
Rural capitalists, markets and the state: industrial policy and value chains in the Ethiopia coffee and flower sectors

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Résumé

The authoritarian state is a powerful force in shaping both the economy and the rural space in Ethiopia. In recent debates on the use of industrial (or productive sector) policies in low-income countries, Ethiopia is frequently cited as an example of an African ‘developmentalist’ regime, due to its apparent success in attracting foreign direct investment into its manufacturing and agricultural sectors. This perspective however tends to overestimate the power and cohesion of the Ethiopian regime and to understate the complexities of agrarian capitalist development in the 21st century. Using large-scale modern farming systems in the Ethiopian coffee and floriculture sectors as examples, this paper argues that development in both sectors was the result of an interplay between international market structures, domestic industrial policy and the agency of rural capitalists. While substantial growth was recorded in both sectors, in neither case did developments occur as envisaged by the Ethiopian federal state. In the flower sector, where a supportive policy regime was put in place, most domestic capitalists were not able to take advantage of the opportunities on offer, while in the coffee sector, which suffered from relative policy neglect, domestic plantations thrived, arguably despite government policy. This paper combines a critical political economy analysis with an international value chain perspective to show how and why outcomes differed across sectors. Domestic political economy can explain why policy regimes differed across sectors, while characteristics of the international value chains for both coffee and cut flowers are important to understanding the reactions of domestic and international capitalists to these policies. This paper draws on more than 80 semi-structured interviews, as well as two unique sets of high-quality quantitative data to address these questions. For the coffee sector the analysis relies on the first ever survey of contemporary Ethiopian coffee plantations, conducted by the author, while data on floriculture comes a multi-period quasi-census of flower farms.

Mots-Clés: Developmental state, value chains, Ethiopia, coffee, flowers

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