Poverty and governance in post-1991 Ethiopia – a political-economy study


Philosophiae Doctor (PhD) Thesis

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Abstract

In the post-1991 period, Ethiopia has committed itself to breaking the vicious cycle of poverty through various poverty reduction strategies. Although there have been remarkable achievements, poverty remains an obstacle to realising sustainable growth and redistributive justice. The existing literature and research findings on the status of poverty in the country indicate by-and-large that poor economic performance has been a root cause of persistent poverty. However, the cause and anatomy of poverty goes beyond purely economic factors.

This study argues that the political-economy order is a structural cause of poverty. It further illustrates that poverty is an outcome of power relations rooted in property rights, particularly land ownership; the ability to be represented and to be able to make decisions; and participation in local institutions. The study employed mixed methodology and analysis by using both qualitative and quantitative approaches; particular data collection methods included interviews, focus group discussions, a household survey and field observations. The systematic random household survey covered 518 households in three regions (SNNPRS, ANRS, and ONRS). Specific data collection activities were carried out in eight purposefully selected rural Kebeles (Peasant Associations).

The study results show that poverty continues to be pervasive in Ethiopia. The causes are rooted in power relations, property rights, wealth distribution and the quality of governance. The structures of power relations and resource distribution in the post-1991 period have been built around emerging rural elites who control the state machinery under the leadership of the Ethiopian People Revolutionary Democratic Front EPRDF. In contrast, the peasants in the rural areas of the country continue to play a marginal role in the political process and wealth sharing. The fragile market structure is dominated by the state and firms affiliated to the ruling party, which has resulted in a weak private sector. Thus the role of the market in wealth generation and allocation, and in shaping and improving societal outcomes is limited.

The post-1991 restructuring exercise introduced an ethnically organised federal structure: state power is divided between regional bodies and the federal state, and governance is decentralised to the regions and, to some extent, to zonal and Woreda-level administrations. However, the Kebeles – the lower-level local administration structures – have not been given any significant power. Although decentralised governance increased the penetration capacity of the state to the lower level of administration, it did not bring any significant drop in various dimensions of poverty. Poverty (in terms of household income) has declined since 2002, but is still pervasive in terms of other (non-income) indicators. The control of land by the state, and absence of land tenure reform has resulted in extreme poverty for tenants whose livelihoods have stagnated on subsistence farming. Powerlessness and problems related to access to, and security over land, accompanied by fragile institutions, have resulted in a weak society. There is a lack of viable and effective local actors to expedite local economic development. The political-economic drivers of poverty can therefore be attributed to power structures, institutions, and actors (or the lack thereof). The situation is exacerbated by policy conundrums and inadequate intervention strategies. Despite recent economic growth, the majority of rural farm households have remained poor and vulnerable to cyclic food insecurity.

Keywords: poverty, governance, market, state, power, Political economy