected:

If you and your leaders (implying to EPRDF) believe that neo-liberalism is not the right path of development in Ethiopia, why did PM Meles say 'our Constitution promotes white capitalism?' If you are not working for western type of capitalism in Ethiopia, why did you take aid and loan in dollars from the main capitalist governments?

The demand of the opposition leader and most other people at his side was and is that Meles or Hailemariam should say in white and black as well as in either/or options: I am a Socialist or I am a capitalist. Most of the neo-liberal opposition leaders actually fail to grasp what capitalism means as a constitutional principle and ultimate goal vis-à-vis an imported artificial appendage at present to the pre-capitalist socio-economic stricture of Ethiopia.

Such questions appear and reappear in Ethiopia and across the global elite at many national and international fora. One may comprehend again the depth in the complexity of the developmental state concept from exchanges of questions and answers at one parliamentary oversight session in 2012 in Ethiopia over the annual performances of Foreign Ministry.

Hailemariam Deslagn, the then Deputy Prime Minister and Foreign Minister stated in his annual report that the Chinese state was the major partner of Ethiopia's development in the year. In addition to a long list of contractual development engagements in Ethiopia, the Chinese government stood firm to be by far Ethiopia's first and largest sponsor by providing low and free interest loan about 60% of the total foreign debt of the country.

Ato Seifu, the only Opposition Parliamentarian representing MEDREK, asked Hailemariam in quick reaction: if your cooperation and partnership with China grows

ever larger so much so that, can we say your government is confirming its socialist membership in a world of globalization?

Hailemariam Desalegn responded:

Ohhh...Your Excellency, the Ethiopian government is color-blind about racial and ideological camps. Our number one criterion is whether our cooperation and partnership strategies have any thing in them that could actually benefit the national advantages of our country and our people or not.

The late Prime Minister, Meles Zenawi, repeated similar impressions in his interview with a certain American based journalist exactly a month later. Meles emphasized that Ethiopia inclined to China as its major development partner for three key reasons: A. Chinese commitment to genuine and principled assistance to least experienced but most ambitious states of the South; B. Chinese traditional and established restraints from interventionist foreign policy in the domestic politics of target state; and, C. Chinese fair, reasonable and least egoistic but efficient and supportive price. Meles said he and his government have had a high regard of China which, unlike Western donors, never tries to arrogantly bend the hands of leaders of recipient states to their donor-side values and beliefs.

In general, one may list the following major positions which stand at diametrically opposite poles just between the developmental state and western/Opposition frontiers:

The Developmental State	Modernist Neo-liberals
No specific ideology but pragmatism	Neo-liberalism as the end of history and a global reality and all-inclusive value
In-side-out looking growth path (Nationalist and elf-creating beliefs)	Out-side-in direction of growth as a path to quickly the wide gap through wealth and knowledge transfer (open boundaries for international capital)
Collective and massive lift-up;	Individualist and market-based growth initiative
Engaged, responsible and stable state	Limited, less engaged and rotating government
The House-hold as the motor center of national growth	The corporate firm as a locomotive of capitalist growth
Free market both a means and distant goal	Free market as an end by itself and for its own sake
Starting from ground-zero (With whatever source you have currently at hand)	Modernization—coping the Euro-American capital-based growth trajectory (What we have is backward and traditional)
Humanism and policy priority to the	Monetarism and market-borne rugged

demand-driven development of social capital	individualism (State-managed education is the cause of diploma disease)
Industrialization and heavily integrated agro-manufacturing expansion, and not industrialism by all means	Industry as a demand of growth right now whatever its level and type may be in the present dynamic world
Selective protection of indigenous sources of wealth and careful technology transfer	Lifting all restrictions and protective policies for the influx of outside Corporations
As what the state has is only land and labor with little or no capital, the right strategy is causing psychological up-lift of the existing generation	Free market competition and the drive for modern way of life can only arouse the generation
Redistributive justice as a fair socio-economic morality	Equal opportunity is the right moral rule of wealth distribution

A critical examination of these conceptual differences would soon reveal what happened to Emperor Haile Selasse I, even recently, to the former Tunisian President Alamine, Egyptian president, Hosni Mubarak and the Libyan leader, Gaddafi. Neo-liberalism in its modernist version within structurally pre-capitalist societies has repeatedly proven nothing but the fact of relative-deprivation, which could be metaphorically explained as a merciless socio-economic environment where the bigger fish freely swallows the smaller fish. It is a top-down growth percolating into the pockets of a few government leaders and their corrupt affiliates in the Capital city and their masters in the Euro American center.

3. Judging the Evolving Balance-sheet

Now, after two decades of bitter struggle between these two approaches to the fast development of Ethiopia, which way does the compass of success point to and indicate? The answer for Ethiopians living here on their soils is simple and ready: changes in our life, sense and level of trust we have nurtured in our soul, the degree of optimism we develop about the future of our country and the resultant spirit of self-confidence we have generated supply the answers. This is at the level of the individual citizen. At the collective front, the simple comparison between theoretical underpinnings above and the unfolding reality in Ethiopia roughly but reliably favors the following major arguments:

- If Ethiopians and our country had had the neo-liberal and modernist model of limited government, it would be an accurate conclusion that we could have never seen the heroic move toward constructing the Great Abay Dam;
- As the Neo-liberal government is limited in its powers leaving every opportunity for the free market including the present micro-enterprise development projects, we would have had millions of jobless young Ethiopians who got squeezed out of the play field of the game in the name of free market competition so that we should have had one of the highest crime incidence rates in Africa;
- If we had seen neo-liberal ascendancy to political office as the attempted opposition move in 2005, we would definitely have had a national politics in

which the entire attention would have been shackled by endless interparty and intra-government vicious circle of government making and unmaking in stead of daily running to our private and joint self-advancing projects;

- The greatest ever danger, which we strictly believe, that Ethiopia has escaped in its history is that land remains public in ownership. Equally, insistence on public ownership of land is the unimaginably boundless favor that Meles Zenawi heroically rendered for the people of Ethiopia through his unbridled position for hand-twisting global pressures. If neo-liberal Oppositions had accessed Meles's office, we would have unavoidably witnessed proliferated foreign-capitalist land-enclosures around which millions of Ethiopian peasants hopelessly stood under security surveillance shedding their tears over loss of their water springs, grazing lands and precious farm plots of land.
- In the absence of a developmental state, we Ethiopians would have never had seen the voting card of periodic elections waved high as a precondition for any candidate to come to office. We would never have had the a voter card to be cast for a candidate party member only if he/she could visibly maintain and keep up the unbelievable national socio-economic dynamism we have been witnessing in the previous decade as the ultimate guaranteed to stay in office.
- Now, Ethiopians began exercising the power to keep EPRDF tied to the bitter requirement of achieving all-time dynamic economic growth as the delicate and ultimate rope on which its political survival is founded. As such, we argue that neo-liberal options of growth in Ethiopia obviously suffered natural deaths no matter whatever panacea they may take.

Finally, we say and say, socio-economic dynamism, dynamism, dynamism.....