
State-business Relations in Ethiopia: A Political Economy Perspective

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Résumé

Since the beginning of the new millennium, the incumbent government of Ethiopia has officially declared its strong aspiration to follow the "Asian model" of development, widely known in literature as the "developmental state model", to achieve rapid economic growth, reduce poverty, and ultimately bring industrial transformation. Historically, economic success in the classical developmental states like Japan, South Korea and Taiwan, was fundamentally associated with the productive interaction of the state with the private sector, especially with the business sub-sector. As literature shows, these countries have created dynamic institutions in both public and private sectors and utilized them as a channel for effective policy coordination that has ultimately enabled them to achieve broad national goals. The objective of this paper is to analyze the processes and institutional foundations of state-business relations in Ethiopia from the view point of its developmental state narratives. Methodologically, the study employs a mixed research approach where data originated from primary and secondary sources have been triangulated and described both inductively and deductively. Empirical data have been generated through interview with leaders of core public institutions responsible to industry development; leaders of private sector associations at national, regional/provincial, and industry levels; the academia; and research institutions. Questionnaire have also been distributed to some pilot industries to explore their perception towards the government and private sector associations and their services. In addition to scholarly literature, secondary data have been sourced from government policies, parliamentary legislations, regulations of the executive and various regulatory agencies, etc. In terms of its analytical approach, the study inclines to the institutionalist framework which considers institutions (both public and private) and patterns of their interactions (formal or informal; developmental or corruptive; cooperative or adversarial, etc) as key variables in determining economic growth and transformation, especially in the developmental state context where the state takes initiative over the market. It also enables us to raise and analyze important issues like the nature of the state and ideology of the regime that have a bearing, positive or negative, on the nature of the business sector and the structure of its associations as well as the patterns of state-business relation. The value added of the study is twofold. First, it specifically fills the very scanty literature in the study area. Second, its findings may be used as an input for policy makers, especially in revisiting government policies towards the private sector.

Mots-Clés: Ethiopia, developmental state, state/business relations

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