

THE PARTY THAT CONSUMES THE STATE: THE RISE OF OLIGARCHY IN POST-1991 ETHIOPIA.

Abstract

Economic development is inherently political and it becomes even more so when maneuvered by a coalition party that attempts to steer the direction of economic transformation politically in the presence of a meagre independent private sector. The coalition party, the Ethiopian People's Revolutionary Democratic Front (EPRDF), that has held onto state power since 1991, has introduced political and economic changes that changed the face of the country. The coalition has held state power to date, although a critical power shift in the coalition occurred in 2018. Some of the changes introduced by the regime since 1991 include the radical political re-configuration of the Ethiopian state into an ethnic federal structure with associated decentralization, and the economic policy shift from a command economy to a market economy with unique characteristics akin to market socialism. The ruling party has claimed that political power has been decentralized and political equality (especially of groups) respected and celebrated. Economically, the regime has emphasized that Ethiopia's unprecedented economic growth uplifted the country and that growth has been shared and felt by many. This research project questions and examines the political claims and economic realities of EPRDF's Ethiopia with the help of elite and oligarchy theories in order to discover whether and to what extent the reforms have resulted in a concentration of political and economic power in the hands of the party-state and its elites.

The thesis studies power concentration through an examination of how the top echelon of the party apparatus has amassed political power and has managed to project that power on to the economy and the mechanisms associated with the politics-wealth nexus for close to three decades. This would contribute to answering the question whether the political and economic liberalization under the EPRDF regime served the citizens and (ethnic) groups that the regime claimed (and maybe wanted) to serve. In this regard, the thesis first studies the concentration of political power by the core party, the Tigray People's Liberation Front (TPLF), inside the ruling coalition EPRDF by examining how political power rested in the hands of a small group of party cadres. Further, the thesis investigates the politics of Ethiopian development by studying the main economic actors that were groomed to lead the industrialization and construction spree, which contributed to registered economic growth. Next, the thesis attempts to identify the relationship between political elites and economic actors such as party-firms and state enterprises as well as business elites in Ethiopia. Finally, the thesis tries to go beyond the political economy of EPRDF's Ethiopia; it makes a comparison with Rwanda to examine the mechanisms that underlie the concentration of power in the hands of a few actors who precipitated the emergence of conglomerates that have been owned and run by party and military elites.

The main argument of the thesis is that an Ethiopian oligarchy has emerged under the EPRDF regime, as manifested in the political economy of growth, the creation of major conglomerates

and the holding onto state power by ruling party elites. The thesis shows that the reference to some leftist ideological principles as well as the policies and practice of the regime have obscured the concentration of political and economic power by the politico-military elites. This process of oligarchization has disregarded the participation of many free-spirited entrepreneurs in the economy, giving opportunities mainly to party and state business people and political acquaintances. The ruling EPRDF has not only been able to consume the state through establishing an intimate relationship between political power and wealth, but also seems responsible for the introduction of a particular business culture that hinges on political connection rather than hard work. The comparative causal analysis between Ethiopia and Rwanda has shown that political insecurity of the parties and the use of business to stay in power are the underlying causes of the emergence of the politico-economic power concentration in the two economies. By expanding the theoretical assumptions of oligarchy from the politics of wealth defence by individual oligarchs to oligarchic politics as an the instrument of party and state, the thesis argues that power expands and is concentrated through the use of the party apparatus, state enterprises and networks of politically connected business elites.

Key words: Oligarchy, Ethiopia, Ideology, military business, Rwanda