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## BUILDING DEVELOPMENTAL STATE MODEL UNDER A CONSTITUTIONALLY DECENTRALIZED STATE STRUCTURE: CHALLENGE AND MEDIATION

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*Abstract- Developmental state model oftentimes associated, both in principle and practices, with unitary and authoritarian governance system as once practiced in the East Asian newly industrialized countries. Thus building developmental state model in constitutionally decentralized democracies such as Ethiopia raises compatibility issues. This article argue that even though developmental state tends to favor centralized state structure and authoritarian governance system, these features however are not necessarily inherent features of the model as the experiences of countries like India and South Africa demonstrate, which managed to build a democratic developmental state under a constitutionally decentralized state structure. As a dynamic phenomenon developmental state can transform and adopt itself to the existing constitutional decentralized institutional arrangements using various institutions, especially through the principle of subsidiarity, Intergovernmental relations and electoral system that allows multiple democratic developmental tiers of government to flourish at local, regional and national level. Hence, despite the predominant view of the developmental state model to have a tendency towards centralism, authoritarianism and interventionism, this article shows the possibility of taming such aspects the model and building a democratic developmental state in a constitutionally decentralized state structure.*

**Key Words:** Developmental State Model; Democracy; Decentralization and Ethiopia

### I. INTRODUCTION

Failures in governance system of sub-Saharan countries often mentioned, *inter alia*, as one of the responsible factors for the lack of democracy and prevalence of underdevelopment in the majority of states in this part of the world (World Bank, 1989: 60-61). This is due to excessive centralization of power, authoritarianism not to mention the rampant neo-patrimonial politics practices which has been the dominant features of governance in post- colonial sub-Saharan countries. Samuel Huntington (1987, 14-15) described such failure in such a way that sub-Saharan countries as simply do not govern and they often lack the organizational capacity to manage society and promote economic change and social welfare.

One of the tasks required, as often argued by scholars to bring democracy and development in Africa continent begins with curing the ill governance system which is responsible for the failure of democratization and development in the continent (Conable, 1991 and World Bank, 1995). There is no lack of agreement among scholars, policy makers and aid agencies about the need to bring substantial and meaningful changes on the governance systems of sub-Saharan

countries with the twins□ aims of entrenching democracy and bringing economic development ( *ibid.*). But there is a wide array of differences on what the change should look like. The difference is basically related to the role and stature of the state.

In post independent Africa, states assumed central role in building their newly independent countries. It did not take more than two decades when the independent fathers such as Nkrumah who promoted state led development in post colonial Africa removed from power and replaced by successive military rules in several countries in Africa. The results that followed were crises and failure of the state-led development pioneered by African founding fathers. Such failure called for the restructuring the African states after the principles of neoliberalism. Accordingly, since the late 1980s Africa have seen new development which focused on the downsizing of the state in many areas of public affairs through various structural adjustment packages sponsored by International Monetary Fund (IMF) and World Bank(WB). The path followed to adjust African state through neoliberalism ideals was futile (Chang, 2002b:548). Let alone to consolidate democracy and development it further weakened if not erased essential state institutions (Mkandawire, 2001). It is at the backdrop of this that Africa started rethinking about the model those East Asian countries such as Japan, South Korea, Taiwan and Singapore used in the 1960 and 1970s and brought successful transformation towards industrialization. The model known as developmental state ( here in after DS) that East Asian NIC followed in the early years of their development argues that DS is an appropriate model for any society especially for sub-Saharan countries to make a speedy and successful transition from poverty (Leftwich, 2000; Morriawy, 2001; Mkandawire, 2001 & 2004c; Mbabazi, 2005, 169). The aim of this study is to discuss the challenges that constructing DSM faces in constitutionally decentralized state structure or in a federal polity (federation).

### Problem statement

To consolidate democracy and development, various measures are being taken to rectify the problems associated with governance system in developing countries particularly in sub-Saharan countries. With the aim to bring government and people closer to one another and ensure the participation of the people in the decision making processes as well as in development activities, decentralization is one of the measures increasingly adopted and applied in many countries (De Visser 2005). Through various methods such as Structural Adjustment Program (SAP) and institutions such World Bank (WB) and International Monetary Fund (IMF), decentralization have been used as prominent means of realizing the objectives of empowerment in sub-Saharan countries- democracy and development (Litvack *et al*, 1998 and Gore, 2000). Accordingly, nowadays-sub-national and local empowerment via decentralization is widely embraced by many sub-Saharan countries as principal means of empowerment that is meant to advance the frontiers of democracy and development at the grassroots level.

In early years of 1990s the widely held believe to address the ill-governance of sub-Saharan countries is to downsize the role of state in the management of the economy. But after the failure of this approach to bring meaningful change in the life of the majority of the society, a view that take state as appropriate institution if strengthened properly to play critical role to bring rapid economic transformation towards industrialization started to emerge (Mkandawire, 2001). Accordingly, in the mid-1990, the role of state in development re-evaluated in light of the successful experiences of state-led development in East Asian countries (Hundt, 2009:1-12). The earliest cases of these countries were Japan, South Korea, and Taiwan, followed by Singapore and Hong Kong, and then, Thailand, Malaysia, and Indonesia joined the success parade (Pereira, 2007:4; Pempel, 2004:1). It was this success story that prompted the promotion of DS theory into the sub-Saharan governance system.

In his draft PhD Thesis titled□African Development: Dead Ends and New Beginnings□, Meles advocated the use of developmental state model (DSM) not only in Ethiopia but also across Africa to fight against poverty which has been an existential threat to the continent. Meles stressed that it had made a compelling case for a strong government presence in the economy to correct the pervasive market inefficiencies. He cited the experience of Asian countries like Taiwan and South Korea with the same growth strategy that they implemented (Meles, 2006). According to the government "s Millennium Development Goal has been achieving report, the double digit GDP growth rates which the country achieved since 2003/04 has boosted the confidence of the government in its developmental path (FDRE, 2010).

Despite the strong faith towards DSM as appropriate governance system to developing African states, DS often conceived and explained as inherently propagates a centralized-interventionist □plan rational state□ that tends be authoritarian (Evans, 1995; Beeson, 2004; Gemandze, 2006; Pereira, 2007; Fritz and Menocal, 2007; Hague and Harrop, 2007; Ghani *et al*. in Bonda, 2011). A number of scholars who have studied the nature of governance in South and East Asian countries□ (which are often mentioned as the prototypes of DS) from the1960s up to late 1980s described DS paradigm as antithetical to decentralization particularly to democratic one (Abbink, 2011a, Beeson,

2004:2). It is also true that most, if not all, developmental states have strongly centralized unitary arrangements. Historically and politically, regimes and successive governments in these states have borne the conspicuous traditional marks of heavy temptations toward authoritarianism, or in the words of Samuel Huntington, 'the legacies of oriental despotism' as a shared behavior (Leftwich 2005:686).

Following the incompatibility thesis between DS and decentralized democracies, the official adoption of DS model in Ethiopia since 2005 by Ethiopian People Revolutionary Democratic Front (EPRDF) raised the question as to its compatibility with the country's constitutionally entrenched democratic decentralization. Some even dubbed the adoption of DS as centralized decentralization and viewed by many critics as the relapse of the pre1991 Ethiopia style governance system known for extreme monopoly over decision making and resource at the center (Abbink, 2011a). Moreover, there have since been a series of political developments in the country, triggering a profound change within the country's political arena that saw a significant shift of narrative towards a liberal political-economic model and the waning of the DS and the EPDRF's long-held 'revolutionary democracy' ideology and even the subsequent dismantling and rebranding of the front into a new party called Prosperity Party, led by PM Abiy. Indeed, right after taking office back in the beginning of April 2018, Abiy announced major reforms across the political, economic and social frontiers of the country that were previously considered off limits by the EPRDF. Meanwhile, it is important to note here that Abiy began his premiership by criticizing the DSM as an outdated political-economic ideology.

Overall, whether developmental state can be democratic or not is unsettled issue which requires a thorough scholarly inquiry. The contestations and debates are more in stark and more complicated in a polity where decentralization is constitutionally entrenched. There also seems to be a big gap in the literature dealing with the nature of relationship that exists between democratic decentralization (herein after DD) and developmental state especially in constitutionally decentralized polity such as Ethiopia. Above all examining how DD impacted by developmental state seems to be disregarded the most. The main thrust of this study is to inquiry how transitional democracies can manage to build and operate democracy and development in constitutionally entrenched decentralization. Also known as federal political system (FPS) such as the Ethiopian federation .

It is not the purpose of this article to conduct a theoretical argument about the principle of DSM as such, or about the level of its importance in sub-Saharan countries. The ambition here is to nail-out some of the challenges that constructing DS faces under decentralized state structure and to suggest some ways to address them. This article predominantly uses a qualitative method where in line with the objective of the article, relevant literature are reviewed including policy documents, strategic plans, legislations etc.. The documentary sources of data include laws (the FDRE Constitution, proclamations, regulations and directives and policies, as well as various party documents of the EPRDF (indoctrination materials, training manuals on the DSM).

This article is structured in the following way. Part I discerned the conceptual underpinnings of DD and DSM where the meaning and features of the two concepts are discussed. Under part II the challenges of constructing DSM in constitutionally decentralized state structure are identified and discussed along some discussion on the Ethiopia's experience including the trajectory of events after the Abiy Ahmed assumed state power . Part III highlighted how the principle of subsidiarity, institutions of intergovernmental relations and electoral system may serve as a bridge that links DS with DD.

## II. CONCEPTUAL UNDERPINNINGS OF DD AND DSM

As noted earlier, DS viewed as an appropriate paradigm to create capabilities for the structural transformation in transitional societies through rapid industrialization (Leftwich, 2000:169). Late developer countries employ DS to define common national development agenda and to mobilize all sectors of the societies in implementing that agenda. Various factors determine the efficiency of DS. Among other things, institutional structure of a state determines DS's capacity to formulate policies and mobilizes resources to implement it. As the aim of this study is to investigate challenges to DS in constitutionally decentralized structure, it is important to briefly describe what decentralized state structure connotes and the basic notion of DS.

### 2.1 Decentralization

Since late-1980s, decentralization widely lauded as a key component of good governance and has become a global movement particularly in developing countries (World Bank, 2000). There is no universally agreed definition of decentralization. The basic tenet of decentralization is the transfer of centralized tasks and/or resources, through the re-definition of central government power, to sub-national and/or local governments (Olowu, 2003). In decentralized

system of governance, power and functions which were centralized once are decentralized and transferred to the lower units. Through decentralization program, responsibilities for planning, management and resource raising and expenditure capacity are transferred to sub-national and local governments' (Rondinelli *et al*, 1984).

Decentralization may have different forms and dimensions. It may have three major forms- deconcentration, delegation and devolution (ibid.). Deconcentration assigns specific functions and tasks performed by the headquarters of central administrations to staff posted in for example in peripheral locations within the national territory. In this case the transfer of power is limited within the central government alone (Steytler, 2014). In delegation, responsibilities for implementing specific tasks and delivering certain services transferred from the central administration to lower levels that remain substantially accountable to -but not directly controlled by- the central (De Visser 2005: 14). In devolution form of decentralization, lower levels of government to which authority and resources are devolved acquire the power of autonomous initiative and decision making with respect to setting their own rules, goals and objectives. They also acquire the power of elaborating and implementing their own policies and strategies and of allocating resources to different activities within the domain assigned to them (ibid: 15).

Decentralization may proceed along three main dimensions of national-sub-national power sharing: Political, Fiscal and administrative. Political decentralization involves the transfer of political authority to the sub-national and local levels through the establishment of elected sub- national and local government, electoral reform, political party reform, authorization of participatory processes, and other reforms. Financial or fiscal decentralization refers to the transfer of financial authority to the sub-national and local levels. It involves reducing conditions on the inter-governmental transfer of resources and giving constituent units jurisdictions greater authority to generate their own revenue. Administrative decentralization entails the transfer of functional responsibilities to the sub-national and local levels (Steytler, 2014).

Decentralization can be effected through ordinary legislation made by the central government or it can be entrenched in a constitution. It can also happen in authoritarian state in which the purpose of decentralization is not made aimed at expanding the frontiers of democracy (Schou and Haug, 2005). However, for the purpose of this study decentralization refers to a constitutional devolution of political, administrative and fiscal power to sub-national and local governments in which it serve as an instrument to promote development and democracy.

Overall, the justification or purpose for decentralization can be briefly summarized in the table below which depicts a spectrum of ideological underpinnings of decentralization.

Table 1- Purpose and Justification for decentralization

Degree of systemic change required

Low → High

Administrative	Fiscal	Political	Market
<i>Program effectiveness, 'breaking through bureaucracy</i>	<i>Efficiency, responsiveness to local preferences</i>	<i>Holding failing states together</i> <i>Promoting ethnic harmony</i> <i>Enabling democratization</i> • <i>Empowering the grassroots, civil society</i>	<i>Bypassing the State</i>

### Democratic Decentralization

As Beetham's (1993:55-73) elaborates 'the concept of democracy connotes a mode of decision- making about collectively binding rules and policies over which the people exercise control.' In a democratic arrangement the chance for all members of the collective to enjoy effective equal rights to take part in collectively binding decision making in/directly are ensured. That is to say, democracy serves as a device to realize to the greatest conceivable degree the principles of popular control and equality in its exercise. Leaving aside the contestation and debates around what constitute democracy (as it is not the concern of this paper), it is possible to glean and summarize the core principles of democracy as follows:

Table 2: Main tenets of democracy

Principles	Manifestations
Universal citizenship	Adult members of the collectivity ought to have the status of citizens (that is, there ought to be no restriction in political rights for different groups of people within the polity.
Equality and Liberty	Broadest set of political rights and liberties- equality and the broadest possible liberty for all Citizens
Popular sovereignty	When and where legislations and decisions ought to result from a process which involves the meaningful expression of interest and preference by all citizens
Rule of Law	Legislation rather than personal authorities produces limitations on individual liberty

The democratic principles of liberty, equality, and popular sovereignty realized through a set of political institutions. There is no as such one size-fits-all democratic institutional design. To accommodate the core tenets of democracy, different institutional arrangements that represent different ways of accommodating the underlying values, and represent different types of tradeoffs among them are existed. One of such institutional arrangements is democratic decentralization.

Democratic decentralization refers to a situation when decentralization is used as instrument to entrench democracy at sub-national and local levels. Hence, constitutionally decentralized state structure in this study refers to a state structure in which state's political, administrative and fiscal power are constitutionally divided among and between at least two tiers of government. Accordingly, for the purpose of this study decentralized state structure is concerned with a polity whose structure is the result of division of power among and between at least two tiers of government through written supreme constitution which cannot be unilaterally altered by one level of government. Hence, for the purpose of this study devolved, decentralized or federal polities convey the same meaning as constitutionally decentralized state structure.

DD is widely considered as strategy of governance and a gradual process of reform that addresses a range of administrative, political and fiscal issues. It is thus intended to transfer power and resources to a level of government that is closer, better understood and more easily influenced (than was previously the case) by the public at the grass roots (Manor, 1999). The underlying aim is to enhance the level of participation, accountability and representation of civic actors in governance and development process. Accordingly, DD have the objective of making elected representatives know what citizens priorities are; believe they need to respond to these priorities (rather than to other interests in the political system or in society, such as special interests or party leadership); and make decisions that reflect this concern. It also enhancing to citizens access to basic information about decisions pending or already made by their elected representatives. It also meant for participation by creating opportunities in which citizens have to become engaged proactively in the affairs of government through giving their opinion and engaging in public reasoning (Crook and Manor, 1994).

## 2.2 Meaning and Features of DSM

The defining features of the DS are usually derived from the experience East Asian countries. It was Chalmers Johnson who used this phrase out of his research conducted on Japan's Ministry of International Trade and Industry (MITI) in the Japanese economy (Pedersen, 2008:4). He argued that the secret behind the success of Japanese was the existence of what he called a 'plan rational state' or developmental state (in Beeson, 2004:2). A DS exists where there is a plan rational state, whose orientation is developmental, and which prioritizes industrial policy (Johnson in Kim, 1993:231). Gemandze (2006:79) described DS as 'states whose politics have concentrated sufficient power, autonomy, capacity and legitimacy at the center to shape, pursue and encourage the achievement of explicit developmental objectives.' Pointing the difficulty to delineate DS in one of the conventional ideologies, Woo-Cummings (1999: 1-2) explains that DS is 'neither socialist...nor free-market...but something different: the plan-rational capitalist developmental state (which links) interventionism with rapid economic growth'.

In nutshell, DS can be defined as an ideological as well as institutional paradigm in which state plays a critical role not only regulating the socio-economic and political affairs but in creating and dictating the paths towards accelerated economic development that aimed at extricating the poor masses from the scourges of poverty and depravation in a short period of time (Castells, 1992:55).

Although each model of DS contains a distinct set of features, there is general consensus on the salient structural features of successful DS. One of these features is the existence of politically and economically strong interventionist state (Pereira, 2007:3). This strength has economic and political dimensions. It is political as coherent, strong state that could govern the market which constituted a necessary precondition for successful economic transformation (Fritz and Menocal, 2007:539). It is also economically 'strong' having the necessary capital to finance or invest in the economy and to provide targeted financial subsidies to domestic firms, and to build large- scaled infrastructure (Pereira, 2007:4). Indeed, East Asian developmental states were vested with the developmental state's transformative capacity, the ability to effectively intervene in the economy (ibid). According to Samuels (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 feature of the DS is embedded autonomy. According to Evans (1995:12), DS is autonomous in so far as it has a rationalized bureaucracy characterized by meritocracy and long- term career prospects, traits that make civil servants more professional and detached from powerful rent-seeking groups. It is this 'autonomy' that conferred DS the ability to define and promote its strategic developmental goals, and its 'embeddedness' which is created by forming alliances with key social groups that enables it to achieve its developmental goals (ibid). For embedded autonomy to work, Evans observed, 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 good for the national economy as a whole (ibid).

The third feature of effective developmental state is the creation of nation-wide public (Ghani et al. in Bonda, 2011:20). A nation-wide public need not be rooted in a unified sense of 'nation' based on cultural and linguistic unity, but may well take the form of a more civic identity (ibid). It suffices that all citizens see themselves as Nigerians or Tanzanians as much as or more than as Igbo or Nyamwezi (ibid) The last but not the least feature of developmental state is tendency toward authoritarian regimes (Randall, 2007:633). Indeed leaders of East Asia DS claimed building a distinctive form of 'Asian democracy' and rejected the 'western models of democracy' considering it as imperialist imposition (Hague and Harrop, 2007:29). The said 'Asian democracy', however, gives more weight to values like respect for authority and accepting the primacy of the group, and its institutional consequences were subservient media and judiciary and aggressive security force towards dissenters (ibid). Yet, there were legitimate leaders in East Asia developmental state, but their legitimacy was based on their economic performances as opposed to universal adult suffrage (McKay, 2010:9-10). But this is not an argument for authoritarian rule as a recipe for economic growth and development. If this is so, Africa would be the richest continent owing to its post-independent authoritarian leaders. So this component of the model has to be seentogether with other essentials.

## 2.3 Decentralization, Democracy and Developmental State Model in Ethiopia

The downfall of the military rule in May 1991 is often mentioned as the major point of departure of the formal decentralization process in Ethiopia (Tegegne, 2007). The formal decentralization process is carried out in different phases and for various purposes. The transitional period, which was the first phase, have seen a series of policy

proclamations established national-regional self- government, identified the sharing of revenue between the national/central government and the national/regional self-government, and defined the powers, duties and responsibilities of the central and regional executive organs (ibid.). In this phase, driven by the purpose of addressing ‘the nationality questions’, Ethiopian People Revolutionary Democratic Front (EPRDF) led Transitional Government of Ethiopia (TGE) engaged with decentralization activities that established sub-national (regional states) and local governments (district or Woredas) (Zemelak, 2011).

The first phase of decentralization, as the major shift from the centralization process which began in the 19<sup>th</sup> century, was a very important step in terms of brining genuine democracy in the country for two reasons. First it installed the formal institutional foundation for decentralization which resulted into the creation of regional and local governments. Second, through the creation sub-national and local governments, it tried to address (with all its limitations) the democratic demand of the various ethno-linguistic communities for self-administration if not determination.

The adoption of the 1995 FDRE constitution culminated the first phase of decentralization and announced the second phase. The second phase of the decentralization process was founded on constitutional provisions that elevate the status of decentralization. In this regard, Article 39 (1) of the constitution stipulates that ‘every nationality and people have the right to a full measure of self-government, which includes the right to establish institutions of government in the territory that it inhabits . . .’not to mention the unconditional right to secession. Besides, the constitutional provisions Article 50 (4) which stated the relevance of lower level of government i.e., local government with adequate power and responsibility to enable direct people participation in the political administration of the country together with Article 88 (1) which stated democratic principles that promote the people right to self-rule as one of the political objectives of the federation, are the corner stone in which the relevance of decentralization in promoting democracy in the country. This is well noted in the words of Dadi, Kwame & Melese (2014) ‘the 1995 Federal Constitution brought a major breakthrough in the establishment and operation of local governments and decentralization in Ethiopia.’

Now let us turn to see the development of DS in Ethiopia. Doing so will help us to see the challenges that the country may face in trying to have DS in constitutionally decentralized state structure which aims at accommodating diversity in unity. Identifying challenges is important to devise a way capable of harmonizing DS with DD.

#### *2.4 The Development of the Ethiopian DSM*

The Ethiopian State, due to different circumstances, has gone through four phases from transition and stabilization (1991-2000) to building the DS since May 2005 (Abbink, 2011a:598). The idea of building DS at the fourth phase was elaborated in an extract from a book written in 2006 by the late Ethiopian Prime Minister Meles Zenawi entitled ‘African Development: Dead Ends and New Beginnings.’ In this extract it has been argued that the development paradigm which holds the greatest promise for Africa is the political economy of the developmental state since the neo- liberal economic reform prescriptions that were forwarded by the-so-called Bretton Woods Institutions failed to bring the desired changes (Meles, 2006). Although the book was written by him presumably in his personal capacity, the virtues of developmental state extolled in the book have been reflected in the official industrial strategy plan and the ruling party’s instructional materials (Altenburg, 2010:8-17).

At any rate, with its conviction to build DS, the Ethiopian government has invited Japanese and Korean experts to advise the country on industrial policy and draft its science and technology policy, respectively (ibid). There are also policies parallel with that of East Asian developmental states which includes, early focus on productivity growth in agriculture in order to accumulate capital, increase supply for agro-industries...incentives for export-orientation; ‘carrot and stick’

policies for enterprises (ibid). According to Abbink (2011a:598), the 2010 Growth and Transformation Plan (GTP) is the best indication of the fourth phase, elevating economic growth above anything else.

The five-year GTP is based on the performance of the economy and focuses on the following seven variables: 1) rapid growth of the agricultural and 2) industry sector, 3) improvement of social services, 4) increased investment in infrastructure, 5) building the capacity of government institutions to ensure transparency, 6) combat rent-seeking tendencies, and 7) investment in institutions of democracy in the country (GTP-2, 2015).

It is ostensibly clear that in Ethiopia, the DS is viewed as one of the two pillars with the other pillar- democratic federalism, for of the “national renaissance”. In view of this, the consolidation of an effective developmental state is expected to lead to a national transformation that is no less than a rebirth (Sehen and Tsegaye, 2012). The state has set its vision on entrenching a democratic rule, a system of good governance and social justice based on the freewill of the people. This is meant to contribute to rapid economic growth. Such commitments are expressed in unmistakable terms in the GTPs where it states the vision that guides the GTP. Ethiopia’s vision, the GTP holds, is: “to become a country where democratic rule, good governance and social justice reign, upon the involvement and free will of its peoples, and once extricating itself from poverty to reach the level of middle-income economy as of 2020-2023.”

### *2.5 An Overview of the Challenges of DSM in a Constitutionally Decentralized Polity*

In the developmental state scholarship, the type and nature of state highly determines the developmental outcome. A ‘developmental’ state project must possess at least two essential attributes (Ghani & et.al., 2005). First, the state must have the capacity to control a vast majority of its territory and possess a set of core capacities that will enable it to design and deliver policies. On the other hand, constitutionally decentralized government principally characterized by delimiting the extent of power and the area of competence for each level of government. It directly influences the size of the government in its many ways. Accordingly, it is not possible for one level of government to stretch its hand towards a specific issue whatever it is beneficial for the intended economic development if it is not the matter assigned to it under the constitution. It is not possible to implement the successful policy interventions of the state to promote growth exhaustively in such form of government especially for the central government.

It is not enough for DSM to have only development-oriented goals and policies but also needs to ensure national mobilization towards the goal. National mobilization requires ideological underpinnings in order to give the developmental project a “hegemonic” aspect in the sense that the project gains consensus and attracts broad sections of the populace (Woo-Cumings, 1999: 8). Nationalism and a national vision lie at the heart of DS. This will allow implementing policies with both legitimacy and a lack of opposition.

Central planning is common trend in DS. This had been the practice in the East Asian countries where unitary form of government is the type of political system. Governments in DS prioritize economic development among many things which requires high mobilization of human and material resources. Constructing an interventionist state to facilitate development and hence the accumulation of capital, is the main vehicle of advancing the nascent bourgeois’ interests in DS. It is not as easy as unitary state to mobilize the whole resource towards economic development in devolved state structure. Differences expected even in the situation where all tiers of government are demanded to prioritize economic development among many issues in the countries overall policy direction.

Hence, for decentralized form of government, which is characterized by the presence of diversified interest with local elite’s sovereign right to prioritize local interests; it is difficult to make and implements uniform developmentalist policies across the country. Using their constitutionally guaranteed right and autonomy, regional states may attempt to choose their own direction and method to achieve the intended economic growth. For instance, in Ethiopia, the constitution provides extensive decision making, legislative and executive powers and responsibilities to the regional states. The most notable ones are the enactment of state constitution and laws; formulation and execution of economic, social and development policies, strategies, plans etc. In exercising their own economic social and development policies, strategies and plans, constituent units may vary either from the plan of the central government or other constituting units. However, this does not mean that they can exercise this power without any limit. Observance of the national standard set by the central government may be mandatory over many areas.<sup>1</sup>

In light of the above-mentioned contrasts between the DS and constitutionally decentralized state, there is a fear that a country that advocates DS in decentralized state structure may trespass the jurisdiction of sub-national and local units in the guise of promoting economic growth. It is therefore a daunting task to build an effective developmental

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<sup>1</sup> According to Art 51 (3) of the federal constitution of Ethiopia the federal government set and implement national standard and basic policy criteria for public health, education, science and technology, protection and preservation of cultural and historical legacies. The same constitution under 52 (2) (f) stipulates a duty on regional states to take the national standard in to consideration on the work condition, educational, training and experience requirements of any job within a state civil service.



state that does not jeopardize the values of democratic decentralization. To reap the benefits of having both developmental state and devolved government, it requires mediation that capitalizes on the shared values of the two institutions. It requires coming up with institutional design that serve as a bridge that connect DS and democratic decentralization. The bridge is to create an enabling environment in which central government and decentralized units work together harmoniously in co-operation and coordination on overarching developmental matters while respecting one another jurisdictions. In the subsequent section the conditions for harmonious existence of DS model under constitutionally decentralized state structure are discussed. Before delving into the issues of harmonizing DSM with a constitutional democratic centralization, let's briefly look at some of issues of incompatibility with the experiment of DSM within the Ethiopian federation.

The Ethiopian federation comprised federal government and regional states with constitutional jurisdictions whose governance needs to adheres (legally speaking at least in the *de jure* constitutional declaration) to the notion of democratic republicanism. This seems hurdles to the DSM's notion of development authoritarianism that tends to hegemonic intervention and dictation of the central government which often prioritize expediency on development governance federal democracy.

There are two competing views capsulated as proponents and opponents of the incompatibility thesis (Heywood, 2010; Lefort, 2012 and Fantini, 2013). The proponents of the incompatibility thesis often argued that the fact that the DSM in principle advocates centrist and hegemonic development governance propelled by expedient policy making and execution, poses normative incongruences with Ethiopia's federal system self and shared rule principles manifested in constitutional division of state power between tiers of government. In terms of practice, the proponents also argued that the manner of application of the DSM by EPRDF driven hegemonic developmentalism as manifested in centrally made policies encroaching to sub-national states' jurisdiction. This as some argued undermined not only the constitutional division of power but some *de jure* values of the Ethiopian federal system such responsive, accountable and participatory governances due to the dominant hegemonic developmentalism that led to the narrowing of democratic space.

Conversely, the opponents of the incompatibility thesis argued theoretically, the DSM that EPRDF-led government pursued is democratic one similar to the experience of Botswana, Mauritius and South Africa. And also its practice has dominantly been harmoniously with the country's federal system (De Waal, 2018). They even argued that DSM executed within the Ethiopian federal and democratic state structure is the second along with the federalism) pillar that heralded the renaissance of the nation through double digit economic growth which have been seen in various success various frontiers of development- from infrastructure expansion and enhanced social services.

However the successes of the model in the realm of economic growth and expansion of social services in the country, as indicated that building and doing DSM in Ethiopia, is however one of the contested issues where its application is carried out at the cost of some values (as discussed below) such as political pluralism which are as important as economic growth for which the Ethiopia's model often praised. That is why as some argued that the application of DSM have seen a major change in the political landscape of the country where the EPRDF have made itself hegemonic developmental party oftentimes, as discussed by non-constitutional means<sup>2</sup>.

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<sup>2</sup> For more on studies about the application of DSM in the Ethiopian federation see: Asnake Kefale (2011): "Narratives of Developmentalism and Development in Ethiopia: Some preliminary explorations"; Clapham, C. (2006). Ethiopian development: The politics of emulation. *Commonwealth and Comparative Politics*, 44(1), 108–118; Clapham, C. (2017); The Ethiopian developmental state. *Third World Quarterly*, 39(6), 1151-1165. Creswell, J. (2003); De Waal, A. (2018) *The future of Ethiopia: Developmental state or political marketplace?* World Peace Foundation and De Waal, A. (2012). The theory and practice of Meles Zenawi. *African Affairs*, 112(446), 148–155.; Gebremariam, Eyob. (2018). —The carrot and stick of Ethiopian 'Democratic Developmentalism': ideological, legal and policy frameworks" In Tapscott C. et al., (Eds.), *The democratic developmental state: North-south Perspectives*. Stuttgart: Ibidem Verlag; Lefort, R. (2012). Free market economy, 'developmental state' and party-state hegemony in Ethiopia: the case of the 'model farmers'. *J. of Modern African Studies*, 50(4), 681-706 and Tsehai Alemayehu. (2009). The Ethiopian developmental state: Requirements and prerequisites. *Journal of Business and Economics Research*, 7(8), 11-18.

## 2.6 *The impacts of the DSM against democratic federalism: an overview*

As indicated, the primary concern under the DSM is the expediency to make and implement policies and mobilize resources with no or little encumbrance that may arise due to the notion of procedural democracy. In the contrary, in genuine federations, federal democracy anchored on political pluralism is the norm. Hence, the application of DSM that inclines to authoritarianism in a federal polity challenges the harmonious co-existence of the two systems. This in turn requires a galvanizing ideological frame of reference in order to give the developmental project a “hegemonic” status in the sense that the project gains consensus and attracts broad sections of the populace, which Woo-Cummings (1999: 8) observed to be the case with the Asian tigers.

Hence, nationalism and a national vision lie at the heart of the DSM for implementing policies with both legitimacy and a lack of opposition. The fact that there constitutionally recognized multilevel units of governance probably with their own preferences and interests that unlike the central government vertically or with each other horizontally may be hurdle (competing to unitary states) for creating hegemonic developmentalism as essential element for the success of DSM as was the case in Asian prototypes of the model. This is an issue that casts on the harmonious co-existence of FPS and DSM in one polity in tandem which need to be dealt with. The harmonious co-existence of FPS and DSM is even more challenging if the federation is adopted to manage ethno-linguistic diversity as the Ethiopian case.

As often the case federation that designed to manage politically mobilized diversity, they have additional burden unlike unitary states will little or no issues of such kinds that is forging balance between competing nationalism and create civic nationalism for expedient coordination, cooperation and healthy competition of units of government in rallying the general public and mobilize resources after the ideals and objectives of developmentalism as required in pursuing DSM in transitional economies that desired the model as alternative path of development. This is seems valid when one examine the case of the successful developmental states in Asia.

Being relatively homogeneous society, among other things, it was believed that to be an advantage for the successful Asian developmental states for creating hegemonic nationalism driven by the essence of developmentalism. This as some argued contributed in forging civic nationalism which used in Japan, South Korea and Taiwan for expedite mobilization of resource (human and material) in one front development. In these developmental states the absence of politically mobilized ethno-linguistic and cultural groups that demands self-determination or existed constitutionally recognized self-administering sub-national governments like the case of Indian federation or Republic of South Africa, saved the Asian NICs the misgivings of managing diversity.

In the case of the Ethiopian federation, policy making and execution under the ideology and institutions of DSM have the challenges of addressing the prominence of identity politics due to the organization of the federation primarily on ethno-linguistic criteria poses a considerable challenge against the model.<sup>3</sup> As the country’s federal system is structured and organized based on primordial ethno-linguistic grounds, the primary concern of the federation is “devolving power to a set of sub-national jurisdictions with a deliberate objective – at least in principle – to conflate ethnic identity with political boundaries” (Alemante, 2003:3). Accordingly, the dominance of ethnic nationalism institutionally mobilized in the organization and operation of the federal system poses extra challenge on the principles and practices of the DSM (Fantini, 2013). This prone the federation for competing nationalisms where the elites of the various ethno-linguistic groups may have competing nation- or state-building aspirations, if not projects (Abbink, 2011a and Assefa, 2015). This is a hurdle for building DSM after the experience of Asian prototype models in terms for forging civic nationalism based on developmentalism.

The competing nationalisms that define the Ethiopian political system thus are a challenge counteracting against a nationalism based on developmentalism that the DSM typically envisages as its spearheads and ideal condition for the DSM to flourish and succeed. Samuel (2011), for instance, emphasizes the importance of the existence of civic nationalism and strong competent bureaucracy in enhancing the capacity of the government to implement economic policies sagaciously and effectively. Seen in light of this argument (by Samuel), the glaring prevalence of ethno-nationalism in the Ethiopian case might weaken the developmental capabilities of the EDSM. The existence of

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<sup>3</sup> The institutionalization of the primordial expression of ethnicity that has dominated the post-1991 Ethiopia, which manifests itself in a manner of a quasi-religious attachment to one's ethnic group (Alemante, 2003: 93), has had immense challenges in building a DSM in Ethiopia like that of NICs during the early stages of their developmentalism.

competing nationalisms, which happens to be typically the case in ethnic federations such as Ethiopia<sup>4</sup>, may make it difficult for the free movement of labor and capital within the country.

Moreover, apart from being an impediment to the mobilization of resources, support, collaboration and even sacrifices from the part of the populace for long term benefits expected to be accrued from the development success,<sup>5</sup> ethnic nationalism is also an impediment to civic nationalism. Overall, the amalgamation of a DSM and a federal political arrangement creates some dilemma about their harmonious co-existence and interaction given the fact that, as shown above, both seem to impose their own – often conflicting – principles, tendencies and values with respect to state structure and mode of governance. The issue then being practiced for nearly fifteen years since 2002 whether and how the practice of DSM in Ethiopia by EPRDF address the dilemma of harmonious co-existence of federal democracy vis-à-vis development authoritarianism as the hallmark of FPS and DSM respectively. Did the practice of DSM in Ethiopia was carried out at the expense of federal democracy for example in the area of development governance or the model executed in harmony with the federal state structure and democratic mode of governance as espoused under the FDRE Constitution.

Indeed, regarding the practice some described EPRDF's DSM as being catastrophic to a federal democracy and the front is blamed for dwarfing political pluralism and prevented democracy and genuine federalism from flourishing (Abbink, 2011a; Beeson, 2004; and Fantini, 2013). This is as some argued that due to EPRDF's hegemonic developmentalism emanated from the front self-image as the only true developmentalist party that could finish Ethiopia's renaissance through its revolutionary driven DSM (Lefort, 2012 and Clapham, 2013). DSM thus as some like Messay Kebede (2011) argued that used as cover for EPRDF to achieve its aspiration to stay in power indefinitely threatening others the country would disintegrate if EPRDF's lose power. Thus, for critics of EPRDF, DSM applied in the country where development policies made in Addis Ababa by few top party leaders and cascaded to regions and other lower levels of governments usually through party channel in such a way that gave no or little heed for regional states autonomy to govern themselves (Lefort, 2012 and Clapham, 2013). Some also castigated DSM for being used by EPRDF's power projection entrenching development authoritarianism at the expense of federal democracy as EPRDF's justify its measures (that narrows the democratic space) as part of defending the anti-development elements that do not want to see country's development (Mesay, 2011; Lefort, 2012 and Fantini, 2013). This is accordingly attributed to the fact that DSM thrive more in authoritarian context that consider development first and democracy later; multiparty democracy, freedom of the press or civil society viewed by EPRDF as an impediment to the expedient implementation of its developmentalism (ibid.). Thus, democracy as some argued considered by EPRDF's to hinder the Ethiopian government's effort to escape from the falling cliffs of poverty that gives no time and make the democratic process of deliberation costly if not luxurious.

All in all, the adoption and doing of DSM in the Ethiopian federation seems to contributed its part in the dominant centripetal governance system that dominated much of EPRDF's rule especially after the 2005 national election as the then ruling party taken various measures in building dominant party politics under the helm of developmentalism which eventually debilitated the democratic process by narrowing political space and curtailing dissenting voices through draconian laws (on press, civil society and antiterrorism acts on political parties). This condition somehow vindicated those who argued the manner of execution of DSM by EPRDF partly responsible in the recentralization of

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<sup>4</sup> Ethno-nationalism is one of the hallmarks of post-1991 Ethiopia/the post-1991 Ethiopian state wherein ethnic identity is the default line of easy mobilization to gain support for political or other causes of various nature, such as ambition for political domination or to assume public office, not necessarily for genuine causes for self-governance of their political, social, economic and cultural affairs within the federation (Young, 1997). The extreme politicization of ethnicity in Ethiopia, as some view, has made mobilization along ethno-linguistic lines much more easy than mobilization on overarching countrywide ideals and principles such as pursuing development or fighting poverty (Mehari, 2008).

<sup>5</sup> This due to the fact that ethnic-based politics gives little room for flexibility and compromise (takes time and resources for negotiation), and hence lacks expediency in decision making and enforcement. The other limitation of a polity organized on the basis of ethno-linguistic criteria is its vulnerability to abuse where ethnic boundaries might be used by ethno-nationalist leaders to limit and stifle mobility and settlement of people, capitals and entrepreneurship across and within ethnic borders. This is because, 'by conferring sovereign powers on an ethnic group, ethnic federalism allows a group to control the apparatus of government within the sub-unit and to put its own imprimatur on the identity of the sub-state and decide who can come, stay and reside in their jurisdiction'(Alemante, 2003: 94).

the federal system in Ethiopia particularly in the areas of development policy making and administration where the country's major mega development policies, strategies and programs are conceived, formulated and implemented at and by the center under the EPRDF vanguardship hegemonic. In this regard, it is important to note that PM Abiy began his career as premier by criticizing the DSM as an outdated political-economic ideology and suggesting that Ethiopia needs to embrace capitalism as its model of economic development.

The political 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 all-rounded opulence” (Program of the Prosperity Party, Para. 2) in Ethiopia. Moreover, the document states: “[t]he very objective of the PP’s economic Program is to build an inclusive economic system that realizes the prosperity of the people, in which the government plays a key role to make sure that fair distribution of wealth happens and intervenes in strategic areas, following the principle of a market-led economy” (Ibid, Section 3). This is one of the most visible steps taken by the administration of PM Abiy in what appears to be a fundamental deviation from the EPRDF’s DSM.

Another important scene that depicts how the PP is deviating from the DM ideology is the Home Grown Economic Reform Agenda (HERA) a roadmap for the country’s economic development which was announced by PM Abiy’s administration in September 2019. The HERA, which substantially complements the GTP (Oxford Analytica, 2019), is said to be a pathway towards prosperity. This policy, which typically promotes the economic measures of privatizing state-owned companies, aims at stimulating the country’s economy, ensuring sustainable development, reducing unemployment, and maintaining macroeconomic stability (Fortune, 2019). Again, this represents a major departure from the EPRDF’s DSM political-economic ideology, which offers little to no room for private individuals to be active players in the economy; instead, major economic activities in the country are owned and run by the state. This puts the fate of the DSM under the PP leadership in limbo which we cannot tell for certain for its dis/continuity. Be this as it may, let’s see how we may accommodate DSM in federal polity.

### *2.7 Accommodating DSM under a constitutionally decentralized state structure*

The adoption of DS in decentralized state structure that aimed at accommodating social cleavages have additional challenge to ensure that DS policies do not over-run the principles and values of democratic decentralization. The main thrust of this section is to figure out the mechanisms for harmonized existence of DS in decentralized polity. As will be discussed in the subsequent section, the study tried to show how the principle of subsidiarity and institutions such as the Intergovernmental Relations (IGR) and electoral system may serve as vital instrument to accommodate DS in devolved state structure.

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<sup>2</sup> According to Art 51 (3) of the federal constitution of Ethiopia the federal government set and implement national standard and basic policy criteria for public health, education, science and technology, protection and preservation of cultural and historical legacies. The same constitution under 52 (2) (f) stipulates a duty on regional states to take the national standard in to consideration on the work condition, educational, training and experience requirements of any job within a state civil service.

## 2.8 The principle of subsidiarity

As it is known in multilevel governance system, responsibility for policy design and implementation is distributed between different levels of government. The concept of DS needs to be qualified to fit in to the features of constitutionally decentralized polities so that the issue of framing and implementation of developmental policies cannot be made only from the center as often the case in the classical notion of DS but also involve one way or the other sub-national governments. In this regard, the principle of subsidiarity if properly designed and implemented may help to overcome the East Asian states' experience of centrist aspect of DS and ensure harmonious relationship between central government and sub-national and local governments.

The principle of subsidiarity propagates the idea that a central authority should have a subsidiary function, performing only those tasks which cannot be performed effectively at a more immediate or local level (Zürn et al., 2010). It was introduced to the European Union in the Treaty of Maastricht as a general principle applicable to all areas of non-exclusive competence. The principle of subsidiarity regulates authority within a political order, directing that powers or tasks should rest with the lower-level sub-units of that order unless allocating them to a higher-level central unit would ensure higher comparative efficiency or effectiveness in achieving them (Bermann, 1994). In other words, subsidiarity contains the proposition that action to accomplish an objective should be taken at the lowest level of government capable of effectively addressing the problem (Carozza, 2003).

The validity of competence-exercise is formally predetermined by the requisites of efficiency and legitimacy, the twin rationales of subsidiarity. Instead of opting for a fixed and rigid division of competences, subsidiarity thus requires individual argumentation to ensure the optimal exercise of competences. The importance of adherence to the principle of subsidiarity in constitutionally decentralized polities with developmental orientation can be described in two ways: on the one hand, it fosters the preservation of lower unit autonomy, and on the other hand, it furthers a centralizing tendency based on arguments of comparative efficiency. The legal principle of subsidiarity demands that a trade-off is made and argued between the requirements of efficiency and democratic legitimacy, as to bolster overall legitimacy by establishing the adequateness of the spatially situated rule-maker, and fostering power sharing and cooperation.

As the closer government is to the people at the lower level, the better information (including discontent on policy) channel would be there. This is very important for state as it allows to know the preference and priority of the local people which serve as important input for policy making which is responsive to the grass roots. This reduces alienation of the grass roots and creates a sense of ownership on government policies. This creates conducive environment for the sustenance of development policies and development projects which are indispensable requirements for viable DS.

The allocation of power based on the principle of efficiency and democratic legitimacy as advocated by the principle of subsidiarity, fosters national- local partnership. This partnership creates the conditions in which local governments are empowered to become development actors. This is vital not only for the realization of the developmental agenda of DS and but also to acquire legitimacy.

## 2.9 Intergovernmental Forum

IGR is an institutional mechanism that has been used widely in decentralized polities as platform of cooperation, coordination and harmonization among and between tiers of governments. It is defined as the interaction between governmental units of all types and levels within a political system (Watts, 2001). It is crucial in decentralized polity as the relationship between center and decentralized units affects the efficiency of government at both levels and the viability of the decentralized structure as well. IGR is thus about the conduct of government and the relations between the central, sub-national and local governments (ibid.)

In developmental state, government has multidirectional involvement in the economic sphere of the country. It is less probable for the government to get a significant reward of its action by acting independently in many areas of developmental activities unless it secured the cooperation of the sub-national governments. Therefore, IGR can serve as a forum of interaction and cooperation among and between central, sub-national and local governments which is essential for the efficacy of DS.

Countries applied different types of mechanisms and strategies to manage their interdependence through IGRs. They can deal with this interdependence through formal, even constitutionalized mechanisms, or ad hoc and informal arrangements. In Germany, Switzerland, and South Africa there exists a culture of cooperation that makes IGR a constitutional principle. In other federations, IGRs are not part of the constitutional principles or grand legislations while their practical usage is visible. While constitutional based forums are more rigid where informal ones have the advantage of flexibility, the former are less likely to be manipulated by powerful partners, the latter may be open to be taken less seriously and are vulnerable to exploitation (ibid.). The appropriate IGR is depends on the context of each state. Let us see some of the mainvalues that IGR provides for constructing DS in decentralized state structure.

### *2.9.1 Policy harmonization*

In multilayer governance system, when each level of government is engage in different developmental activities, there is a possibility of having conflictual relationship. In a polity where different levels of government have jurisdiction to make policies of their own, IGR provides the platform for policy harmonization. By enabling layers of government to come together and find ways of cooperation or other solutions, IGR reduces the possibility of conflict between different levels of government. It serves as an arena of where competing interests and different values and approaches discussed and deliberated which might lead to policy harmonization. This is more likely if there is a genuine IGR which provides the stage that equally appreciate the claims of all its members. If there are more shared values in the socioeconomic policies designed, it is easy to cooperate and support each other full-heartedly in many developmental actions. Policy harmonization through non-coercive but convincing ways that fits developmental oriented goals are possible in devolved polities through a genuine IGR system of bargain between the central and sub national interests and their policy guidelines.

Here the effective use of IGR mechanisms will help to frame a common (development oriented) goals of a nation and to harmonize their policies for a country implementing a developmental state ideology in a decentralized government structure. This is because through the IGR process the central and state governments may reach to an agreement and mutual understanding that economic development is their common goal that demands priority among other things. Reaching to an agreement between the federal and state governments as to the areas that demands priority and giving due emphasis to development is one-step towards fulfilling the requirement of developmental state.

In designing a nationwide projects and developmental policies, the central government and regional states shall sit together and discuss the issue before it is endorsed as a guideline and ready for implementation. IGR forum allows central government and sub-national governments to manifest and reflect their interests and suggestions freely and equally. This in its turn smooths the way to get the cooperation and collaboration in the implementation of developmental agenda which is critical for its fruitfulness.

### *2.9.2 Grass roots participation*

Commitment and participation of the grass roots is very decisive for the success of the development agenda of DS (Miliband, 1994: 11). This demands mobilization of the general public towards the realization of developmental objectives. Properly mobilized society committed to tolerate sacrifices in the short-run considering long-term gain is, as stated by Johnson (1999: 47-50), the required conditions for effectiveness of DS in its endeavor to realize its developmental ends. Not only appeals to national solidarity, but also grassroots participations in the affairs of everyday governance combined with the active provision of services, will help craft and consolidate the legitimacy of the ruling in the eyes of the ruled. This satisfies the criteria that a developmental state must have legitimacy and be able to demonstrate performance. Unlike unitary state where the central government can easily get access to the general public with little or no hindrance, mobilization of the society in decentralized polity around developmental objectives is a tough job. For the central government developmental policies and strategies to reach the grass roots demand the active engagement of tiers of governments which are closer to the people. Unless and without decentralized units of governments embracing the developmental agenda of the central government as their own, it is unlikely to mobilize and participate the grass roots behind the DS.

Until the point where regional self-governing units feel the developmental policy as their own and take a step for its prosperity, it is not possible to mobilize the whole nation towards its effectiveness. It is not the central government closer to the grass roots in devolved state structures rather the regional states and other subsequent levels of

government. Therefore, channels that are more capable to do the work of mobilization and participation of the grassroots towards developmental projects are lower levels of governments. IGR therefore can serve as instrument through which the central government reaches to the grassroots via decentralized units of government. Thus, it is possible to use IGR to deal with regional states and to work together for the sake of mobilizing the society at the grass root level.

The other important point worth of discussing is that the indispensability of grass roots democracy for success of a DS. Democracy cannot be achieved through a top-down approach. To make a developmental process democratic, participatory and people centered it should come from the lowest level and developed progressively to the higher level of government. Regional states are in a better position to reflect the demand and priorities of their respective administrative and self-governing units at different levels in a condensed manner.

For a vibrant democracy the direct discussion and participation of the people, the state and non- state actors, academic institutions, social organizations, etc. is necessary and mandatorily relevant, among other things. The society should have a say over their country's social, economic and developmental policies through deliberative form of democracy.

In a decentralized form of government, the deliberation of the developmental agenda should start by making regional states participant and decision maker to the extent their capacities permit. Regional states shall believe on the importance of the national developmental plan for the federation as a whole and ultimately for themselves. This understanding could not be achieved through a one sided persuasion or coercion of the federal government on regional states. Rather both forms of government shall come to the table to discuss the issue responsibly and reach to the point of agreement towards the national vision on development. In doing so, IGRs are the best forum of negotiation and bargaining in a federal and developmental state, since the agenda demands an agreement and similar understanding between the federal and regional state governments first.

Therefore, a genuinely designed IGR forum will help to make the developmental policy matters of a given country more deliberative and participatory, hence that will ultimately help for making not simply a developmental state but also democratic. Democracy cannot be achieved through a top-down approach. In designing a nationwide social, economic and developmental policies and other programs, the federal government shall collect relevant information and take the interest and demand of the people into consideration. In addition to different means of getting information as to the local demand of the people and taking the issue into consideration during national planning, the federal government is in a position to be effectively benefited from IGR as a means of appreciating the interest of the people at the bottom.

By allowing sub-national units take part and influence policies, strategies and legislation made at the center, IGR provides legitimacy to activities of the central government in DS across the nation. A properly designed and well managed IGR will serve as mechanisms to expand the frontiers of sub-national units participation in the central decision making process. IGRs entail consultation and the adjustment of policies by one actor in the plans or intentions of another. IGR may also embody a formal decision-making capacity, where the intergovernmental forum itself is the site where some of the authoritative choices of a federal community are made (Benz, 1989). If a country establishes such type of institutions, regional states will get a chance to reflect their interests during the creation of a national developmental plan. Scholars argue that centralization was proved difficult in Germany by the federal government because of the desire of Land administrations and the attendant policy networks to maintain their inter-organizational domain through IGR (Watts, 2001). To accommodate this autonomy with the widely perceived demand for nation-wide uniformity of policy outputs, the obvious institutional solution was intensification of intergovernmental bargaining (ibid.). There is also a general view that, in federations where there exists an extensively cooperative character of intergovernmental relations, it contributed too much to the performance and stability of the federation. However, to achieve these purposes IGRs shall be open, transparent, accessible and responsive to enable for the improvement of intergovernmental collaboration (ibid.).

### *2.9.3 Electoral Engineering*

In decentralized state structure, well designed and implemented electoral system can play a positive role in creating inclusive and participatory government which represents major social

cleavages. This is in its turn important to create broad consensus required to build a hegemonic developmental agenda essential to mobilize both human and material resources required to fulfill developmental goals. This section is concerned how electoral systems can contribute for effectiveness realization of DS in constitutionally decentralized state structure especially in a structure where ethno-cultural and linguistic identities are institutionalized.

Finding ways to promote interethnic accommodation, multiethnic political parties, and moderate and centrist politics is very essential element for DS effectiveness. In this regard, the role played by electoral system to shape broader norms of political behavior in such a way to have a positive contribution to the developmentalist agenda is not negligible. To that effect scholars and practitioners alike agree that electoral systems can play a powerful role in promoting both democracy and successful conflict management. Astutely crafted electoral rules can make some types of behavior more politically rewarding than others and changing the incentives and payoffs available to political actors in their search for electoral victory.

There is no disagreement among political scientists about the importance of electoral systems to shape the wider political arena to be representative and participatory. There is however differences about which electoral systems are most appropriate for divided societies (Reilly, 2002: 156). However, some form of proportionally representative (PR) electoral system often mentioned by scholars as appropriate system to form a government that reflects diverse interests existed in a society (Lijphart, 1977; Diamond and Plattner, 1994; Sisk, 1996; and Sartori, 1994). PR is needed because in societies of deep-rooted ethno-linguistic and other divisions, it helps to develop mechanisms for elite power-sharing to minimize 'outbidding' using communal appeals through extreme rhetoric and demands that may leads to ethnic or other conflicts. As argued by Lijphart (1977) as key element of consociational approaches party-list PR is the best choice, as it enables all significant ethnic groups, including minorities, to "define themselves" into ethnically based parties and thereby gain representation in the parliament in proportion to their numbers in the community as a whole.

In contrast to Lijphart's consociational approaches, Donald Horowitz (2004: 507-516) argued that the best way to mitigate the destructive patterns of divided societies is not to encourage the formation of ethnic parties, thereby replicating existing ethnic divisions in the legislature. Instead he advocates, utilizing electoral systems that encourage cooperation and accommodation among rival groups, and therefore work to reduce the salience of ethnicity and other cleavages (in Montville, 1991: 451-76). Therefore one of the core strategies that is being promoted by Horowitz is to design electoral rules that promote reciprocal vote-pooling, bargaining, and accommodation across group lines (ibid.). In this regard the presidential elections in Nigeria and Lebanon electoral system mentioned as example of for the formation of governments that reflects cross-cutting values and interests. In Nigeria, the winning presidential candidate needs to gain support from different regions. This thus helps to diminish claims of narrow parochialism or regionalism. In Lebanon's the electoral system attempts to defuse the importance of ethnicity by pre-assigning ethnic proportions in each constituency, thus requiring parties to present ethnically mixed slates of candidates for election and making voters base their choices on issues other than ethnicity (Reilly, 2002: 156-7).

Whether, Lijphart's consociational approaches or Donald Horowitz model is appropriate depends on the context of each country. For instance, Lijphart's consociational approaches for power-sharing is successful in some continental European countries such as the Netherlands, Belgium, and Switzerland. There is a doubt whether consociational approaches are effective in countries such as Ethiopia with very diverse and large number of population.

The issue is which electoral system is apposite to DS adopted in decentralized state structure. Again there is no prescriptive answer. However, for the success of DS in decentralized polities, there should be a governance system of cooperation and coordination that involve all tiers of governments in developmental policy making and implementation. This means DS needs an electoral system that promotes cross-cutting values and identities and leads to more representative and inclusive government. The presence of electoral rules that promote reciprocal vote-pooling, bargaining, and accommodation across group lines creates conducive platform. This is better to mobilize human and material sources towards developmental agenda and to properly make and enforce developmental policies across the board in decentralized polity. So for sustainability of DS in decentralized democracies, what is needed is an electoral system that allows close cooperation and coordination among political players that are found in different levels of governments. In this regard, instead of first-past-the-post system in which winners- takes-all electoral system PR systems as espoused by Horowitz seem more congenial for DS in decentralized polity.



### III. CONCLUSION

The adoption of 'ethnic' or 'multinational' federalism in the post 1991 Ethiopia have seen a quarter century of fundamental trajectories in decentralization of the state and democratization of its politics under multi-party electoral system. The reversal in the journey from centralized system of governance towards decentralized system is on the premises, among others, that decentralization serves as instrument to enhance democracy and development in the country. Accordingly, the post 1991 Ethiopia entrenched constitutionally propelled decentralization with the objectives of, *inter alia*, transferring decision making power, allocating the power and implementation functions to sub-national and local governments.

The official adoption of DS unleashed endogenous conceptualization of the process of decentralization and democratization through the lens of Ethiopian developmental state paradigm. This trend however raised the issue of in/compatibility between constitutionally adopted decentralized state structure vis-à-vis developmental state which often regarded to underpin a centralized mode of governance that concentrate power, autonomy, capacity and legitimacy at the centre to shape, pursue and encourage the achievement of explicit developmental objectives'.

As discussed, successful East Asian developmental states were authoritarian in their approaches to enforce developmental policies to realize fast growth within short period of time. In these countries, fearing that adherence to democracy would lead to unruliness and disorderly conduct which would be disadvantageous to development, they considered democracy in the short-term as a luxury they could ill afford, and thus they focused more on developing discipline than democracy (Mackie, 1998:366-7). The impressive success they have seen should not, however, implicate that states need to be authoritarian in order to be developmental. It is possible to mention several authoritarian but anti-developmental or non-developmental states in Africa and Latin America. Brazil, Botswana, Mauritius and South Africa can be mentioned as state where DS and democracy coexist (Mkandawire, 2005:47 & Edigheji, 2005).

Development is an overarching concept that is construed not only in terms of economic growth but also in terms of human development manifested with reduction of poverty and unemployment and maximization of equity and social justice- people- centered development which cannot omit democracy. This is underlined by Professor Amartya Sen (1999) that debunked the oft-repeated claim that undemocratic systems are better at fostering economic development. No convincing evidence found that authoritarian governance and the suppression of political and civil rights are really beneficial to economic development. Systematic empirical studies give no real support to the claim that there is a general conflict between political rights and economic performance. In fact, a harsher political system is often counterproductive in bringing out the full potential of the labour force. Unless developmental state of the 21<sup>st</sup> century embraced this broad conception of development, it is hardly possible to as developmental from the very beginning. Thus, the general assertion that DS is inherently authoritarian is therefore challenged by analysts in support of democratic DS.

Randall (2007:635) contends that it is necessary for DS to be democratic as authoritarian systems are a major hindrance not only to political development but also to economic progress. Lange and Rueschmyer (2005) emphasized that democracy has detrimental role in enhancing the effectiveness of the state in development. As Mkandawire (2005:47; 2006:26 and Edigheji, 2005) argues for democratic DS that embraces check and balance system and based on broad- based state-society alliances and ensures popular participation in governance and transformative process. As Evans (2010a & 2010b) recently argued that in contrast to the twentieth- century DS, the twentieth-first-century DS needs democracy in order to create broader incorporation of social groups such as labor and other civil society interests to build close ties and embeddedness with capability-enhancing state. Thus, developmental state and democratic governance are not antithetical to each other. Indeed, they are complementary and as such can reinforce each other. Hence, DS can be adoptive to specific contexts including constitutionally decentralized polities. It can be managed to fit into democratic decentralized system. Hence, the developmental state has nothing inherently contradictory to non-centralized state arrangements as it adapts itself to the needs of decentralized governance. In this regard, subsidiarity principle, IGR and electoral system help DS to adopt itself to decentralized state structure.

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