



**Full Length Research Article**

**DEVELOPMENTAL STATE AND ITS ROLE IN AID EFFECTIVENESS: LESSONS ETHIOPIA CAN  
DERIVE FROM KOREA'S EXPERIENCE**

**\*Sintayehu Demeke Kebede**

College of Law and Governance, Jimma University

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**ARTICLE INFO**

**Article History:**

Received 17<sup>th</sup> December, 2014  
Received in revised form  
21<sup>st</sup> January, 2015  
Accepted 25<sup>th</sup> February, 2015  
Published online 17<sup>th</sup> March, 2015

**Key words:**

Madarsa,  
Education,  
India

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**ABSTRACT**

A state with its socio economic and political institutions is undeniably the most important socio economic and political institution in a society. But states have exhibited varying ability in fostering socio economic development across the world which partially could be explained by the difference in the ability of states to mobilize natural and non-natural resources towards developmental goals. Contemporary works on aid effectiveness posited that developmental aid has been less successful in fostering socio economic development of recipient countries and which is less significantly explained by the kind of aid. As a result there has not that much success story to be told as regards aid in bringing about aid effectiveness. This article stands on premises that developmental aid can be made more effective in developmental state. Accordingly it defines developmental state as a state where government is intimately involved in the macro and micro-economic planning in order to grow the economy. Developmental state approach has brought about a tremendous socio economic progress in South East Asian economies and this work makes a particular reference to the developmental state of South Korea during the era of President Park Chung Hee and explores the characteristics of Park's developmental state with the view to derive some experiences relevant to Ethiopia. The article identifies that, in making developmental aid effective, the Korean developmental state was characterized by the establishment of bureaucratic autonomy which is a source of strong government, gave opportunity for developmental elites who took development as a life and death matter, accepted that the source of legitimacy of the government was its socio economic performance which will be possible in a meritocratic state which appreciates and make use of merits of the elites. The article established that even though the Ethiopian developmental state shares some of some of the characteristics with its own peculiar features, there are yet very fundamental aspects of a developmental state which it lacks and may take as a lesson from Korea.

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**INTRODUCTION**

State is undeniably the most important socio-economic and political institution in a society. It consists of a cluster of inter-related socio-economic and political institutions, charged with the performance of multitude of functions, including fostering the overall wellbeing and development of society. However, the ability of a State and its institutions to perform its functions and fulfill its multiple objectives has varied over time and space which resulted in varying degree of socio economic development across continents. A partial explanation of such fact is related with state's ability to mobilize their natural and non-natural endowments toward developmental goals. Against this background, the role of a state in fostering all-encompassing development has grown up irrefutably.

Based on a premise that states and their political economy matter for social and economic development, in this work I will explore the role of developmental state in aid effectiveness with particular emphasis on the success story of South Korea. The article commences with a brief explanation of what developmental state and its peculiar features are and compares and contrasts the developmental state approach in South Korea and Ethiopia.

After making a brief reflection on the debate concerning aid effectiveness, the South Korean experience on the utilization of aid during the era of Park Chung Hee shall be assessed with a view to fetch some relevant experience to Ethiopia. At the core of the article, an attempt will be made to show how developmental state approach helps aid effectiveness and the role of aid agencies in helping governments to be more developmental.

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**\*Corresponding author: Sintayehu Demeke Kebede**  
College of Law and Governance, Jimma University

## 1. The Concept Of Developmental State

In most literatures, the concept of developmental state usually is associated with the tremendous socio-economic transformation of the South East Asian countries, albeit, the concept goes back to the 1950s which in the language of some writers is known as an era of classical developmentalism.<sup>1</sup> To provide some highlights on the growth of developmental state thinking, the international community vigorously encouraged and supported developmental state approach during the 1950s and 1960s.<sup>2</sup> During the 1970s and early 1980s, however, state-led development was criticized as inefficient and distorting in the light of growing debt and macroeconomic instability, especially in Africa and Latin America.<sup>3</sup> Subsequently, the implementation of structural adjustment and market-oriented reforms were put into practice as part of the Washington Consensus especially by the influence of neoliberal financial institutions like the IMF and the World Bank.<sup>4</sup> The structural adjustment policies which promoted an anti-state logic were more hurtful than helpful as it did not provoke any meaningful development in the countries that adopted them. Thus, the role of the state in development was re-evaluated based on the successful experiences of state-led development in several Asian countries emerging since the mid-1990s.<sup>5</sup>

For there is no agreeable definition of the concept of developmental state among scholars, many writers often explain it in terms of its ideological orientation (i.e. promoting the ideal and agenda of developmentalism) and its institutional arrangements (i.e., its institutional capacity to formulate and implement its policies and programs). A developmental state is a state where government is intimately involved in the macro and micro-economic planning in order to grow the economy.<sup>6</sup> Referring to the work of Stubbs, Uzoma P. Nworie explains

<sup>1</sup> V. Fritz and A. Rocha Menocal (2006), (Re) building Developmental States: From Theory to Practice, Overseas Development Institute, London p. 7. Classical developmentalism as opposed to new state developmentalism is distinguished by the enormous intervention of the state in the economy. It establishes that such role of the state must be legally determined. As such some writers assimilate classical developmental state concept with a state in command economy. Verena Fritz and Alina Rocha Menocal on their part traces the root of the idea of a developmental state back at least to the beginning of the 20<sup>th</sup> century writers whose concern was the role of the state in rapid 'late' industrialisation in continental Europe. See Verena Fritz and Alina Rocha Menocal, Developmental States in the New Millennium: Concepts and Challenges for a New Aid Agenda, Development Policy Review, 2007 Blackwell Publishing, Oxford p. 4.

<sup>2</sup> UNESC issue paper, The Developmental State: What Options for Africa? February 2013 p. 4 The aftermath of WWII brought about a complete destruction of infrastructure and the economy of the world in general and Europe in particular. Thus reconstruction requires an intensive government intervention during the time. For reconstruction of Europe after the war, America has spent millions of dollars under the marshal plan. Though many literatures on aid effectiveness mention the reconstruction of Europe among few exceptions, I would argue that Europe's reconstruction should not be considered as illustration for aid effectiveness because, in the aftermath of the war Europe only lost its infrastructure. The basic engine of development which is human capital was already there and hence if Europe manages to get sources of finance, reconstruction would not be a problem as long as the technology and the human capital is not affected by the war.

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> Ibid, As opposed to the classic developmental state approach, the contemporary approach is known by some writers as new developmental state approach.

<sup>6</sup> Tshilidzi Marwala, Foundations for a Developmental State: A case for technical education University of Johannesburg 2006

that developmental state has become a generic term to describe governments that try to actively intervene in economic processes and direct the course of development rather than relying only on market forces.<sup>7</sup> According to Adrian Leftwich, developmental state is a transitional form of modern state where political and bureaucratic elites have generally achieved relative independence from socio-political forces in the society and have used this in order to promote a programme of rapid economic growth.<sup>8</sup> From the above definitions, we can infer that for a developmental state to exist, the state must possess the vision, leadership and capacity to bring about a positive transformation of society within a condensed period of time. However, it is not contestable if one asserts that a state does not need to be in control of everything and successful in all spheres to be characterized as developmental. As regards this, Verena Fritz and Alina Rocha Menocal argue that '*transformation that is positive overall may be accompanied by a range of negative consequences, such as major environmental damage or greater social tension, which become problems that society and the state have to address in a subsequent phase*'<sup>9</sup> and hence that would not hinder a state from being considered developmental.

Even though different scholars explain developmental state based on several of its agreeable characteristics, for the purpose of this work, I prefer to summarize it based on the six basic features identified by Adrain Leftwich which are, determined developmental elite; the relative autonomy of a powerful, competent and insulated bureaucracy; a weak and subordinated civil society; the effective management of non-state economic interests; and performance-based legitimacy.<sup>10</sup> In this work, an attempt will be made to evaluate Korean and Ethiopian developmentalism in light of the mentioned Leftwich's six characteristics of developmental state and the peculiar features of the governments of both countries.

## 2. Korea As A Developmental State

While reading this work, I would like to remind readers that initial economic conditions from which the Korean economy started to grow up resembles the current situation in many least developed countries in Africa and elsewhere. Hence it is easy to appreciate the potential relevance of studying Korean experience of socio-economic transformation to the case of Ethiopia.

Couple of years before the coming in to power of the Korean change agent, President Park Chung Hee, the country had just emerged from two bloody wars: the war of independence from Japan and a civil war with North Korea, during which most of the population was decimated and displaced. In the 1950s, Korean life expectancy at birth was just over 50 years while by 2011,

<sup>7</sup> Uzoma P. Nworie, Developmental states, their characteristics and the conditions that favour their emergence, (University of York, United Kingdom)

<sup>8</sup> Adrian Leftwich (2000), 'Developmental states: bringing politics back in' and 'Democracy and the developmental state: Democratic practices and development capacity', States of Development, Cambridge: Polity Press. pp. 167

<sup>9</sup> Verena Fritz and Alina Rocha Menocal, Developmental States in the New Millennium: Concepts and Challenges for a New Aid Agenda, Development Policy Review, 2007 Blackwell Publishing, Oxford p. 3

<sup>10</sup> Supra note 8 PP 152-196

it was nearly 80 years.<sup>11</sup> In 1960, Korean GDP per capita (on a purchasing power parity basis) was a meager \$1,420 compared with more than \$27,000 in 2009.<sup>12</sup> The countryside was bare; land was scarce and mountainous; the climate was harsh and not well-suited for multi-cropping; and poverty was widespread.<sup>13</sup> On the plus side, the country was one of the most ethnically homogeneous in the world, values were communitarian and egalitarian, and accorded educated individuals the highest social status, and distribution of assets was extremely even.<sup>14</sup> Before moving deep in to the characteristics of the developmental state of Korea during the Park Chung Hee era, I will cast some light on the political path through which the visionary leader took power in 1961.

By the end of 1950s, anti-government protest increased against the corrupt administration of Syngman Rhee.<sup>15</sup> Against the backdrop of student protests, Syngman Rhee's government stepped down in 1960 and Chang Myon became the Prime Minister of the Second Republic of South Korea.<sup>16</sup> Chang Myon's government ended when Park Chung-hee led a successful *coup d'état* on May 16, 1961.<sup>17</sup> The regimes prior to President Park strongly neglected economic development. The core emphasis of the Rhee government for example was the unification of Korean Peninsula.<sup>18</sup> President Rhee was pursuing a unification policy known as "*March north and unify Korea*" ignoring construction of economic prosperity.<sup>19</sup> Proposals to improve the economy had been rejected or sidetracked by Syngman Rhee and the country was so impoverished and enormously dependent on international assistance without which it could apparently not survive. Explaining the situation of South Korea in the 1960s, when President Park Chung Hee came to power, Irma Adelman states "*the general assessment of South Korea in 1960s by the foreign-aid establishment was that it was "the hell-hole of foreign assistance", a "bottomless pit" and a "hopeless case"*".<sup>20</sup> After he seized power, Park Chung-Hee unlike prior rulers did not pay much emphasis to the unification of Korea; rather, he declared that economic progress of Korea was his primary goal. He established the basis for strong state intervention orientated to the goal of rapid industrialization. Park's rule-lasting until his assassination in 1979-was the key period in which South Korea was promoted from the '*Third World*' economic league.<sup>21</sup>

### A. Aid Effectiveness During Park Chung Hee's Regime

<sup>11</sup> South Korea: From Aid Recipient to Donor, USAID, 2012

<sup>12</sup> Ibid

<sup>13</sup> Irma Adelman, From Aid Dependence to Aid Independence: South Korea 2008

<sup>14</sup> Ibid, see also David I. Steinberg, Foreign Aid and the Development of the Republic of Korea: The Effectiveness of Concessional Assistance, Aid Special Study No 42, US Study for International Development, Oct. 1985 P.20

<sup>15</sup> Mortuza Khaled Park Chung-hee's Industrialization Policy and its Lessons for Developing Countries (2007), P.4

<sup>16</sup> Ibid

<sup>17</sup> Ibid

<sup>18</sup> Id at page 5

<sup>19</sup> Ibid

<sup>20</sup> Supra note 13

<sup>21</sup> John Minns, Of Miracles and Models: The Rise and Decline of Developmental State in South Korea, Third World Quarterly, Vol 22, No 6, pp 1025-1043, 2001

South Korea is one of the very few cases in which foreign aid succeeded in promoting self-supporting economic development of the recipient country. In this section of the article, my emphasis will be on how the developmental state policies and strategies of Park Chung Hee's regime significantly contributed to aid effectiveness.

From the end of Japanese occupation in 1945 until the early 1990s, South Korea received about \$US12.7 billion of foreign aid from various bilateral donor countries (mainly the USA and Japan) and multilateral donors (including the World Bank and the International Monetary Fund).<sup>22</sup> Throughout South Korea's rapid development period, foreign assistance played a critical part in bringing about the country's astounding economic growth. In particular, in its early years and immediately following the Korean War (1950–1953), foreign aid was almost the only source of South Korea's economy, and the government largely depended on foreign assistance for its revenue and military defense.<sup>23</sup> Park Chung Hee and his accomplice coup leaders though successful in seizing power were at a distinct disadvantage because they overthrew a popularly elected administration of Chang Myon who during his brief tenure seemed disorganized and ineffective.<sup>24</sup> Furthermore, the United States had been against the coup, both because it was committed to the democratically elected government of Chang Myon and because the leaders had moved troops without authorization from the UN command, controlled by the United States.<sup>25</sup> Thus, in order to win political support and legitimacy from the Korean public, Park Chung-Hee designed two urgent national goals: achieving fast economic development and building a strong military defense.<sup>26</sup> Through a series of five-year national economic plans (beginning in 1962), Park's government played a leading role in achieving South Korea's rapid economic growth, and with strong ownership and commitment, he actively used and managed foreign aid to achieve and support various government-led economic development plans. Behind all these success stories we find the strong developmental government president Park Chung-Hee established and led. Now, the question which needs to be addressed in the subsequent paragraphs concerns the characteristics of Park's developmental state.

### I. BUREAUCRATIC AUTONOMY

According to Leftwich, embedded relationship between bureaucracies and other economic agents engenders public-private drive that enhances powerful and effective attainment of developmental goals.<sup>27</sup> A state is said to be autonomous, if its civil service cannot be manipulated by influential rent

<sup>22</sup> Jiyoung Kim Foreign Aid and Economic Development: The Success Story of South Korea, Inha Journal of International Studies, Vol.26, Issue 2

<sup>23</sup> Ibid

<sup>24</sup> David I. Steinberg, Foreign Aid and the Development of the Republic of Korea: The Effectiveness of Concessional Assistance, Aid Special Study No 42, US Study for International Development, Oct. 1985 P.28. Perhaps the disorganization of Chang Myon would be taken as a possible natural consequence following the years of political repression under Rhee and in fact Park Chung-Hee himself was suspect.

<sup>25</sup> Ibid

<sup>26</sup> Ibid

<sup>27</sup> Supra note 8 P. 176

seeking groups outside the state. The regime of Park Chung Hee was also equated with a strong and autonomous bureaucracy.<sup>28</sup> Among bureaucrats, there was a tendency to generate a sense of unity and common identity offering the image of a corporate actor that delivered coherent, consistent and rational policies aimed at achieving long-term national development goals.<sup>29</sup> Consequently, Park's developmental state has been described as a state where "*bureaucrats rule while politicians reign*".<sup>30</sup>

## II. DEVELOPMENTAL ELITES<sup>31</sup>

Developmental states are driven by a sense of urgency to grow economically and industrialize in order to catch up with the developed countries. All developmental states have been led by leaders who are relatively uncorrupted, patriotic, visionary and nationalistic with a genuine intention to rapidly grow their country economically. One of such exemplary leaders was Park Chung Hee. Throughout the Rhee era, the South Korean economy was deeply troubled with chronic economic stagnation and the Rhee government was often tainted with corruption and incapability. Park's mode of military rule was primarily aimed at weeding out corruption from its source and utilizing aid money for fundamental socio-economic transformation. This development mindedness and genuine desire to achieve economic development is what makes Park and the elites of his regime developmental elites.

## III. PERFORMANCE BASED LEGITIMACY

One way of legitimizing a regime is through performance which is evidence of the tangible results it offers to its citizens.<sup>32</sup> Among others things, a regime is more likely to enjoy the support of citizens if it provides more welfare gains to them. In this regard, Leftwich argues that though there might be some internal opposition in the course of dynamic period of growth, "*there have been very few serious threats to non-democratic developmental states; therefore, a developmental state might thrive whether or not it is democratic but what matters most is how it distributes the benefits of growth to its citizens*".<sup>33</sup> As I have tried to mention in previous paragraphs, Park Chung Hee lived to derive his acceptability and legitimacy from the Korean public by proving to them tremendous economic growth. Furthermore, even though experience shows that equitable distribution of benefits from development is uncommon in a period of rapid growth, Park's regime has a generally good overall reputation in equity terms, at least, compared with most economies in Asia.<sup>34</sup>

## IV. MERITOCRATIC STATE

The Confucian state originated the concept of a bureaucratic meritocracy through instituting an examination system for

government positions. The recruitment of bureaucrats developed along a meritocratic line, and the highly competitive entrance examination tended to attract the best national students. Park Chung Hee also intensively worked to establish meritocratic bureaucracy as a form of civil service which hired employees on "merit" instead of on recommendation, appointment or nepotism, which in turn enhanced job security and professionalism of civil servants.<sup>35</sup>

## 3. ETHIOPIA AS A DEVELOPMENTAL STATE

### A. FOREWORD

A year and some months ago, as a member of the leadership in higher education academic institutions, I have been to a government training titled "**Developmental State Building and Ethiopian Renaissance**". The training took twenty one days. For me, it was one of few life time opportunities to sit with the highest state officials including the prime minister and deliberate on the political and economic path the country is following. As my educational background is in Law and my second degree is in International Development Studies, some of the participants and I had fair understanding of developmental state philosophy and whether it could be a viable option for the current Ethiopia instead of neoliberal political economic philosophy. But it was very clear from the atmosphere of the first few days of the training that the concept of developmental state was alien to many of the participants. I had no idea that the information gap would be that huge among the members of the academic community in higher education institutions. Therefore, that particular training was an eye opener for many to understand the political economic philosophy of the government. Though I sincerely appreciated the initiative of the government to give the training, I felt and commented that it was very late and the training manual itself was prepared only in 2011 by the late Prime Minister Meles Zenawi.

A year later, the government again called for the same training. This time, the training was offered to all academicians of all universities and schools in the country for ten intensive days and I was in the training again.<sup>36</sup> At this time again, the confusion among the academicians was even so immense and many were commenting against the relevance of the training in the presence of multitude of burning academic issues they want to deliberate on. It was only after some syndicate discussions were held that confusions were dispelled and the relevance of the training started to be appreciated. It is also after these trainings that I made my mind to produce this article with a view to make my own personal contribution as member of the academia in Ethiopian Higher Education. As I have been educated in South Korea, I have personal experience of the astounding economic transformation of the country and how the Korean society at large has benefited from what writers call "*The Miracle of the Han River*".

### B. CHARACTERISTICS OF DEVELOPMENTAL STATE IN ETHIOPIA

<sup>35</sup> Supra note 28

<sup>36</sup> The government is now aggressively giving the indoctrination training to all civil servants across all government institutions in the country.

<sup>28</sup> Luis Mah, *Lessons from Korea to Africa: Leaders, Politics and Developmental states*, Lisbon, 2011 P. 6

<sup>29</sup> Ibid

<sup>30</sup> Ibid

<sup>31</sup> Supra note 8 P. 178

<sup>32</sup> Id at page 182

<sup>33</sup> Ibid

<sup>34</sup> Supra note 24. P. 41

According to Government reports, Ethiopia has achieved encouraging development results, maintaining an economic growth rate of 11 % for the last seven years.<sup>37</sup> It has also been reported that the country has come to enjoy the fastest improvement in the Human Development Index (HDI) among Least Developed Countries (LDCs).<sup>38</sup> Moreover, it is determined to accelerate and maintain this development via the developmental state approach and to create a middle income society and a green economy by 2025.<sup>39</sup>

After seventeen years of bloody civil war, the incumbent regime called Ethiopian People's Revolutionary Democratic Front (EPRDF), which is a coalition of four likeminded and Ethnic based political parties, came to power. And as such, the initial situation like that of South Korea was characterized by backward and aid dependent economy, an illiterate and totally impoverished social fabric, a political economy infested with rent-seeking attitude and so on. The Ethiopian case was even worse than Korean because what has been considered as pluses in Korea economy like that of ethnic homogeneity, communitarian and egalitarian social status were missing. As a result, there were more than seventeen ethnically organized armed groups by the time EPRDF took power and the country was on the verge of complete collapse. Thus, it was a high policy agenda among the leaders of the EPRDF that the revolutionary democratic philosophy on which the party was built and its long fought vision of delivering democratic Ethiopia to the mass will not ultimately be a reality and the country will not be rescued from another civil war and disintegration unless a political economy which will bring about socio economic transformation is urgently designed and implemented. This political economy was thought to have the basic characteristics of developmental state and shall also constitute its own peculiar features which stem from the country's particular situations. Although there is uncertainty as to when exactly EPRDF turned its face to building a developmental state in Ethiopia, it is implicitly mentioned on the training manual that the country declared itself to be pursuing the path of a developmental state since 2001 and according to government report (which in fact is shared in many instances by international economic institutions) the country has achieved tremendous economic growth in double digit since then. As I have explained under the previous topics, the Ethiopian version of developmental state shares many of the common features of a developmental state. But taking into consideration the unique scenario of the country (for example, the fact that the country is a multiethnic nation), Ethiopian Developmental State philosophy takes its own unique features. In the subsequent part of the article, I will only elaborate on these peculiar features of Ethiopian developmental state.

### C. Democratic<sup>40</sup> Developmental State

<sup>37</sup> UNDP Ethiopia, Democratization in Developmental State: the Case of Ethiopia, Issues, Challenges and Prospects 2012 P. 1

<sup>38</sup> Ibid

<sup>39</sup> Ibid

<sup>40</sup> A classical definition of democracy is that offered by Huntington who conceives a political system as being democratic, "to the extent that its most powerful collective decision makers are selected through fair, honest and periodic elections in which candidates freely compete for votes and in which virtually all the adult population is eligible to vote". Despite the fact that scholars might have emphasized different aspects of it, there is a general

EPRDF seeks to construct a developmental state while also deepening democracy. The Ethiopian case of developmental state as opposed to its models like South Korea and Taiwan aims to ensure development and democracy simultaneously. Accordingly, this objective of parallel pursuit of economic and political goals is also indicated in the five year growth and transformation plan of the country.<sup>41</sup>

The interest in constructing a developmental state while also deepening democracy, as stimulating as it is to those who value a democratic developmental state, is not without its challenges. It also resuscitates the relatively old question as to whether the two goals of achieving development and enhancing democracy can be attained concurrently. In this regards, William Gumede States "...the democratic developmental state is 'a rare bird on the developmental scene'. Many argue that a developmental state is just not possible in democratic conditions. The Indian state of Kerala is usually cited as an exception to the norm. But Mauritius is an example of an African attempt at building a democratic developmental state. We must of course state very clearly at the outset that there are many states which are procedurally democratic, but lack a democratic political culture or democratic substance. Most African countries fit into this category – they are democracies in name only".<sup>42</sup> In spite of those theoretical arguments against the possible realization of democratic developmental state, the Ethiopian government reports that growth has been consistently high for the last seven to eight years and democracy though not in its full sense is also being ensured in the county.

It is a firm belief of the EPRDF that enabling conditions for non-democratic developmental state do not exist in Ethiopia and hence, it is not an option for the EPRDF to be non-democratic developmental government.<sup>43</sup> The government argues that homogeneity of the Korean and Taiwanese people enabled autocratic developmental governments to reign for a long time and ensure development at the expense of democracy. But the case of Ethiopia is completely different as it is a country of more than eighty ethnic groups differing in language and culture and it is not at all an option for EPRDF to be autocratic.<sup>44</sup>

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consensus that liberal democracy has some basic principles, namely: citizen participation (meaning choosing their leaders), equality, political tolerance, accountability, transparency, regular, free and fair election, economic freedom, control of the abuse of power, a bill of rights, the separation of the powers of the executive, the legislature and the judiciary, accepting the result of elections, human rights, a multiparty system, the rule of law.

<sup>41</sup> Growth and Transformation Plan 2010/11-2014/15, (Vol. I Main Text) PP. 21-17.

<sup>42</sup> William Gumede, Delivering the democratic developmental state in South Africa, Development Planning Division Working Paper Series No. 9, 2009 P.7

<sup>43</sup> Training Manual, Developmental State Building and Ethiopian Renaissance, Nov. 2010 P. 58-60.

<sup>44</sup> My personal opinion in this regard concurs with the assertion of Adrian Leftwich who argues that *there have been very few serious threats to non-democratic developmental states; therefore, a developmental state might thrive whether or not it is democratic*. The incumbent regime in Ethiopia (EPRDF) came in to power two decades ago after defeating a military dictatorial regime of Mengistu Hailemariam called the Derg. Thus it will be self-conflicting for EPRDF to reign autocratic after coming to power in bloody war with authoritarian rule. I have the belief that EPRDF does consider itself as a perfectly democratic regime and I also believe that democracy though it is

## D. Developmental and Revolutionary State<sup>45</sup>

As the name implies, EPRDF from its inception is revolutionary in a sense that, it was born among the great majority of the Ethiopian people who fought a bloody war to overthrow the military dictatorship of the Derg regime. As opposed to other developmental governments which are critical and suspicious of revolutionary movements of their people, EPRDF basically derived its legitimacy and support from the rural community which constituted more than 85% of the total population of the country.<sup>46</sup> The democratic philosophy of the regime is also known as revolutionary democracy which has now become synonymous to what is called by the regime developmental democracy. It is also developmental as it makes economic development a priority and a life and death issue.

## 4. AID EFFECTIVENESS IN ETHIOPIA AND A PERSONAL REFLECTION ON LESSONS ETHIOPIAN GOVERNMENT MAY DRIVE FROM KOREA'S EXPERIENCE

For foreign aid to succeed, sound and effective management throughout aid implementation (including aid procurement, disbursement, and delivery) is of key importance. Proposing that ineffective management of foreign aid has been among the main causes of aid failure and waste worldwide, donors in recent years have increasingly emphasized the importance of improving foreign assistance management.<sup>47</sup> In particular, studies have criticized lack of good governance in developing countries as the main cause of aid failure and ineffective use of foreign aid, maintaining that much foreign aid has been simply wasted due to the absence of government capacity, ownership, and commitment, as well as to widespread corruption in recipient countries.<sup>48</sup>

Ethiopia has a long history of receiving foreign aid, dating back to the early 1950s. Yet the amount remained very low until the 1980s; the devastating 1984 famine resulted in sharp increase in official development assistance (ODA), mainly in the form of humanitarian aid.<sup>49</sup> A recent statistics on the volume of assistance shows that ODA has been increasing steadily over the years. External resources are financing about 60 % of the national budget. When we look into aid effectiveness in the country, recent studies show that in many instances, there is inconsistent results at times a negative relationship which is significant and other times not and sometimes a positive correlation which still is not significant in many instances.<sup>50</sup>

Because of time and space limitation, I will not make a detail discussion on aid effectiveness in Ethiopia but it suffices to

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yet infant is budding in the country and with the realization of economic development it will materialize in its full sense.

<sup>45</sup>Id at page 80-82.

<sup>46</sup>Ibid

<sup>47</sup>The Paris Declaration, Aid Effectiveness and Development Effectiveness, November 2008.

<sup>48</sup>Ibid

<sup>49</sup>AlemayehuGeda and KibromTafere, Official Development Assistance (Aid) and Its effectiveness in Ethiopia, IAES Working Paper Serious NO. A07/2011 PP. 5-8.

<sup>50</sup>Ibid

conclude it with a general assertion that the results out of researches done on aid effectiveness in the country show non-linear correlation with growth. Thus, the issue is what characteristics the Ethiopian developmental government should have to use aid resources efficiently and bring about socio-economic development. The following sub-sections forward some personal reflections on what characteristics the developmental state of Ethiopia should have (most of which were typical characteristics of the Park regime in Korea) to make aid effective and bring about sustainable socio economic

### A. Conceptual Clarity, Understanding and Intensive Indoctrination

What I have witnessed during the government training some months ago is that, there is a serious lack of clarity of the concept among the political appointees and the participants in general. The term is increasingly being used only in recent times. But the invocation of the term is masked in vagueness that clouds the meaning. Is the term similar to or different in meaning from forms of interventionist states such as the regulatory state or welfare state? How similar or different is it from these states? What does it entail to have a developmental state? If having a developmental state is a desirable goal, what does it take to establish such a state? What does it really mean to be a developmental state? I have also witnessed that the understanding of the concept by government officials themselves is very weak except by those at the apex of the political pyramid. What has been intended by the government during those trainings is to gradually and successfully indoctrinate the general mass so that, at the end of the day, the general population with the educated mass will be the guardian of the system rather than the ruling party alone. This, however, must have started from the political elites at each level of the government.

### B. Meritocratic Bureaucracy

Park Chung Hee was very much successful in establishing his system on a merit-based bureaucracy. It is my firm belief that merit is the source of commitment and commitment of political elites in turn will inevitably result in positive outcomes in development. In both trainings, I have witnessed that, more or less, everyone complained about the merit of the political appointees of the incumbent regime and characterized them as incompetent and rent-seekers. It is also my firm belief that, EPRDF has a lot assignment to do in this respect. I suggest that, though political commitment is good, the government should not make it the sole criterion while it appoints its elites. It has to gradually and systematically clear out incompetent and rent-seeking personnel from the bureaucracy.

### C. Intensive and Strong Anti-Corruption Campaign

Park Chung Hee had an iron-fist when it comes to corruption. In a country where more than 60% of the national fund is covered by foreign aid, corruption is the biggest evil to fight. In spite of consistent denial on the part of the government, there is invasive intensification of grand corruption in the country and that is what transparency international and the media declare every time. The government needs to strengthen

its anti-corruption commissions both at the federal and the regional levels, work on the establishment of transparent bureaucracy. In this regard what I have discussed as political commitment to fight corruption above will have some contribution in creating a bureaucracy with little magnitude of corruption. A common allegation against the government is that, there are some hugely corrupt officials who are tolerated and insulated against prosecution or accountability, to make political gains albeit it is understandable that the government has to be strategic in clearing them out of the system.

#### **D. Building National Consensus**

During the trainings, one of the consistent and repeated comments against the government concerns its propaganda and contamination of previous regimes by associating them with particular ethnic groups specially the Amhara. It was firmly established that such approach of associating a particular ethnic group with previous repressive regimes for the last two decades has passed the boundary of being informative but spreads hatred. This ultimately creates a country which is united by federation but divided by ethnic-centered attitude. Creating nationalistic attitude is very important for a developmental state to make the general population rally behind government policies and strategies. Patriotic attitude of the mass is one of the core values of people in developmental state. A developmental state of Korea is well explained by the existence of such kind of social capital which has now brought about what is called "Miracle at the Han River".

#### **Conclusion**

In contemporary literatures concerning development, emphasis has shifted from prescribing the roles of the government to questions about commitment and capacity. Developmental state approach emphasizes on the kind of government which a nation should have for socio economic development of that state. For a developmental state to exist, the state possesses the vision, leadership and capacity to bring about a positive transformation of society within a condensed period of time. Therefore, there is general agreement among scholars of the day that better and more effective states are needed if development is to succeed in the world's poorest countries. As regards aid effectiveness, the contemporary literatures on aid effectiveness also emphasise on strengthening the capacity of governments for effective utilization of aid resources towards developmental objectives. Ethiopia also adopts this economic and political philosophy which empowers the government to be an important stake holder in the development of the country. Even though the Ethiopian developmental state shares many of the characteristics of developmental states of Asian countries, it has its own peculiar features. As regards aid effectiveness, Korean development lends vital experience to Ethiopia in that developmental state approach better makes developmental aid effective.

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