

Economic Development and Democracy in Ethiopia: Performances and Challenges

By Teshome Adugna(PhD)¹

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1. Introduction

There are various debates about the relationship between economic development and democracy in developing countries. Such debates were highly influenced by the political ideology or principle followed by the given person. Most of the people that influenced by the current western thinking of liberal democracy argue that economic development achieved only with the developments of democracy. Actually these people could not show any empirical evidence of the context of developing countries that achieve economic developments after building successful democratic system. They usually use the experiences of the developed countries democracy that could not be comparable with the emerging developing countries. The other scholar or writers argue that democracy can be enhanced after certain level of economic and social development. These groups argue that the precondition for the consolidations of democratization practices in developing countries such as Sub Saharan African (SSA) Countries is economic development.

Within Ethiopian scholars or politician, there is also the same debate about economic development and democracy in the country. Many scholars in Ethiopia give more priority to the democratization process than the economic development in the country. The most knows scholars and politicians such as Dr. Merara Gidin and Dr. Berhnau Nega focus more on the development of democratization in the country rather than economic development. Both scholars argue that democracy is the precondition for economic and social transformation in the country. They are not even interested to look at the economic development that would bring people empowerment.

¹ The writer can be reached by email address:teshomea2016@gmail.com

In contrast to these scholars, other argues that Ethiopia cannot survive only by democracy which may not provide direct improvement in social and economy. Excluding economic development from the democratization process of the country undermines the structural transformation. There is no clear understanding between Ethiopian scholar regarding economic development and democratization process in the country. Such lack of clear understanding about economic development and democracy in the country hindered to see the broad performances and challenges of economic development and democracy in Ethiopia. For instance, Abis Getachew (2014) said that it is very difficult for the developmental state in Ethiopia to be democratic. Such kind of scholars lack basic knowledge on the relationship between economic development and democracy from the context of developing countries in general and Ethiopia in particular.

Therefore, the major objective of this article is to fill this knowledge gap by studying the performances and challenges to economic development and democracy in Ethiopia. It is imperative to look at both economic development and democratization process during the last two decades in Ethiopia. In this regard, honest, scientific and logical arguments provide appropriate understanding about the economic and democratic development. Further pragmatic debate on economic development and democracy facilitate for the emergency of alternative ideas to speed up or accelerate the country social, economic and political transformation.

This brief article consists of six sections including introduction. The second sections explain the theoretical review of the economic development and democracy. The third and fourth sections highlight the performances of economic development and democracy in Ethiopia. The fifth sections identify the challenges faces on the development of the economy and democracy. The last section is summary.

2. Theoretical review of economic development and democracy

Economic development is the multidimensional process that includes the reorientation and reorganization of the entire economic system to improve the living standard of the people. Economic development includes higher productivity, social and economic equalization, modern knowledge and change in institution and attitude. Democracy refers to a system of government by the whole population or all the eligible members of a state, typically through elected

representatives. In other ward democracy refers to a system of government in which power is vested in the people, who rule either directly or through freely elected representatives. According Desta Asayehgn (2015), democracy includes: 1) a political system of competition of power that is based on free election- such that those in authority are selected, monitored , and replaced, 2) the active participation of the people, as citizens, in political and civic life, 3)consensus-oriented decision making process, 4) accountability and transparency, 5) the tenets of human rights principles, and 6) the existence of a rule of law that applies equally to all citizens

There is not clear agreement on the relationship between economic development and democracy. In the early stage of economic development or transition state, democracy may negatively affect economic development. In the long period democracy positively affect economic development. Most developed countries started democracy after economic development. In this regard economic development may cause a country to become more democratic. The nature of democratic process that cannot improve the role and regulation in the economy affects the productivity and market competition, which directly affect fast economic development. Even some time unmanageable democracy can case macroeconomic and political instability that affect economic development. The economic development would be affected by political disorder that influences the transitional democracy. Therefore in the poor nation excessive focus on democracy divert important resources from social development in the economy.

Some politicians in developing counties may buy public vote than getting vote with their political and development ideologies. Unmanageable democracy leads to political instability that affects the productivity, competition and innovation in the country. Economic growth and political stability are deeply interconnected. On the one hand, the uncertainty associated with an unstable political environment may reduce investment and the speed of economic development. Such situation also increases capital out flights and decrease foreign² investment in the economy. The lower foreign investment and national output in the economy strongly affect the structural and social

² Foreign and domestic investors prefer a stable political environment, with less policy uncertainty and less uncertainty about property rights

transformation. A high propensity of a change of government is associated with uncertainty about the new policies of a potential new government; risk-averse economic agents may hesitate to take economic initiatives or may “exit” the economy, by investing abroad.

The final goal of any nation is to realize economic development that provides basic goods; improve human value (self steam) and the availability of choice. Democracy is the means for economic development. The public participations in democratic manner facilitate the fast and sustainable economic development. Democratic process that costly for economic development should be handled in appropriate manners. This was what happens to transitional countries like Sub Saharan African countries. The exuberance of democracy leads to indiscipline and disorderly conduct which are inimical to development (Vivek H, 2007) Therefore address the public need with social empowerment should be the priority to transitional countries in order to realize social and structural transformation. Minimal or liberal democracy can be a challenge for economic development and political stability. There are some economic and political successes in SSA countries with well managed democracy.

Some time the county may be enforced to choose between political stability and freedom in the development of democratization. The effectiveness of democracy in developing countries should be evaluated by its impacts on political stability and economic development. It is the wrong argument or understanding of the minimal democracy that separate freedom or right from economic development. In developing countries like SSA countries the priority should be the economic development that enhances the people empowerment than the simple voting freedom/government change that prevent the structural or social transformation in the development countries.

3. Economic developments in Ethiopia

Economic development shows the change in economic growth and at the same time change in the living standard of the people. In developing countries like Ethiopia economic growth is one of the preconditions for economic development. In 1991, the total market value of Ethiopia’s national output (GDP) was only USD 8 Billion. Today in 2016 the country has managed to

produce USD 69.2 Billion national output. During the last two decades, the national output has increased by more than USD 60 Billion. Real GDP growth averaged 10.9 percent in 2004–2014(World Bank, 2016). The country experienced the faster, broad based³, stable and higher economic growth during the last decades. In 2012, Ethiopia was the 12th fastest growing economy in the world, and if this historic growth continues, it could become a middle income country in just 12 years (World Bank, 2013).

The common indicator of economic development is Human Development Index (HDI). HDI refers to the multidimensional index that used to measure human development by using three dimensions: education, life expectancy and per capita income. Ethiopia human development index was increased from 0.222 in 2000 to 0.46 in 2015. The higher government intervention in the economy has increased the national human development more than doubles between 2000 and 2015.This makes Ethiopia the second fast growing HDI⁴ in the world during the last fifteen years.

The other indicators of economic development are the social and infrastructure development achieved during the last two decades. The road network, internet and number of mobile subscribers were used as a proxy for infrastructure development. At the same time the under five-child mortality rate, infant mortality rate, maternal mortality rate and education enrolments were used as a proxy for social development. During the last two decades, the provisions of infrastructure and social developments amazingly improved in the country. For instance, the road networks at the national level increased from 28 thousand kilometres in 2000 to 110 thousand kilometres in 2014. The road networks were increased by 300 percent during 2000 and 2014. In the same way the number of mobile subscriber and internet users has reached to 38.8 million and 9.4 million in 2015.

³ According to World Bank (2014), Ethiopia economic growth reflected a mix of factors, including agricultural modernization, the development of new export sectors, strong global commodity demand and government-led development investments

⁴ In terms of HDI rank, Ethiopia was ranked 171 out of 174 countries⁴ in 2000. In this year, the country was the third from the last in terms of human development index. After thirteen years that mean in 2014 Ethiopia human development index⁴ was better than fourteen SSA countries⁴.Today Ethiopia HDI rank is 173 out of 187 countries.

Over the last 20 years, the country has successfully implemented its strategy of expanding and rehabilitating primary health care facilities. To this effect, 16,440 health posts, 3,547 health centers and 311 hospitals have been constructed. A 69 percent decrease in maternal mortality from a high estimated base of 1400 per 100,000 live births. An improvement in contraceptive prevalence rate from 3% to 42% has led to a drop in total fertility rate from 7.7 in the 1990s to 4.1 in 2014 (MoH, 2015). The access and coverage of education has significantly improved in terms of school enrolment, number of class and teachers. During the last two decades the country has experienced new social and infrastructural development. The country becomes the second country in the world in achieving higher growth of life expectancy. The country moved from being the 2nd poorest in the world by 2000 to the 11th poorest in 2014, according to per capita income, and came closer to its goal of reaching middle income status by 2025(World Bank, 2016).

According to Alfredo Tjiurimo (2015) Without doubt, Ethiopia has transformed from the paralysis of the Marxist Derg regime to a more confident developmental trajectory under the EPRDF. To illustrate this point, over the past decade and more, two of the six critical Millennium Development Goals (MDGs) have been met – reducing child mortality and increasing access to sanitation. Executive Director Dr. Carlos Lopes predicted that Ethiopia may take over economic might from Nigeria and South Africa by 2050 provided it keeps the current rapid economic growth on track (Haftu Gebrezgabiher, 2016). The country achieves wide range social and economic change. Today the share of the industrial sector and service sector growth dominated the national economy. Such change was realized due to new economic policy and implemented intuitional set up in the country during the last two decades.

3.2 Development of democracy in Ethiopia

The practical democratic development in Ethiopia started since 1991. Pre 1991 centuries of oppressive autocratic regimes have contributed to deeply rooted undemocratic political culture and generally submissive behavior of citizens vis a vis the state (Shimelis Kassa, 2015). After the failure of the Military government, the different political part formed the transitional government in the country. The first step of democratic process that was taken by Transitional

Government of Ethiopia (TGE) was the preparation of the national constitution that shows the forms and types of government in the country.

The federal constitution ratified in 1995 defined the country's structure as a multi-cultural federation based on ethno-national representation (International Crisis Group, 2009). The Ethiopia constitution which was approved in August, 1995 has emphasizes on building the reliable democracy and self administration based on federal⁵ or decentralization⁶ system. The federal⁷ system gives legal right for local or regional administration in Ethiopia is based on the identity of the people in the country. The democratic federal constitution that Ethiopia adopted made it possible for the diverse peoples of the country to be on top of their own local affairs, to manage their local affairs in an autonomous fashion. The constitution limits government power by law and gave more power for the public. Ethiopia constitution also includes all the principles of democracy such as free and fair election, rule of law, separation of power and judicial independence, participation of the people , citizen right , equality, accountability, economic freedom and multi party system. Different democratic institution such as National Election Board, Human Right Commission and Ombudsman were established in order to facilitate the democratization process.

During the last twenty five years, five national, regional and local elections have been undertaken to established democratic government in Ethiopia. The National Election Board of Ethiopia (NEBE⁸) was established in 2007 by the amended proclamation number 532/2007. The objective of NEBE was to supervise the national election of the country in order to realize the free, fair and peaceful election. The number of voter increased from 21.3 million in 1995 to 36.9 million in 2015. In the same way the number of political party involved in the national election

⁵⁵ The principal objective of the new federal arrangement is to building one political and economic community capable of ensuring a lasting peace, guaranteeing a democratic order, and advancing an equitable socio economic development.

⁶⁶ Since 1991, the government in Ethiopia with the participation of different political group that resprsent various community in the country. started the democratization process in the country by empowering the local and regional administration through regional and local government formation

⁷ Based on the new constitution there are nine regional states with two city administration.

⁸ During the transition period the National Election Board of Ethiopia (NEBE) was established in 1992 by the proclamation number 64/1992

were increased from 36 in 2005 election to 58 in 2015. The voter turnout was more than 90 percent except 2005 election when the voter turnout was only 82.6 percent. In all standards Ethiopia voter turnouts were the highest as compared with developed countries. Different political party has been involved in all election for the last two decades.

The political parts participation in election has increase in the last two decades. This indicates that the country has been practicing the reliable democracy in order to realize peace and political stability. From formal perspectives, it seems Ethiopia is an emerging democracy and departing from its authoritarian past. Impressed by such rhetoric, many international organizations such as Freedom House and most western states referred to the country as an ‘emerging democracy (Semahagn Gashu, 2014). The latest report on Mo Ibrahim Foundation (2016) said that Ethiopia demonstrates strong progress of the overall governance level. As one of the top ten improvers on the continent it has also shown year-on-year improvement in overall governance. In particular, Ethiopia has registered a considerable strengthening of performance in Safety & Rule of Law and Human Development, notably as the largest improver in Africa in the latter category. The development of democratic practice in the country changes the economic and social development⁹ during the last two decade. Currently, Ethiopia provides peace and security for the great majority of the population and is reasonably stable (Desta Asayehgn, 2015),

Against of the above facts the development of democracy in Ethiopia was not recognized or appreciated by few scholars due to the dominance of the ruling party in the election outcome and parliament sets. These individuals evaluate the effectiveness of democracy by removing the ruling party from office or regime change rather than respecting or implementing the democratic principles in the country. These scholars promote the liberal democracy system in the country that would not emphasis on social and economic transformation. Botswana, for example, is often held up as a positive example of democracy in Africa, because the country has held regular elections since independence and citizens enjoy a high degree of political rights. However, a

⁹ A strong, centralized and highly autonomous state with expedient decision-making based on long term horizons is required for development, a model followed by two African countries that have made some of the greatest progress in terms of development indicators in recent decades: Ethiopia and Rwanda(Africa All Party Parliamentary Group, 2014)

single party, the Botswana Democratic Party, has been in power since Independence (Africa All Party Parliamentary Group, 2014)

It is obvious that the one party dominance political system influences the pace and quality of demoralization process of the country. This was actually due to the absence of strong and organized visionary political party. In addition to this, the frequent pragmatic reform and transformation of the ruling party based on the public need enables the ruling party to dominate the political system in the country. It is possible to consolidate the democratization process of the country on the dominance of transformed and dynamic political party. The priority should be the implementation of the democratic principles and the establishment of autonomous democratic institutions in the country rather than the number of political parties in the parliament. Unnecessary time and financial cost for liberal democracy increase political instability which affects the consolidation of democratization process in the country. Therefore the performances of democracy in Ethiopia should not be evaluated by elite change rather by the development of social and individual empowerments through legal framework. .

3. Challenges of economic development and democracy in Ethiopia

During the Monarchy and Military government the economic development and democratization processes was not based on the interest of the people. The country started the formal democratization process since 1991 after the failure of the military government. During the last two decade various challenges face the development of democracy and economic development in the country.

The first challenge was the absence of vibrant and organized opposition party in the country. Most of the strong opposition part considers the ruling part as their traditional enemy. They participate in the election just to replace the ruling party that working together. They use all means to defame the ruling party activities. They focus to attain their shot sighted objective to overthrowing the ruling party rather than long term social development. According to Dr. Merara(No Year) political leaders are more active in undermining coalitions than alliance-building while their vision is blurred to aggregate societal interests for a broader national development goals.

They do not give more attention to the rule and regulation of the country. The major strong political parties' pays heavy costs due to their illegal activities such as denying the election outcome and using violence as means of expressing their grievances. Few members of opposition party member went to use foreign forces to remove the ruling party in undemocratic and unconstitutional manner. These individuals ignore the power of their people and relied more on the power of the Western donor to lead democratic process of their mother land. These unconstitutional efforts to take position from the ruling party affected the democratic and economic development in the country.

The second challenge is lack of owning the economics and social transformation activities in the country. Many people considered the EFDR's constitution or the federal system established in the country the sole ownership of the ruling party (EPRDF). Such wrong perception and understanding hindered mass ownership of the constitution and federalism in the country. It is obvious that the ruling party has played dominant role in the development of constitution and federal structure, but the forms and types of government decided by the constitution not EPRDF's property. This wrong understanding few political elites went to come up with new constitution and federal system when there is disagreement with the ruling party rather that owning and enriching the excised system. Such self center political activity affects the full implementation and ownership of the national constitution and federalism system that contributed to social and economic transformation in the country.

The third challenge was the inability of the ruling party to implement the constitutional and federal structure in pragmatic and universal manner based on the context of specific region or location. This was due to lack of setting up appropriate and effective institution and regulations. Further the federal and regional government failed to design or implemented the clear inter regional relationship. Most decision at the regional and local level was not done based on holistic study conducted at the region or local areas. The fourth challenge was the absence of pragmatic local professional who provides reliable and effective support for the policy makers. In the name of academic freedom most of the scholar in the country was not willing to work with politician. They argue that politics and profession are separated. Actually this wa wrong argument that restricted the contributing of professional in economic and social development. Further some professional were not willing to understand the unique situation prevailed in the country in terms

of institutional set up, policy direction and political system. They went to understand what happen in Western countries rather than describe the difference feature or characteristics prevailed in the countries. Due to this fact our scholar could not contribute more new ideas and techniques in solving the challenges of economic development and democratization process.

The last challenges was the absence of continues systematic and effective monitoring and evaluation in the country. The government conducted various institutional reforms in unsustainable and uncoordinated manner. The reform was good beginning but it lack effectiveness, innovation and continuity. The government failed to create the capable, accountable and modern civil servant based on the level of new economic and social development in the country. This erodes the credibility of civil services that could have been played major role in national transformation.

4. Summery

This brief article indicates that economic development and democracy have strong linkage. The development of democracy in the given country speeds up the economic development. In the same way the economic development in the given country facilitate for building reliable democracy. The experiences of many developed counties indicate that they build democracy after achieving certain level of economic development. Ethiopia gave equal attention for both economic development and democracy. That is why the country realized remarkable economic development and democracy during the last two decades. But due to lack of understanding in the nature and characteristics of economic development and democracy in the country context many undermined the performances of democracy in the country. The recent crisis in some part of the country in the name of democracy and freedom would damage the broad based social and economic development in the country. The country already started the formal democracy and freedom since 1991. Today there is suitable environment for consolidating the existed democratic process and inclusive economic development.

To consolidate democracy and enhance inclusive economic development the country has to use the exited legal framework and institutional structure. Incremental change or transformation is the only option for maintain political stability and fast economic development. We like it or not

we spend 25 years that change country in different ways. Denying the last two decade change may not bring any incremental change for our nation. Regime change¹⁰ or minimal democracy that serves the political elite also would not bring any positive social and economic development. The country has put various financial and human resources on the development of democratic government during the last two decades. Such efforts should be acknowledged by all concerned body such as political parties in particular and public at large. Everyone should work for maximal democracy that provides the freedom to get the basic goods, infrastructure and social transformation. Democracy and economic development should be the priority of any Ethiopian to build common political and economic nation.

There are three common preconditions for the development of both democracy and economic development. The first is the emergence of a politically powerful commercial and industrial development. This enables the people to involve actively in political and social development. The second precondition is mass participation of public in social and economic development. In this regard the country should set various accountabilities that enhance public participation. The most important way for public participation is societal accountability. In this regard the government encourages or facilitates legal civic organization including all segments of the population.

¹⁰¹⁰ In his visit to Ethiopia, president Obama said that we are opposed to any group that is promoting the violent overthrow of a government, including the government of Ethiopia that has been democratically elected.”

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