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## **THE IMPACT OF THE WASHINGTON CONSENSUS ON DEMOCRATIC STABILITY: THE CASE OF ETHIOPIA<sup>1</sup>**

IN THE 21<sup>ST</sup> CENTURY structural adjustment has been reformulated within the developing world to achieve poverty reduction by implementing donor and local elite negotiated poverty reduction strategy papers (PRSPs) and also to achieve the Millennium Development Goals (hereafter MDGs).

In the case of Africa, many states are expected to be able to meet these two objectives. The twenty year period of structural adjustment is supposed to have prepared them to meet these goals. The question is whether structural adjustment has been conceptualised in a necessary and/or sufficient way to help meet these goals? The answer is of course no. The main weakness of the structural adjustment approach coming from the Washington institutions is the rupture of the economy from politics. One of the key weaknesses of the structural adjust-

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1 For a substantive critique of the 'poverty reduction' rhetoric from the donor world, see the chapter by Muchie, Mammo "New Analytical Perspectives on Poverty and Violence Eradication in Radically Unequal Societies: a Mathematical Representation" in Muchie, Mammo and Xing, Li (editors) 2006 *Globalisation, Inequalities and the Commodification of Life and Well-Being* (London: Adonis - Abbey Publishers).

ment ideology is the sufferance of what Karl Polyani calls the rupture or disembedding of the economy from society. The economy was conceived separately from the politics that should guide it. The market is seen as a technical instrument devoid of political implications. The economy was supposed to be managed technocratically and politics was to enter into the economy adjusting itself to serve mainly narrow economic goals dictated by market and private relations. By applying this twisted logic, a process was set where autonomy and accountability, growth and redistribution and consensus and inclusiveness moved in opposite or bifurcated directions.

### **STRUCTURALLY ADJUSTED GOOD GOVERNANCE VS. DEMOCRATIC GOVERNANCE?**

The case of Ethiopia illustrates this dilemma emanating from structural adjustment policies. I shall illustrate the point by taking the issue of governance. It is a truism that poverty eradication without a foundation in democratic governance will unravel or will not be irreversible. Only democratic governance and not what is often sold as '*good governance*' provides the necessary condition for doing away structurally with poverty at the root. The difference between *democratic governance* and *good governance* is significant. The donors invented what they call '*good governance*' and mean by it anything but democratic capacitating of citizens. By good governance, they stress very often authoritarian managerial ability such as: capacity to repress a people to keep law and order with authoritarianism, technocratic ability to implement donor-local elite negotiated agenda such as the so-called poverty reductions strategy papers and Millennium Development Goals (MDGs). As long as a regime controls the people and is willing to follow the foreign policy of the major donors, it can even qualify for special ally status. This has been the way the so-called '*new generation leaders*' have been selected in Africa, not how democratic they are to their people, but how '*good*' and receptive they are to the donors. It is the donors that dubbed them as '*new generation leaders*' and not their own people! None of them are qualified as '*new*' for practising any form of democratic governance. It is their volunteered '*commitment to poverty reduction, economic growth and support to global security interests*' that have been considered for their positive evaluation, graduation and qualification. And they have been feted and given generous budget support despite the fact they have been violating human rights, repressing the people and violating the rule of law and basic freedoms in their societies.

In some cases of '*good governance*', donors recommend what they call civil society oversight of the state. But the sort of civil society that gets invited or selected to do the oversight is often loyal to the regime

and makes often inconsequential criticisms. It has been used to forestall real participation by the appearance or form and not the content of real popular participation and inscription of people's interest in the state. Loyal civil society is often recruited to legitimise authoritarian action by undemocratic regimes and injures real democratic progress by postponing the participation of the people under the guise that they have representatives that are assumed to carry out oversight of the state, regardless of whether the agents such as NGOs from civil society represent constituencies or not.

Standing for, and qualifying for democratic governance is a wholly different conceptual matter vis a vis standing and qualifying for good governance. The opposite of good governance is bad governance. Good and bad in relation to governance connotes degrees in capacities to govern. That ability can be with or without democratic accountability and legitimacy. It connotes degrees of effectiveness and capacities based on criteria that may or may not include democratic dispensation.

The opposite of democratic governance is either non- or/and anti-democratic governance. This explicitly factors in democracy as the bedrock for measuring the effectiveness and capability of governance. This is not thus a semantic quibble. It relates to a substantial way by which donors frame the politics and economics of the governance of the development process.

Democratic governance is based on people's choice. It puts at the centre people and their real and effective presence or participation in Government directly or through their legitimate representatives. Good governance centres elite capacity to govern and manage economic growth. It focuses more on the economy and security rather than politics and democratic development in a country. In democratic governance, legitimacy comes from people and society and not external donors. Democratic governance stresses political capacity based on people's voices and choices and not authoritarian managerial and technocratic ability to employ authoritarian methods to deal with poverty. Democracy capacitates the citizen, the society and the people by making the state accountable. Democratic Governance shuns authoritarianism and celebrates democratic accountability to the rule of law and human rights and the protection of basic freedoms. The major donors have been often lukewarm to democratic governance and quick to prefer and advocate what they describe as 'good governance', in the form of what they often describe as capacity building. Democratic governance capacitates the individual, the society and the people and the nation. Dictatorship in Africa debilitates, while democracy can revitalise and infuse life with a spirit of freedom to create, imagine and make futures.

### **MEETING MDGs?**

Is Ethiopia or for that matter, indeed much of Africa on target to meet the MDGs? According to a 2005 report by the IMF and World Bank, the prospect that the MDGs would be met by 2015 appears dim. So what does it mean when World Bank officials claim that the regime in Ethiopia is committed to poverty reduction and meeting MDGs? Why is it that Ethiopia is still a food-dependent economy? How can a country be truly sovereign when it begs the most essential matter of all—food for the people in a country that has enough arable land to feed not only itself but even much of the people in the Middle East? What kind of economic management and capacity has this regime? We know it has a capacity to kill, but to create economy and food security after 15 years in power, that we have not seen, much as we would like to.

Even when donors laud success, it is often at the expense or loss of what will build an African national economy. Take the case of the cut flower market. Donors laud economies like Ethiopia's entering the cut-flower market. The weird thing about it is that a lot of the East African economies are involved in this cut-flower business. The source for the cultured seed for the flowers comes from Holland. Donors talk about how these economies are on the move and the example of success that was bandied about is cut-flower. What is interesting is that large arable land is devoted in all these regions to this business and the seed producer has the last laugh creating many sources for production thus creating reduction in prices prompting each economy to increase the volume of production. Is this sensible economic management? Whatever happens to African regional integration when economies not only compete for the same markets on primary commodities, but also on value added manufactures? In Ethiopia who benefits from this trade and who owns the cut-flower business? That is yet another matter donors do not see before they praise a regime on its success in the cut flower business.

### **POVERTY REDUCTION?**

The story of the regime's commitment to poverty reduction is no different from the failure to meet MDGs. Even if this donor assessment of the regime's assumed commitment to poverty reduction were to be taken at face value, commitment to poverty reduction should not be used to deny commitment to democracy. In fact if a government is not able to resource self-reliantly poverty reduction, deploy institutions, put in place systems and incentives, and implement policies based on democratic legitimacy, there is no doubt the commitment to poverty reduction would end up being shallow or even misguided. It is to be disingenuous by donors to repeat the commitment of the Meles

regime to poverty reduction while watering down the much needed donor understanding and resolute stand on the side of the people that revealed their own agency for democratic governance on May 15, 2005 so splendidly. It is not simply enough to praise tyrants who kill and exonerate their dictatorial sins for their subservience to ideas for poverty reduction that are doomed not to lead to an irreversible eradication of poverty from Ethiopian soil by launching a simultaneous white revolution (milk production), blue revolution (water production) and green revolution (agricultural food production) in the Ethiopian country side. Deep democracy is the necessary foundation for the eradication of poverty in Ethiopia by creating the legitimacy to undertake the much over due green, blue and white revolutions in the world of the Ethiopian country side.

### **CONCLUDING REMARK**

Donors must understand that poverty reduction by itself does not make regimes democratic no matter how much this is repeated in their rhetoric. The distinction between 'good' and democratic governance remains critically important conceptually and in relation to the implications to policy decisions and implementation strategies. To overlook the distinction is tantamount to fighting democracy itself in Africa under the guise of fighting poverty. Dyed in the wool tyrants in Africa are tolerated when they must be fought and told off in no uncertain terms for violating democracy because they are assumed committed to poverty reduction (mind you not poverty eradication!) Unfortunately, the donors are trapped by their own discourse of preferring to subordinate democratic governance to regimes' gratuitous claims of commitment to poverty reduction and meeting the MDGs. This donor argument does not stand up to critical scrutiny, and unfortunately makes their feeble stand against tyranny to be politically, morally and intellectually susceptible.

The donors must not rupture commitment to democracy and commitment to poverty reduction and meeting MDGs, if they wish to be politically, morally and intellectually sensitive and consistent. That requires they learn to be different actors, which is not easy to be. They learn to ditch the Washington consensus which is easier said than done.