The Role of Developmental State in the Provision of Basic Social Services in
Ethiopia

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Abstract
Agriculture is the backbone of the Ethiopian economy; it employs over 80% of the population, contributes high rate for the GDP and export sector in the economy of a country. Accordingly, the Agricultural Development-Led Industrialization (ADLI) is the main long-term development strategy adopted by government to transform smallholder agriculture (rural economy) and embark on a process of industrialization. The objective of this paper is to analyse the role of a developmental state paradigm in Ethiopia in providing basic social services such as health, education and agricultural extension services based on secondary data. After the nation adopted a developmental state paradigm, the state is able to design and articulate its long-term socioeconomic development strategies and programmes. The development policies and strategies have geared towards the priority agenda of reducing multidimensional poverty via strengthen the provision of basic social services. As a result, the developmental state in Ethiopia played a crucial role in the economy via providing basic social services, investing in pro-poor and pro-growth economic sectors, promoting equal resource distribution and improves the well-being of the nation.

Key words: Basic social services, Development, Developmental state, Ethiopia, Extension service

1. Introduction
Almost the whole 20th century, Ethiopia was considered as among the most “starved” and “conflict-prone” country in the world. The country was synonymous with famine, poverty, drought, deprivation, and backwardness. It is only since the last decade of the 20th century that the state marked historic transition from its status as a predatory and quasi-failed state to its status as a more protective and efficient state (Negash, 2011; Nishi, 2013). In particular, the year 1991 was the turning point in terms of social, political, and economic aspects. In the 1980s and early 1990s, for instance, the economy was on a downward trend, with average GDP growth rate of 2.3% and per-capita growth rate of -0.4%. The 1990s and early 2000s have registered relatively better real GDP growth rate an average 3.7% and positive per-capita growth, with 0.7% per annum (MoFED, 2002a). This is due to the fact that, the current government launched programmes for democracy and economic development to address the existing socioeconomic problems. To boost democracy and development, policies and strategies designing and adapting success stories from different countries to the context of Ethiopia.

The country was in critical political, social, and economic situations when the current government took power from the socialist/military government. The country was suffering in the command economy closed its door for external market; i.e. the living situation both in urban and rural areas was severe. The first task for the new government was to design policies and strategies that will make a change in history of the country; leading from poverty to sustainable development via making agriculture at the centre of development policy for the last two decades (Melke, 2013). Two basic reasons make the economic policy direction of a country focusing on agriculture: firstly, most of the population lives in rural areas and secondly, the lack of capital (human, physical, and financial) makes difficulty to start from industry. Improvements in food security and the maintenance of relative political stability paved the way for the “miraculous” economic development during the last decade (Nishi, 2013). The main guiding principle is that political stability and integrity of the state can only achieve through ensuring political and economic rights for the diversified groups of the nation.

The government has taken a series of bold measures over the past twenty years to transform the economy. Since the downfall of the socialist regime in 1991, the new government put in motion a series of policies and development interventions. It abolished the state control economy, shifted towards a market-oriented economy, and opened the door for the private sector to play a considerable role in the economy (MoFED, 2002b). Obviously, agriculture is the backbone of the Ethiopian economy; it employs over 80% of the population and dominates GDP contribution (MoFED, 2006). Given the central role of agriculture in the overall economy of the country, the state put in notion a long-term development strategy, the Agricultural Development-Led Industrialization (ADLI), as a means to transform smallholder agriculture and embark on a process of industrialization. The ADLI development strategy is considered as “an evolving strategy subject to pragmatic experimentation and adjustments” (MoFED, 2002b) based on the overall dynamism of the country’s internal (political, economic, and social situations) as well as external political economy aspects. Therefore, main
objective of this paper is to analyse the role of a developmental state paradigm in Ethiopia in providing basic social services such as health, education and agricultural extension services based on quantitative and qualitative secondary data.

2. The Emergence of Democratic Developmental State in Ethiopia

Debates about the nature of development are still important in Africa where varieties of developmental models have been tested and failed. Recently, one of the development models, which promoted as a panacea for African development problem is the developmental state approach. The role of the state in socioeconomic development cannot doubt (UNECA, 2011). A lesson that learnt from the 20th century developmental states was that state has to be one of the “institutional keystones” needed to bring economic success. The evidence spawned from the recent global economic crisis suggests that unregulated markets are “unworkable and unsustainable in the long run”, and increased role of the state is essential (Evans, 2010; Edigheji, 2010). In the present global situation, the conventionally accepted wisdom of free market-led development as a necessary condition for transforming backward economies to high level can no longer taken at face value. Particularly, the 2007/08 global financial crisis left even many western economies in shambles, which disproved the insight of neoliberalism (UN-Habitant, 2014). As a result, western governments themselves were forced to introduce bailout packages and fiscal stimulus programmes to correct the widespread market failures followed the financial crisis (UNECA, 2011).

Therefore, depending only the so-called free market-led development approach could not address all market failures in developing countries; in contrast, it needs an integration of the role of state and market. No nation without an efficient state intervention attained successful economic development. State acting as a vanguard of development has its own advantage in terms of accelerating economic development via addressing market failures and supporting indigenous private sector. In effect, the developmental state model has re-emerged as an alternative development model, which promotes the role of state and market integration. Ethiopia, as one of SSA countries committed itself to practice the developmental state model via customized the ideology to its unique context. The choice of the developmental state paradigm for Ethiopia is the result of a long process of searching alternative development paths. The model aims to bring structural change through prioritizing and modernizing agriculture and moving towards industrialization (UNDP, 2015).

The core idea of the developmental state model is that the state should make development agenda its top priority and intervene in the economy to facilitate growth and economic transformation. “In terms of ideology developmental state is essentially one whose ideological underpinning is developmentalist in that it conceives its mission to ensuring economic development” (Mkandawire, 2001:291). In this aspect, the Foreign Affairs and National Security Policy and Strategy document indicates, “Lack of democratization, poverty, and backwardness are threats to the national survival of Ethiopian statehood system. There can be no doubt that the attainment of speedy economic development, democratization, and peace is fundamental to the survival of the country, which finds itself in a state of abject poverty and backwardness” (Ministry of Information, 2002).

More specifically, the recent five-year medium-term Growth and Transformation Plan (GTP) also crafted the country’s vision as “to become a country where democratic rule, good governance and social justice reign, upon the involvement and free will of its people, and once extricating itself from poverty to reach the level of a middle-income economy as of 2025” (MoFED, 2010:21). The vision for the economic sector in particular set as: “Building an economy, which has a modern and productive agricultural sector with enhanced technology and an industrial sector that plays a leading role in the economy, sustaining economic development, securing social justice and increasing per-capita income of the citizens” (Ibid). Boosting agricultural productivity and strengthening the industrial base will be essential to transform the economy in a significant manner. Hence, based on the developmental state paradigm, the government has been able to design and implement a pragmatic developmental policies and strategies.

This indicates the developmental state gives top priority to the agenda of poverty eradication and sustainable economy building, which improving the well-being and the living standards of the nation. Then, the developmental state has declared poverty as its enemy number one and its strategy focused on to reduce and eventually eradicate it from the nation. Accordingly, a country has registered double-digit GDP growth over the last decade (Negash, 2011). As a result, level of poverty reduced to about less than 30% in 2011 from where it to a higher level about 58% in 1995. Such reduction was achieved through broad-based economic growth, with agriculture making a major contribution, increased and more equitable public spending, and via promoting labour-intensive manufacturing (Africa Progress Report, 2014). This indicates the political leadership and the society almost reach in consensus on the common enemy of the country; “poverty and backwardness”, and then they are committed to override it under the motto of “our enemy is poverty and we will make poverty history”.

The emergence of the developmental state paradigm in Ethiopia viewed into two broad contexts such as the country’s successive attempt to emulate the developmental paths of the East Asian countries and the large-
scale global reaction on the failure of neoliberal paradigm in developing world, particularly in Africa (Fourie, 2011; Fantini, 2013). The developmental state model in Ethiopia has two unique features such as both developmental and democratic behaviours. Therefore, the goal of the democratic developmental state in Ethiopia is to create a modern nation and this can be achieved through building rapid and sustain economic development. To materialise this, the country has already followed a green development path, for instance, most of the power generated in the country already comes from renewable sources, mainly hydropower. In this regard, the democratic developmental state in Ethiopia achieving rapid economic growth so far and paved the way to transform the economy towards industrialization (FDRE, 2011; Balema, 2014).

Even though the Ethiopian version of developmental state shares many of the common features of a developmental state from East Asian countries (such South Korea and Taiwan); the unique features of the country (for instance, the country is a multi-ethnic nation) taking into consideration (Fourie, 2011; Fantini, 2013; Balema, 2014). The state pays due attention for the good practices of success stories and tries to adapt according to the unique context of the country. In addition, the state has also given proper attention to design and development of far-reaching institutions, which are crucial to accelerate the socioeconomic structural transformations. Building an increasingly capable, credible, and committed developmental state with democratic credentials is indispensable to accelerate the development and democratization process (Daddi, 2013; Melke, 2013). Hence, the democratic developmental state model already in place started to achieve its primary goals enhance economic growth and transformation, and reducing poverty (Balema, 2014), though the pace of democratization is not as fast as economic growth. This difference resulted due to the institutional requirements needed to build democracy and achieve economic growth.

After the nation adopted the democratic developmental state paradigm, the state is able to design and articulate its long-term socioeconomic development strategies and programmes. The development policies and strategies have geared towards the priority agenda of reducing multidimensional poverty. Under this priority development agenda, the state has employed several socioeconomic policy instruments to tackle productivity and production challenges in the agricultural sector. Particularly, the agricultural-led development strategy further helps to boost the infrastructure and social services of the rural population consider as cornerstone for structural transformation. As the infrastructure expansion takes place successfully, integrations or linkages created among the sectors of the economy or between rural and urban economy. For instance, in the urban areas the developmental state considers Micro and Small Enterprises (MSE) development to address directly unemployment problems in urban areas. Such efforts of the state enhanced the well-being of the nation by attaining rapid economic growth, promoting social development, freeing millions of poor Ethiopian from the intergenerational cycle of poverty, and improving life expectancy of the nation. This indicates the nation’s economy proceeding into broad-based and sustainable economic development by the provision massive infrastructural and social development through extensive public investment.

In sum, besides designing coherent development policies and strategies and inspiring achievements in the economy, the democratic system needs further institutionalisation and practices. In Ethiopia, poverty is the most challenging factor that heavily affects the transition towards democracy. People, who live under difficult situations such as poverty and backwardness, lack the capability and time to practice their rights and responsibilities (Rahmato, et al., 2008; Balema, 2014). However, whatever challenges are there, the process of strengthening democracy has to go hand in hand with poverty eradication or development endeavours. The current economic development practice needs to push further until where it will eliminate major development obstacles in the economy and until realise a dynamic and viable economic environment. Only through significant economic growth, can democracy and economic development be further enhanced and consolidated, and their interrelation and interdependence can be sustained and strengthened. Democracy in Ethiopia is not an option rather it is the only means of survival as a united country (Balema, 2014).

3. The Role of Developmental State in the Provision of Basic Social Services

State intervention in the economy enhances socioeconomic development via allocating resources for health, education, drinking water and other social safety nets. The absence of state intervention in the economy has

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1 The democratic developmental model aims to build a political regime unique to Ethiopia, which is different from East Asia’s authoritarian developmentalism. In the Ethiopian context, it is difficult to postponed democracy for the sake of development. In the ‘multicultural, religious and multi-ethnic’ or a highly diversified nations, nationalities and peoples with different linguistic groups, diverse cultures and customs country like Ethiopia, democracy is not an option to achieve sustainable economic development and equitable income/wealth distribution rather it is a must. However, constructing a democratic developmental state is not without its challenges, which a country characterised as multi-ethnic nation with diverse economic and political interests.
shown increase in poverty incidence, inequality, and social exclusion of the poor from the benefit of economic growth. One of the features of developmental state is to improve the social well-being of the society because market does not care about for those who do not have ability to pay market price. The public service in a democratic developmental state essentially focuses on the delivery of basic services, which are crucial for economic and social development. It contributes to development by providing basic services and essential infrastructure necessary to help spur economic development and improves the lives of the communities, i.e. particularly the poor (Fakir, 2007). The skills and values required in providing the public service defined by state’s development priorities and challenges as well as the specific institutional conditions that exist or may need to create. Fakir further emphasizes “the important role of the public service in the development process. Specifically, he stresses the importance of development coordination, to ensure that the public service and other public institutions’ operations are aligning with the national development agenda. Functionally, he identifies several broad major interlocking functions of the public service in development governance regulating, administering, executing, mediating, and the delivery of ‘public goods’” (Fakir, 2007:1).

The public service has to be responsive to development challenges while being aware of the context and the environment in which it operates. The main basic services that are directly supported by the state at grassroots (village) level in Ethiopia are education, health, agriculture, potable water supply, electricity, and rural road infrastructure that have to be responsive to the development challenges. This indicates the fulfilment of such basic social services is crucial because today development has considered a more holistic endeavour and capability enhancing. Accordingly, health sector spending focuses on health extension workers (HEWs); education sector spending on teachers and school infrastructures, agriculture spending on agricultural extension workers, water sector spending on maintenance and operation, and rural road spending focuses on both maintenance and mobilization of the community to participate in new road construction (Bill and Melinda Gates Foundation, 2010).

The constitution of the Federal Democratic Republic of Ethiopia (FDRE) Article (90) sub-Article (1) in its social objectives recognized that: “To the extent the country’s resource permit, policies shall aim to provide all Ethiopians access to public health and education, clean water, housing, food and social security” (FDRE, 1995). For instance, the provision of clean water supply and sanitation had embodied in the Universal Declaration of Human Rights. The constitution of the FDRE also entitles all citizens to access clean water supply within available limits. It recognized that water supply and sanitation contribute to the creation of a healthy and active workforce that drives the national economy forward. Accordingly, access to water supply has measured against certain targets and benchmarks. Communities within a 1.5km radius of a public stand-up in rural areas, and within a 0.5km radius in urban areas considered to have access drinking water. The consumption standard is 15litters per day for rural and 25litter per day for urban. Based on these standards and benchmarks as of 2010 access to water supply was estimated at 68.5% nationally, with 65.8% in rural area and 91.5% in urban centres given the regional differences (Negash, 2011).

The country’s strong push to achieve middle-income status by the mid-2020s (MoFED, 2010; Negash, 2011), the federal, regional and district (Woreda) governments all assign high priority to attain development results quickly, especially in the provision of basic social service sectors based on the principle of universal access for all. The state has high expectations of better performance from its bureaucracy (state institutions) at all levels in the provision of basic social services to the society. These individuals, who are responsible for moving their communities toward specific development outcomes, are at the heart of the relationship between policy makers at the top and service providers as well as service receivers at the bottom (Khan, et al., 2014). Such promoting basic social service provision programme takes advantage of Ethiopia’s relatively well-developed system of fiscal decentralization to channel resources to Woreda to finance recurrent expenditures and efficiently deliver and expand services to the community at a grassroots level (Ibid).

For instance, HEWs promote preventative behaviours and provide basic or universal health interventions. This implies the HEWs promote healthy lifestyle practices in the community; i.e. particularly in the rural areas. Furthermore, the hiring of additional teachers related directly to increasing both gross and net enrolment rates in order to achieve universal primary education for all. The Extension workers are also to teach farmers about the benefits of improved farming techniques (such as the importance of improved seed, fertilizer, irrigation, watershed management and other modern farming practices) to boost farmers’ productivity and production.

The provisions of these basic social services and state’s expenditure have geared towards benefiting the lower-income population in order to narrow down the gap in income distribution. The development projects towards the social sectors emphasises on wealth distribution among the entire population in egalitarian manner as much as possible through creating access and opportunity for development. This implies the development strategies and public expenditures are both pro-poor and pro-growth in practice under the democratic developmental state paradigm.
W is the major force behind these changes through conservation formation. These all indicate The HEP has been successful largely because of investments in social households that can use either to compensate rainfall shortages or to and asset security and new asset formation. These all indicate creating access and opportunity for the smallholder farmers for development via mobilizing the community at local development programme and increasing the share of pro-poor public investment would help to achieve sustainable and egalitarian economic growth.

### 3.1. The Role of State in Provision of Health and Education Services

The developmental state in Ethiopia has shown a strong commitment to improve the health of its people and per-capita government expenditure on health increased in significant manner. A report commissioned by the Tony Blair Africa Governance Initiative, written by the staff of the Boston Consulting Group, praised Ethiopia as one of the SSA countries that has been most successful in translating recent economic growth into programmes that enhance the well-being of its population. For instance, those gains have driven in large part by improvements in healthcare and that the country has successfully instituted a primary health programme that is transforming the health situation of its citizens. The health extension programme (HEP) played a big role in the improvement of the primary healthcare service of the country and the HEW is the major force behind these changes through implementing the HEP (Baker, et al., 2013).

There is increasing recognition among international health experts that the community health workers (i.e. HEW) should play key roles within the formal health care system. Ethiopia is considered as one of the models in SSA countries in this regard (Singh & Sachs, 2013). The HEP has been successful largely because of the strong political commitment to strengthening health systems, with the ultimate goal of improving coverage and access to health service by the poor rural areas. Investment in HEW has been part of a wider package of HEP support services that is showing promising result regardless to some weaknesses that remain. However, this does not mean that all regions show a similar level of success (Admasu, 2013). This indicates the developmental state has shown strong political commitment and leadership, which has resulted in impressive health service coverage, including enhanced responsiveness to community health needs. Health planning and interventions are based on extensive consultation and consensus building with multiple stakeholders (UNDP, 2015).

Ethiopia’s HEP is a novel way to deliver affordably healthcare services to the majority of the community at the grassroots level. HEP brings community participation through creation of awareness, behavioural change, and community organization and mobilization. The key strategy is the organization of the ‘Health Development Army’ (HDA), a system for delivering key health messages to communities. The HDA is a community level movement that functions through participatory learning and action meeting. It is an unprecedented platform to engage the community in the planning, implementation, monitoring, and evaluation of health interventions at community level (Admasu, 2013). This indicates the developmental state has

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1. Natural resource management interventions such as afforestation, terracing, construction of check dams, the protection of wetlands can help to mitigate or reduce impacts of climate change pressure. For this reason, watershed protection is a key policy priority and forms of a central component of the Productive Safety Net Programme (PSNP) in addition to the free campaign, designed to strengthen rural livelihoods over longer term while offering cash or food for work in the short term (World Bank, 2010).

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![Table 1: Trends in pro-poor spending in total public expenditure (in %)](image-url)
demonstrated a robust progress in the health sector to promote the overall human development indicator. The HDA is the community movement, which helps to consolidate the gains from the HEP and promote community ownership of the programmes. It has also been formed as a means to meet priorities set in the health development programme. The Army consists of more than two million one-to-five peer networks that have been established nationwide (UNDP, 2015).

The HEP is one of the innovative community-based health services program schemes that introduced as a pilot in four regions of the country in 2003/04. As the Ministry of health (MOH) states, the HEP is designed to diffuse the relevant basic health services to the households to raise their awareness to safeguard their own and community health conditions (Ghebreyesus, 2010). Accordingly, to realize this about 34,382 female health extension workers (HEWs) were trained and assigned to every rural village and similarly about 5,080 HEWs have also been trained and assigned to urban centres to implement the HEP packages (MOH, 2010). The HEWs serve to their community as frontline health care staff; i.e. in increasing level of awareness and the primary spokespersons in the community on the importance of prevention of prevalence diseases as well as in family planning. Various evaluations from the low-income countries found the HEPs have very tangible effects on rural communities’ awareness of diseases prevention, family health, hygiene and environmental sanitation. Therefore, Ethiopia’s situation is consistent with the situation of these other low-income countries where decentralized in expenditure has been shown to improve health outcomes (Faguet & Ali, 2009).

Accordingly, the Woreda level spending appears to be pro-poor and pro-growth focus on health and education sectors to create access and opportunity for the community at local level. For instance, Woreda level education spending to be pro-poor with the bottom 40% benefiting from 56% of total expenditure and the top quintile (20%) benefiting from 13% of that expenditure. The incidence of per-capita Woreda-level spending on education was close to three times higher the bottom quintile than the top quintile. Similarly, for the health 63% of Woreda health expenditure accrued to the bottom 40% whereas only 10% accrued to the top quintile. For someone in the bottom quintile, the benefit incidence of per-capita Woreda health expenditure was more than three times higher than it was someone in top quintile (World Bank, 2014).

Table 2: Incidence of Woreda level expenditure by wealth quintile

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Bottom share (in %)</th>
<th>40%</th>
<th>Top share (in %)</th>
<th>20%</th>
<th>Multiple by which bottom quintile exceed top quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>56</td>
<td>13</td>
<td></td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>63</td>
<td>10</td>
<td></td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Both education and health</td>
<td>58</td>
<td>12</td>
<td></td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from World Bank (2014)

As Table 2) indicates spending on primary education and health care to be pro-poor at Woreda level while overall education and health spending by federal state is not necessarily pro-poor. Due to this essential expanding of primary education and health services, for instance, as Table 3) shows that the primary school enrolment rate and the primary health coverage are improving from their lower level in the 1990s (MoFED, 2013). Therefore, as a result of this accessibility to health care services, education and other social development measures taken by state has improved life expectancy from 46.4 years in 1991 to 59.3 in 2011 (USAID, 2012).

Similar to the health sector, the state is committed to achieve education for all and has developed an education policy to improve access to quality basic education. Indeed, the education sector has undergone impressive expansion in recent years through the growth of both formal and informal education programmes. The state has consistently increased its expenditure on education and this does not mean that expenditure on education is equal across regions and across rural and urban areas among regions of the federal government as well within a given region. This difference in expenditure leads to difference in access and coverage among regions and between rural and urban areas due to different social, cultural, economic way of life and commitment of state institutions at different levels. The largest proportion of recurrent expenditure at Woreda level is allocated to primary education, which is in line with the government’s commitment to realise equity and access to basic education to achieve the goal of universal access of primary education for all.
Agriculture is the backbone of the Ethiopian economy and underpins inclusive and broad-based growth. Under the ADLI long-term development strategy, agricultural growth expected to spur industrialization through backward and forward linkages. Moreover, agricultural development would be part of a broader rural development strategy including rural infrastructure development, expansion of education and improved health services. ADLI thus provided the guiding framework for successive medium-term development plans (Dorosh & Rashid, 2013). Agriculture sector requires better technologies to boost productivity and to raise farm income at household level. Deliberate and organised research demonstration at farm level is needed to produce better technologies in agriculture sector. Once new agricultural technologies produced, they need to be delivered to the

Table 3: Social sector development in Ethiopia before and after developmental state

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Before 1995/96</th>
<th>2002/03</th>
<th>2005/06</th>
<th>2009/10</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health coverage (%)</td>
<td>40</td>
<td>60</td>
<td>71</td>
<td>89</td>
<td>93.4</td>
</tr>
<tr>
<td>Number of health centres</td>
<td>246</td>
<td>412</td>
<td>644</td>
<td>2142</td>
<td>3100</td>
</tr>
<tr>
<td>Number of hospitals</td>
<td>73</td>
<td>115</td>
<td>131</td>
<td>200</td>
<td>na</td>
</tr>
<tr>
<td>Education coverage (%)</td>
<td>36.6</td>
<td>61.6</td>
<td>69</td>
<td>82.1</td>
<td>85.9</td>
</tr>
<tr>
<td>Primary school NER</td>
<td>na</td>
<td>17.1</td>
<td>25</td>
<td>38.1</td>
<td>39</td>
</tr>
</tbody>
</table>

Source: Compiled from CSA (2011) & MoFED (2010)

There is no doubt that, education is considered as one of the most important precondition tools for social and economic development and it is a powerful catalysts in the process of modernization of the society. In particular, formal education provides the necessary skills for nation building, improves the quality of labour and other resources, paved opportunities for social mobility, and increases aspiration and change attitudes. Accordingly, Ethiopia places particular emphasis on education and training policies as an important lever for enhancing productivity and production as well as employment generation. As a result, the country has made significant progress in expanding access to primary education and has successfully reached a gross enrolment ratio in primary education comparable with other middle-income countries though the overall education profile remains low (World Bank, 2015).

On the other hand, the largest proportion of capital expenditure for education is allocated to secondary educations, technical, vocational education and training (TVET) centres and higher education institutions. For instance, up to 2002/03 there were only two universities and few colleges at national level. After the country adopted the developmental state paradigm, the state paid due attention to human capital development and expanded a number of higher education institutions aggressively. In 2004/05, there were only eight public Universities and today this number increased to thirty-three. Furthermore, government has laid the foundation to build another thirteen new Universities in the coming five-year medium-term plan period, 2015/16-2019/20. In addition to Universities, there are hundreds of colleges and TVET centres throughout the country, which are good mainly in supplying or training middle-level young labour forces equipped with some level of theoretical and practical skills. Such huge public investment in education indicates how the developmental state of Ethiopia is committed to build the necessary human capital and how far it understood the crucial role of human capital development for efficiency and innovative development process.

Today, the educational policy direction is expanded secondary enrolments and directed tertiary enrolments into science and technology, which will have a direct relation to the emerging economy. Skill development is an issue that given priority by the developmental state because it is central to both capability enhancement and ultimately to national prosperity. However, progress in education achievements has not been without challenges some of the challenges are: first, the quality of education has been deteriorating though the government is now making efforts to improve this through school improvement programme financed under the general education quality improvement programme (GEQIP). Second, budget allocation in the sector should be channeled to quality improvement, but school facilities seem to face serious operational budget constraints. Fourth, about 35% of recurrent budget for primary education is funded through external aid, a trend that may not be sustainable in the long-term (MoFED, 2013). Whatever the challenges, Ethiopia as one of the developmental states would need to build continuously its human capital to achieve its national prosperity. Available human capital creates new opportunities for absorbing innovative technologies and knowledge. Economic growth could be more stable due to investment in human capital beyond investment in physical infrastructure, which is a key for diversification and transformation of the structure of the economy.

3.2. The Role of State in Augmenting Agricultural Extension Services

Agriculture sector requires better technologies to boost productivity and to raise farm income at household level. Deliberate and organised research demonstration at farm level is needed to produce better technologies in agriculture sector. Once new agricultural technologies produced, they need to be delivered to the
farmers. To demonstrate the value of the new agricultural technologies to the farmers and teach them how to use them and eventually scale them up, therefore extension services are crucial institution at community level (Chang, 2009).

Agricultural extension service is seen as a key element for enabling farmers to obtain information and technologies that can improve their livelihoods and recognised as an important factor in promoting agricultural development. From a development policy perspective, investments in extension service have considered as potentially essential tools for improving agricultural productivity and increasing farmers’ income (Anderson, 2007). Consequently, countries have been implementing various agricultural extension programmes to improve agricultural production and productivity, and overall rural livelihoods. The adoption of improved agricultural technologies and better practices is the core of extension interventions. Target farmers in extension need to pass in a certain process before achieving their ultimate goal of improving productivity and production. The process includes awareness, knowledge, adoption of technology and change in farmers’ productivity (FAO, 1997).

Bringing agricultural growth has been a main agenda for most of the developing countries; investment in extension service is important for improving agricultural productivity and increasing farmers’ income. Therefore, most SSA countries have been providing agricultural extension services for the last several decades even if the modalities have shown changes over time. Most extension models have common characteristics like addressing farmers without restrictions, using mass communication methods, extension agent-farmers’ relations, farmers-to-farmer extension, placed professional extension workers at village level (Andersen, 2007). However, agricultural extension services in many developing countries have been of poor quality, have been underfunded and suffering from poor coordination with agricultural research. Extension of new knowledge will be effective when the farmers are able to absorb the new knowledge successfully and even make further incremental improvements (Chang, 2009). Therefore, extension systems need to expand beyond technology transfer for the major food crops to achieve short-term national food security via boosting expenditure on it. As developing countries achieve rapid economic growth, consumption patterns begin to move towards more high-value crops and livestock products. Increasing both domestic and global market demand provides many new economic opportunities especially for smallholder farmers to increase income due to increasing their productivity and production (Swanson, 2009).

Ethiopia is probably the African country with the greatest state involvement in the agricultural sector through its developmental state paradigm under policies and strategies geared towards achieving rural and agricultural transformation putting smallholder farmers at the centre. So, agriculture sector has praised with relatively highest level of public investment. For instance, public expenditure on agriculture and rural development accounts about 16% of total public spending or annual government budget, among the highest rates of spending in the continent (Davis, et al., 2010; Bill and Melinda Gates Foundation, 2010). This significant involvement can promote the sector by providing basic rural infrastructure and change the rural livelihoods. This considerable government’s commitment towards building rural road, irrigation infrastructure, health post and centres, schools, potable water and other basic infrastructure are crucial to accelerate rural development program. Some of the basic benefits of the extension services, which have taken into consideration by stakeholders to strengthening the extension system, are first, “achieving national food security through technology transfer”. Second, “increasing farm income through a more market-driven extension strategy that will enable farmers to intensify and diversify their farming systems”. Third, “empowering farmers by getting them organized into groups (social capital) based on common interests, to gain more efficient access to both inputs and markets”. Fourth, “promoting sustainable natural resource management practices to address soil fertility, land degradation, water resource and other major problems” (Swanson, 2009).

Accordingly, to satisfy these basic benefits of the extension services, the primary goal of the state is to assign three development agents (DAs) in each rural village to look after crop production, livestock, and natural resource management. In addition, one veterinary worker is assigned for three Villages (Tabias) as well as cooperative agents. This is due to the fact that, the provision of key physical inputs to agriculture needs some government involvements because of the public good characteristic of some inputs and requires huge investment for the provision. Overall, the country has allocated about 60,000 Das (see Table 4). Given that, there are approximately 21.8million adults (aged18-65), who are active in agriculture, and then it could be roughly one DA to 476 farmers. This is one of the highest ratios of extension agent-farmer found around the world and therefore, through continuous capacity building of the extension agents the country would provide an excellent extension service to the farmers.

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3 This is much higher than the Maputo Declaration (2003) African governments in acting on their commitment to allocate “at least 10% of national budgetary resources to agriculture and rural development”. On the basis of the most recent evidence, only seven countries have achieved the 10% target.
Table 4: The ratio of Development Agent (DA) to farm households

<table>
<thead>
<tr>
<th>Indicators/countries</th>
<th>Ethiopia</th>
<th>China</th>
<th>Indonesia</th>
<th>Tanzania</th>
<th>Nigeria</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No. of DAs (000)</td>
<td>60</td>
<td>800</td>
<td>30</td>
<td>7</td>
<td>5</td>
<td>60</td>
</tr>
<tr>
<td>Farmers per DAs</td>
<td>476</td>
<td>625</td>
<td>1,667</td>
<td>2,500</td>
<td>3,333</td>
<td>5,000</td>
</tr>
<tr>
<td>DA per 10,000 farmers</td>
<td>21</td>
<td>16</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Adapted from Davis et al. (2010)

This indicates government has invested substantially in infrastructure and resources required to create a strong agricultural field extension presence and it is committed to further expanding this so it can become one of the most intensive systems in the world (Davis, et al., 2010). Government acknowledged the need for enough trained human resources for the extension programme in order to continue to bring high rates of adoption of improved agricultural techniques and boosting productivity and production. The plan to use the Agricultural Technical and Vocational Education and Training centres to train DAs have undertaken since early 2000s. In addition, more than 10,000 development hubs or Farmers Training Centres (FTCs) at the Village (Tabia) level have identified as a critical resource centre needed to enable deliver extension services. The FTCs are designing as community level focal points for farmers to receive information, training, demonstrations and advices related to their farming livelihood. FTCs are managed at the Village (Tabia) level and funding for capital and operational costs come from the Woreda administration. FTCs are at different levels of performance stages within the region, Woreda and among regions but generally, they are a strong public asset base that a country can build on and open the opportunity to establish a truly extension service in the future.

The demonstration fields (the FTCs) have great potential to run as effective revenue generating and teaching tools to demonstrate to farmers how they can increase their farm income. Some of the FTCs are introducing many technical and market-driven innovations to farmers, such as “zero grazing” which accelerates the fattening of both cattle and sheep and then allows for the efficient collection and use of manure for both organic fertilizer and cooking fuel (Davis, et al., 2010; Bill and Melinda Gates Foundation, 2010). As a result, model farmers are already using more intensive production packages and, simultaneously, they are changing their farming systems, including double cropping and beginning to produce different high-value crop and livestock products. Most model farmers are ready for change and see the extension programme as the primary source of information, training, and advisory services that can help them increase their farm income.

To strengthen agricultural extension services in particular and overall rural development in general, the developmental state already launched farmers’ movement known as “developmental army building” (‘Yelimat serawit ginbata’ in Amharic) in main development fronts such as in agriculture, education, health and the movement is showing modest result yet and need to capitalize it further. Since 2011, the developmental state encouraged the establishment of new micro-institutions below village level aiming to rationalize development interventions, input distribution and experience sharing on their farming practices. As Chinigó (2014) explains, there are at least two different types of farmers’ organizations. First, the “developmental army (‘Yelimat serawit ginbata’ in Amharic) in different development fronts, which is a group composed of 25-30 farmers from the same neighbourhood with the task of promoting social, economic and political development”. The second is “one to five network where one of them is the model farmer their representative vis-à-vis local government”. Both these institutions serve as rationalizing agricultural production, improving input distribution, and piloting new development projects. These help to improve local government’s ability in serving farmers and spreading development opportunities up to individual farmers.

To motivate the farmers, agricultural extension workers and other stakeholders, there is a yearly farmers’ festival organizing at district (Woreda), regional and national levels to award best performer farmers and other stakeholders who performed well in the agriculture sector. In this yearly farmers’ festival, selected model farmers, best-performing DAs, agricultural researchers and other stakeholder who support the agricultural sector are part of the award and motivation. This is a kind of motivation provided by the developmental state to boost the agricultural sector and to encourage for the rest of farmers and stakeholder to exert their development endeavour. In Ethiopia, extension service is provided primarily by the public sector, operating in a decentralized manner through which extension programme implemented at the Woreda and village levels under Office of Agriculture and Rural Development, Farmers Cooperative Agency and FTCs respectively. The extension service emphasises on technology adoption (fertilizer, high yield verity seeds, irrigation, pesticide, and insecticide), boosting productivity, and production, livestock, and natural resource management. Basically, the main objectives of the extension service are to improve income of the farm livelihood via increasing productivity, ensure self-sufficiency in food production, and promote farmers’ organizations like farmers’ cooperative association and water users association, increase production of export crops, conserve natural resources, and to achieve inclusive participation in development.
Therefore, based on the experience in different transitional countries, like China, India, Indonesia, and Vietnam, both domestic and international markets for different high-value agricultural products are rapidly increasing. These changes in market demand offer important new opportunities for smallholder farmers to increase their farm income and to improve rural livelihoods. These new high-value crops and livestock products are also more labour-intensive; therefore, these enterprises can create new employment opportunities (Swanson, 2009). Furthermore, as empirically documented the experiences of India and other Asian countries, agricultural extension systems that begin focusing on and facilitating farmers’ innovation to produce market-driven products can play a significant role in increasing farm income, improving rural livelihoods, and accelerating the agricultural development process (Singh, et al., 2006). Hence, the extension service practices in Ethiopia are more or less consistent to the above empirical evidences from the emerging developing countries of Asia.

However, this does not mean that the extension service sub-sector is free from any constraint and equally benefit for all groups of the farm households. Similar to other social development sectors there is a difference among regional states as well as among Woredas and villages in terms of expenditure, performance, and commitment of stakeholders, beneficiary farm households, and agro-ecological disparities. Though spending on agriculture extension at Woreda level increases in use of improved farming techniques for all groups of farmers; in contrast to education and health, the magnitude is relatively low in the bottom quintile, which may reflect financial constraints in purchasing and investing in improved techniques (World Bank, 2014; Khan, et al., 2014). Constraints for the poor farmers in the agricultural sector that among other things input prices are a major constraint for poorer farmers in adapting more productive crops and chemical fertilizers. The state could address such constraints by improving access to rural finance through expansion of rural credit and saving institutions as well as credit cooperatives (Ragasa, et al., 2012).

4. Discussion

The backbone of the East Asian developmental state success is the existence of committed political leadership and strong bureaucracy or state institutions are few among others that contributed for the success of the developmental state paradigm. The political wing in these countries gave relatively full autonomy to civil servants or state bureaucracy and they have the right to decide in economic issues (Johnson, 1982; Asayehgn, 2012). In Ethiopia, the developmental state is tried to include the civil servants in the movement towards eradication of poverty and transformation of the nation. Moreover, the civil servants playing their role in the developmental army building process in major development fronts at the community level. However, the link between the civil servant and the public is weak and it has not reached to the level at which the East Asian developmental state was and considerable effort is needed to strengthen the linkage at all levels (Asayehgn, 2012; Melke, 2013). Consequently, there is a need of improvement in public administration sector that could make employees of various institutions to be politically neutral and professionally competent if Ethiopia desires to use the state bureaucracy as a vehicle to tackle the deep-rooted developmental problems.

For instance, as a recent study by the World Bank on the public sector reform programme in Ethiopia reveals, there is an overall improvement across the various levels of government bureaucratic institutions with some capacity limitation (World Bank, 2013). Civil servants have clearly divided functions, they are recruited based on meritocracy, manage the Ethiopian bureaucracy, and have improved their skills via various experiential learning seminars and trainings (Asayehgn, 2012). However, it is difficult to conclude that these bureaucratic institutions are purely autonomous rather influenced by the ruling elite. This implies it is not reached to the levels of Botswana and Mauritius democratic developmental states and the previous East Asian developmental states as Johnson (1982) termed a notion “politician reign” and the state “bureaucratic rule”.

However, Ethiopia is one of the emerging democratic developmental states in Africa that largely satisfy the prequisites of democratic developmental state paradigm. A few among them are the presence of development-oriented and committed political elites, commitment to build vibrant and far-reaching institutions, state bureaucracy and the adoption of long-term development plan to achieve its long-term grand objective; i.e. to join into the middle-income club by 2025. Furthermore, agricultural land distribution/reform, rapid and sustainable economic growth, fight against corruption and rent seeking incidences, promotion of egalitarian economic growth via the pro-poor and pro-development intervention, create development opportunity for all, reducing level of extreme poverty almost by half yet, provision of basic social services up to the village level are a few among others (Daddi, 2013).

Ethiopia adopted a democratic developmental state model to attain favourable socioeconomic development transformation. For instance, to materialise this, expansion of both hard (tangible), and soft (intangible) infrastructure as component of the economy’s endowment could be a cornerstone for further expansion of the economy via allowing the private sector to invest in the productive subsectors and to improve the well-being of the nation. For instance, some of hard infrastructures are road, railway, airports, telecommunications, energy and electric grids, irrigation and other public utilities where as soft infrastructure
consists of institutions, regulations, social capital/networks, human capital, value systems, and other social and economic arrangements which would be useful to accelerate the development process as well as reducing the existing widespread poverty. Ethiopia has made significant progress in expanding access to primary education and has successfully reached a gross enrolment ration in primary education comparable with other middle-income countries. However, the overall education performance remains low and further efforts need in the future; the same is true in the health sector.

The developmental state strengthens its investment further in expansion of human capacity or capability to empower youth and women to sustain the development process and consolidate the consensus on the developmental state projects. The emerging developmental states in is committed to invest substantial amount of resource in social sectors to strengthen the country’s human capital capacity to management of resource rents and efficient utilization of these resource to diversify its economy. The developmental state in Ethiopia could struggle to build up the necessary human capital and physical infrastructure through considerable public investment that are required for eradicating the wide-spread level of poverty. This would only be achieved via investment in social policy programmes such as education, health care, water and other social infrastructure. Therefore, the state should invest in Research and Development (R&D), science and technology to satisfy the required human capacity in particular and human capital development in general to accelerate industrialization and sustain economic development.

5. Conclusions

Ethiopia registered robust, broad-based and inclusive economic growth over the past decade plus since it adapted the democratic developmental state paradigm. Ethiopia’s economic development is impressive and the country is praised with unprecedented economic growth and different socioeconomic improvements. Ethiopia becomes one of a few fast growing countries in the world and its growth success is peculiar to other emerging African lions in many respects. Firstly, it is one of the African countries, which achieved a remarkable economic growth without having extracting natural resource; i.e. its economic development is more or less people centred. Second, it is one of the African states that reduced level of extreme poverty by half, which is the result of the tremendous efforts exerted economic and social sectors via pro-poor and pro-development policy innervations. Third, the existence of committed and developmental-oriented leadership guided by realistic vision and long-term and five-year mid-term development strategies. However, economic development achieved yet is not adequate to ease the poverty burden of the country. Further efforts required to accelerate socioeconomic progress with poverty reduction endeavours at the centrepiece of its development strategy.

As a result, level of poverty in Ethiopia has decreased significantly below 30% as of 2011 from where it was about 58% in 1995, which is the result of the tremendous effort exerted in the pro-poor and pro-development on economic and social sectors. Rural development (agriculture) is at the centre of the success in improving the social well-being and registering high economic growth via articulating and implementing suitable policies and strategies by developmental state. Investments made in basic social services and implementation of conditional social security programme such as Productive Safety Net Programme (PSNP) contributing for poverty reduction and improving the well-being of the rural poor. This implies the developmental state in Ethiopia played a crucial role in the economy via providing basic social services, investing in pro-poor and pro-growth economic sectors that boost equal resource distribution.

The practice of context specific development approach, that build democratic developmental state based on the consent of its people has enabled the country to establish a stable political economy and register high economic growth, and improves the well-being of the majority via improving the basic social services at grassroots level. This means, the effort of rural development is not end within agriculture sector; rather it has positive spill over effects on the overall development process. Much of the public spending on road, electrification, communication, education and public health, extension services took place in rural areas, where majority of the population live have contributed for the transformation of the rural livelihoods to manufacturing and service based economy. This transformation will happen through strong rural-urban linkage and increasing level of investments in both hard and soft infrastructures to strengthen the physical and human capital of the nation.

References


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