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**INDICIA OF THE DEVELOPMENTAL STATE
CONCEPT IN THE ETHIOPIAN HIGHER
EDUCATION**

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Abstract

Modern higher education in Ethiopia has a short history of a little over six decades. Over the past two decades there have been tremendous reforms that aimed at expanding and modernizing the higher education subsector to enable it make meaningful contributions for the country's development. On the other hand, in the past decade there has been a lot of debate on the nature of the Ethiopian developmental state. However, all the debates are focused on economic issues, leaving education out of the picture. It is against this background that this study attempts to shade a light on the nature of the Ethiopian higher education taking the perspective of the developmental state paradigm.

Using the method of document analysis the findings of the study indicate that the Ethiopian higher education has strong indicia of the developmental state concept. The main characteristics of the Ethiopian higher education such as strong state control, central admission process, focus on certain priority areas, massive expansion, emphasis on technology transfer and using higher education to serve non economic national agendas typically correspond with that of developmental states. The study has also identified some inconsistencies and shortcomings. For instance the Ethiopian higher education falls short in terms of institutional diversity, adequacy of research on technology transfer, and the role of the private sector. Finally, some implications are highlighted that pinpoint the areas where more detailed policy research are necessary.

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List of Abbreviations

EPRDF	Ethiopian Peoples' Revolutionary Democratic Front
ESDP	Education Sector Development Program
ETP	Education and Training Policy
FDRE	Federal Democratic Republic of Ethiopia
GTP	Growth and Transformation Plan
HEI	higher education institution
HEP	Higher Education Proclamation
HERQA	Higher Education Relevance and Quality Agency
HESC	Higher Education Strategy Center
HPAE	High Performing Asian Economies
IMF	International Monetary Fund
MITI	Ministry of International Trade and Industry (of Japan)
MOE	Ministry of Education
MOFED	Ministry of Finance and Economic Development
MOST	Ministry of Science and Technology
TGE	Transitional Government of Ethiopia
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa

Chapter one

Introduction

1.1 Background of the study

Since the time of its ancient civilization Ethiopia had its own indigenous formal education. This two millennium old traditional education is strongly linked to the Ethiopian Orthodox church and has remained as the predominant form of producing the elites of the country. Modern and secular higher education was introduced in 1950 with the establishment of the then University College of Addis Ababa with about 1000 students and less than fifty teachers, most of whom were foreigners (Wondimu, 2003). In the following two decades a number of specialized technical colleges were also established to offer professional trainings in the fields of agriculture, engineering, public health, and teacher education (World Bank, 2003). Reorganizing most of these junior colleges under it, in 1960 the university college was upgraded and renamed as Hailesillassie I University. In 1974, up on the change of government, the university was renamed Addis Ababa University (Wondimu, 2003). Addis Ababa University is not only a pioneer and the largest higher education institution (HEI) to date, but it also remains a central player in the social and political life of the country.

During the period 1974 to 1991 the development in the Ethiopian higher education was very slow. For instance the gross enrolment ratio (GER) for higher education that was about 0.2% by the year 1970 increased only to 0.7% after twenty five years in 1995 (World Bank, 2003; Weldemariam, 2008). Addis Ababa University remained the only university until the opening of Alemaya (now Haromaya University) in 1985, and no graduate program was offered until mid 1979 (Araia, 2004). This can be attributed partly to the widespread of civil war and political unrest during that period and partly to lack of encouragement to the development of the higher education sub-sector in developing countries by international financial institutions such as the World Bank. However, it should be noted, that during this period, besides the establishment of several junior institutions, the 'quota system' was introduced to enhance access by women and students from rural areas and other disadvantaged regions (Semela, 2007).

The 1991 change of government opened a new chapter in the history of the country, and consequently in the development of its higher education. By that time, education in general and higher education in particular was left far behind even by the standards of Sub Saharan Africa. Cognizant of this, the Transitional Government of Ethiopia (TGE) identified education as one area of priority and in 1994 came up with a comprehensive Education and Training Policy (ETP) aiming at improving the overall state of education at all levels and ensuring that education makes the required contribution in the country's development. The policy essentially opened the door for a period of all-inclusive, far-reaching reforms and massive expansion.

After the policy paved the way, a number of radical reforms have been introduced in the higher education subsector. In 1998 the long term Education Sector Development

Program (ESDP) was launched, so far covering four phases; in 2003 the Higher Education Proclamation (HEP) was enacted and later revised in 2009; and a number of other reforms were introduced addressing different aspects of higher education. In effect, the subsector was opened up for private investment, tuition fees in a form of student cost sharing have been introduced, HEIs have been granted substantial autonomy, diverse new fields of study have been launched, block grant method of budgeting has been introduced, government agencies for quality assurance and strategic direction have been established, and other changes have been introduced.

As the first few years after the issuance of the policy were ultimately focused on lower level education the expansion and reforms in higher education began in the late 1990s. The Ministry of Education (MOE) launched five new universities by the turn of the century - by upgrading junior level institutions - marking the beginning of this aggressive expansion program. By the year 2014/15 Ethiopia will have 33 full-fledged universities compared to only two by the end of the 1990s. Total enrollment has increased from 42,132 in 1996/97 to 192,165 in 2004/05 (MOE, 2005, p.12) quadrupling in less than a decade. The annual enrolment growth rate of 50.86 % was possibly the highest in the world during this period (Waweru & Abate, 2011). It further reached 319,217 in 2010/11 and is targeted at 467,445 by 2014/15(MOE, 2010, p. 62 - 64).

While the investment by the government takes the lion share which made Ethiopia, as of 2010, one of the top eleven higher education spending nations in the world, and the highest in Sub Saharan Africa (Molla, 2012), the expansion is not limited only to the public institutions. Taking advantage of a favorable policy environment, private investment in higher education has resulted in sharp rise of the contribution of the private sector. In about a decade after the sector was liberalized, the number of accredited private HEIs, with undergraduate and above programs, grew from zero to 44 in 2009/2010 academic year, enrolling about 18% of the total student body (MOE, 2011).

However, in spite of this glamorous success in terms of reform and expansion, the Ethiopian higher education has been struggling with a number of challenges. These include, among others, the issue of equity, quality, autonomy, accountability, brain drain, academic freedom, lack of adequate resources and facilities, teachers' working condition, salary and incentives, etc (Semela, 2007; Woldegiyorgis, 2013). Some of these challenges have indeed been identified by the government and solutions are being implemented, though the problems seem to persist.

1.2 Research problem and questions

Having officially claimed to be a developmental state, in Ethiopia government controls and leads with a firm hand. Since the coming to power of the current ruling party in 1991, the country has undergone a number of reforms in different sectors including education. Higher education has also seen its share of changes both in policy and practice. While there is a lot of debate on whether Ethiopia is following the 'right path' of the developmental state model in its economic, agricultural, trade

and industry policies, there exists no study addressing the question in the education sector – and hence the higher education sub sector.

However, this is also, more or less, the picture at the international level. The astounding economic success of Southeast Asian countries in the 1970s and 1980s has attracted considerable interest in academic work trying to explain how those countries achieved such a swift progress. Yet, much of the research is concerned with different aspects of economic policy making and implementation. In the field of education, most of the academic work is overwhelmingly focused on lower level education and, to some extent, on vocational trainings. Researches attempted to explain and theorize how education contributed to economic development by examining the triangular relationships between education, economy and the state. Nevertheless, higher education largely appears to have been left out of such inquiry within the notion of the developmental state. Consequently, there is poor literature that elaborates the nature and role of higher education in the developmental state paradigm, particularly in the context of those early developmental states, the background of which is more or less similar to that of current day Ethiopia.

Therefore this research primarily aims to address the knowledge gap about how the concept of developmental state is represented in the Ethiopian higher education. However this requires first understanding the nature of higher education in a developmental state in general. Put differently the main research question will be:

- How does developmental state concept manifest in the Ethiopian Higher Education?

More specifically, the research first attempts to formulate a frame with which the Ethiopian higher education shall be observed in terms of its nature pertinent to the developmental state concept. Hence the research has the following two questions to answer:

- a) What are the distinct features of higher education in a developmental state?
- b) How are these features evident in the Ethiopian higher education system?

1.3 Significance of the study

This exploratory research has not only identified the common characteristics of higher education in the context of developmental state, but it has also looked in to the Ethiopian higher education to see if these characteristics are present. The research is significant in identifying and filling the knowledge gap that exists about nature of higher education in the developmental state paradigm.

On the other hand the debate about the Ethiopian developmental state has always focused on economic planning and implementation efficiency, disregarding the role of education and higher education in particular in the success and failure of the accelerated development of the country. However, literature has shown that

coordinated planning in higher education has an irreplaceable role in catch-up-paced development. Hence, the research attempted to identify the main characteristics of the Ethiopian higher education that correspond with that of common practices in developmental states and pointed out major shortcomings with the purpose of showing implications for future improvement.

In both aspects the research does not claim to be definite and conclusive. At best it is only a starting point that creates an insight in to the issues and lay down the foundation for future detailed researches.

1.4 Delimitation of the study

The notion of developmental state has a very wide spectrum that stretches over variety of social and development issues. While the main debate on developmental states is concerned with economic policies, this research is specifically concerned with higher education and any part of it is not meant to apply for any other sector.

Education policy in Ethiopia is comprehensive that all levels of education are addressed in many of the documents and the various levels are interdependently planned. The main concern of this research is on higher education which is defined in the HEP (Article 2) as “education in the arts and sciences offered to undergraduates and graduate students who attend degree programs through any of the delivery modes”. Hence it does not cover other forms of post secondary education.

The 1994 education and training policy marks the beginning a new era in the development of higher education in Ethiopia and is the basis for the various reforms introduced since. Therefore, this research covers the period starting with the issuance of the policy (1994).

Finally, the Ethiopian higher education is largely dominated by the public sector. This is also reflected in the official documents where unless explicitly stated HEIs generally refer to the public institutions of higher education. And, the same approach has been adopted in the research.

1.5 Organization of the study

The study is organized in seven chapters. The first chapter provides an introduction for the whole study in terms of establishing background, identifying the research problem and apparent research questions. It also shows the significance and scope of the study. The second chapter sets a theoretical background by first showing the importance of human capital in development and then explaining the two contending approaches towards how state and market should interact towards building human capital. The third chapter reviews literature to give a broad understanding of the meaning and features of developmental state before it goes on to describe the Ethiopian developmental state in terms of its emergence, nature and its challenges.

Chapter four depends on relevant literature to develop a working analytical framework for the study. It first discusses the overall role and nature of education in developmental states and then specifically identifies the major characteristics of higher education within the developmental state paradigm. Chapter five deals with research methodology where research design, sources of data and methods of analysis are outlined along with validity, reliability and limitations. Chapter six presents findings and discussion based on the data obtained and using the analytical framework. Finally, chapter seven provides summary, analysis and conclusions, which also extends to implications of the findings and need for further studies.

Chapter two

Theoretical background

2.1 Setting the scene: human capital and development

The vast literature available on the benefits of education stretches back to antiquity. Although the idea that investing in oneself improves productivity seems intuitive, the entire theory of human capital hinges on it. The human capital theory provides a framework for the wholesome adoption of education and development policies, and stresses how education improves “the productivity and efficiency of workers by increasing the level of cognitive stock of economically productive human capability which is a product of innate abilities and investment in human beings” (Olaniyan & Okemakinde, 2008, p.479).

Though human capital theory has come in to picture as a proper economic theory in the 1960s and 1970s, following the advent of development economics in the 1950s, the general concept has been around since the time of Adam Smith. Smith, in his seminal book of 1776, not only recognized the importance of education by emphasizing how the lack of education and training prevents people from working with the level of efficiency they would be capable of showing if they had been trained, but he also forwarded the two principal elements which later served as the foundation for productive human capital analyses. First, he noted that labor inputs are not merely quantitative, rather they are qualified by the acquired and useful abilities of all or part of a given society, as well as the state of the skill, dexterity, and judgment with which labor is applied. Second, ability acquired through education, study, or apprenticeship, always costs a real expense. It is vivid that these elements give a way for analyzing the amount and type of labor in a given economic system in terms of the output it produces relative to its costs.

In a nutshell, the human capital theory holds that education (formal and informal) and training (on and off the job) increase the stock of human capital of a given society, which in turn interprets in to economic growth by increasing efficiency and productivity. In the past few decades, there have been efforts to substantiate this thesis by attempting to establish a pattern of relationship between education and economic growth. Albeit contested in different ways, evidences from researches

suggest that there is a positive relationship between the two, encouraging countries to increase their investment in education.

Traditionally, human capital has been viewed primarily as a factor input into the production process, alongside physical capital and land. This conceptualization triggered economists to attempt to measure the separate contribution of human capital to national output and, consequently, the effect of the growth of human capital on the growth of output—this is called the ‘growth accounting’ approach (Ashton et al, 1999). This approach, however, indicated that there is a very small effect produced by human capital on economic growth, in some cases not significantly different from zero (Benhabib & Spiegel, 1994). Unexamined consideration of these results would lead to the idea that the importance of education as an area of economic (as opposed to social) policy is negligible.

Nevertheless, it has become increasingly recognized that human capital has dynamic effects. Ashton et al (1999) have noted that the level of the human capital stock in an economy can affect the economy’s growth rate. They claim that the source of this dynamic effect is partly found in the concept of technological progress, and argue that “both advancement of knowledge and innovation, and the diffusion of new methods of production, are aided by higher levels of education” (p. 8). There exists substantive evidence, derived from data on numerous developing countries, which substantiates this dynamic role of human capital (Benhabib & Spiegel, 1994). In fact, much of the evidence emphasized the effect of primary and secondary school enrollments, showing that countries with better enrolments in the 1950s and 1960s had greater subsequent economic success than those of the same initial level of development but with lower enrolments (Wolff & Gittleman, 1993).

It has also been observed that human capital interacts with the degree of technological backwardness of a country. When a country is lagging far behind the world technology leader (i.e. mainly the US) its speed of catch-up depends on its ‘social capability’, which is strongly influenced by the levels of educational attainment (Amsden, 1989). It has been suggested that this interaction was more visible in poorer developing countries which are dependent on importing technology from more advanced countries, than generating their own.

Moreover, human capital is also found to be a significant determinant of the amount of physical capital investment in an economy. According to Ashton et al (1999) a higher level of human capital improves the efficiency in the use of machinery and plant, which increases the rate of return to investments. Besides, investment is more favored in a stable economic environment, which in turn has to do with human capital. As a result, more investment is likely in an economic system where most of the labor force has acquired basic education and a sizable proportion has reached a higher level of educational attainment (Wolff & Gittleman 1993; Benhabib & Spiegel, 1994).

Given the evidences suggest that human capital has such a crucial effects on the economic growth of developing countries, the natural question that follows would be how can the level of human capital be raise through education and training. More

particular to the interest of this study, the essential question will be: what should governments do in the fields of education and training so as to increase human capital?

To answer this question there are two dominant and contending approaches with differing views on the interaction between market and the state – the neoclassical approach and the statist approach. These two have opposing positions on what the role of the state should be in relation to the functioning of the market. The debate between the proponents of the two approaches, mainly circulating around the role of state intervention in the education and training market, was at its pick in the 1990s, in an attempt to explain the very fast economic growth achieved in East Asia. The 1993 publication of the World Bank, *The East Asian Miracle*, considered investment in education and training as an important factor explaining the secret in the rapid growth of the High Performing Asian Economies (HPAE). While the Bank mainly took the neoclassical view, a number of other researchers stood on the statist side to explain the same situation. It is important to note that the discussion on the two approaches in the following sections also takes this context at its backdrop.

Indeed, this study takes the perspective of the statist approach to explain the scenarios in the Ethiopian developmental state. However it is important to take a brief look at the neoclassical approach first so as to clearly articulate the peculiar features of its counterpart, the statist approach.

2.2 The neoclassical approach

The neoclassical approach considers the market as a sovereign entity serving as the most efficient basic framework for education and training, as it is for all other commodities. It is assumed that the market reflects the value of human capital by setting a certain level of demand for particular kinds of skills with certain levels of price. When the demand is high and the price is attractive individuals get good incentive to undergo and fund their own education or training. However it has been for long noted that the presence of externalities in education and training makes it possible for individuals and/or firms to benefit from the investment made by private individuals in their own education and training.

In the context of the HPAEs three positive factors have been identified (World bank, 1993) as having important contribution in the growth of education. First, the high growth of economy creates higher income and avails more resources for investment in education. On the other hand, high economic growth also means more jobs and better return on education which also creates more demand for education. Second, the demographic transitions leading to a rapid decline in the rate of growth of the school-age population, reduces the burden of expansion, instead increasing the per capita expenditure on a student, and ultimately improving the overall quality of education. Third, the fairly egalitarian distribution of income translated into a higher demand for education. Households with low income would not afford the luxury of investing scarce resources in education, even though the returns are attractive. It was generally observed in empirical analyses of developing countries, that those with

more equal distribution of income tend to have higher rate of enrollment in primary and secondary schools.

Holding that state intervention is necessary only to correct market failure, the two major justifications, recognized by the neoclassical approach, for the state to intervene in the working of the education market, relate to level of public awareness and capital requirement. Lack of awareness about the benefits of education reduces the willingness of households to invest in education while lack of capital influences their ability to do so, even when they are willing to invest. Under such circumstances it becomes the responsibility of the state to intervene by making information widely available towards better awareness, and investing in education to reduce direct costs for individuals, towards free education. In addition, because of externalities households are not the sole beneficiaries from their investment in education. Education has spillover effect that benefits society in general. To a more coordinated effect, therefore, governments may act on behalf of society to ensure higher level of education than households acting alone (Ashton et al, 1999).

However this proposition is considered most viable for primary and secondary education, and to some extent for vocational education, than for the tertiary level. The argument rests on the assertion that the social return is much higher for primary and secondary level of education compared to that of university level. At the university level, it was claimed that the returns are "almost fully captured by the higher incomes of university graduates" (World Bank, 1993, p.198). This led to the conclusion that governments should increase their investments towards providing free and accessible education to all at primary and secondary levels, leaving tertiary education substantially disregarded. By aggressively investing in primary and secondary education, which created huge demand for higher education, and by letting the private sector provide a large part of the higher education, the HPEAs are hailed for having responded more appropriately to failures in the education market. Their devotion to universal and high quality primary education produced economic efficiency as well as equity. The massive demand for secondary and tertiary education, created by the boom at the primary level, was addressed by a mix of expansion of public secondary education along with highly selective, merit based and self-financed higher education provided by the private sector.

Campos and Root (1996) also not only agree on the importance of primary education and justify the necessity of government intervention; they also argue that when skilled workers are in short supply in the labor market, they make more than the unskilled workers using the advantage of scarcity premium. But the scarcity challenges economic growth. Therefore, with increased primary education the supply of skilled manpower can be improved, reducing the bottleneck in the labor market and abolishing the scarcity premium, ergo decreasing income inequality.

The World Bank (1993) also revealed some evidences to show the importance of training in raising productivity of companies, and hence contributing for economic growth. But, again, the provision of training should be left for the market, but governments have the role of forecasting major trends in the demand and supply, and of coordinating private investments.

Middleton et al. (1993) argue that, unlike in the case of general education, it is very difficult to identify and measure the contribution of skills training to economic growth. This is primarily because of the diversity involved – training may be given to people of different age, educational background and occupational category. On the contrary, the World Bank maintains that the rate of return on trainings is seen as “nearly always acceptably high” (1993, p. 46) as long as conducive employment opportunities are made available.

BY way of applying the theory of ‘second-best’ policy options, Middleton et al. (1993) make a case for the intervention of government. For them, while it is ideal to leave training provision for the market, intervention shall become necessary to mitigate the imperfections of the market itself or distortions by other forces. For instance, when the private returns fall too short of the social returns that individuals have less incentive to invest; when training costs are too high that workers cannot carry them; or when firms fail to perform their role due to weak training capacity, the government may need to intervene and subsidize trainees. However, externalities justify the government to subsidize not to provide training. Employer-based training, which is usually considered as more cost-effective reflects social goals, unlike pre-employment training which should be focused on preparing individuals for the labor market or employment.

The other possible way government may augment market is through introducing ‘labor market signaling’ which, through gathering and analyzing data and making information available about employment, wages and cost of education and training, enables concerned parties make more informed decisions. Thus “By monitoring the operation of labor markets and training incentives and by providing information on labor trends to individuals, enterprises, and managers of training institutions, manpower planning can improve the efficiency of training and the performance of labor markets” (World Bank, 1993, p. 157).

Empirical evidence, according to Ashton et al. (1999), suggests that enterprise training and skills centre training are more cost effective than vocational schooling. Also, due to the dynamism in the labor market, public provision of training, where it cannot be avoided, should be designed to be flexible, and its institutions should be separate from those providing general public education so as to make it more responsive to the needs of the market.

Thus, according to the neoclassical view, while government has a role to play in the provision of education and training, the bottom line of its argument is that the market is the most efficient provider and therefore the role of government should be minimized. However, this view has been strongly criticized. First, this approach explains the relationship between investment in education and economic growth only at the early stages of economic growth, where low value added goods and services are produced. Campos and Root (1996) pointed out that investment in primary and, to some extent secondary, education produces semi skilled labor which is needed at early stages of industrialization. Yet when countries move to later stages, where heavy industry and high value added goods and services characterize

the economy, it may be more effective to invest more in tertiary education and high level trainings.

Second, this approach emphasizes on the role of the government to adjust the supply of skills, through its investment in education and subsidies in training, for the demand that is created by the market. Hence, in effect, it disregards influence of the state on the demand side of the balance. It is possible that the actions and decisions of the government may create both demand for and supply of skills, or it could transform the nature of the labor market in general (Verma et al., 1995).

Finally, the presupposition that the market is the most efficient mechanism for the provision of training and education, and hence leaving the actions of the government as either hindering or facilitating the operation of the market, is an over simplification of the role of government, especially in rapidly industrializing countries. Ashton et al. (1999) argue that limiting the state only to the role of rectifying market failure is not only difficult to justify, but it also predisposes that the two realms of social life are completely independent of one another.

2.3 The statist approach

The statist strongly criticize the neoclassical view for taking a very simplistic consideration of the nature of the state, and conveniently ignoring the role it plays. In skill formation, the statist approach does not rest on the prior assumption of the market being the best or the only coordinating force for factors of production. Rather, it takes a due consideration of the power and influence of the state as well as its political characteristics as a major actor in the skill formation process.

The state actively engages in promoting economic growth by providing high quality, well planned and well managed labor force, giving strategic leadership for concerned economic agents, and effectively managing transitions and technological diffusion (Ashton et al., 1999). The state, therefore, is responsible to planning and re-skilling the labor force as per the demands of the planned industrial development. But the question remains: whether government policies shift to respond to market trends or the policies lead the market. In education and training, if the state is using policy instruments to respond to market trends it means the demand is primarily created by the business and the state intervenes to adjust the supply. However, if the state leads the market then the state is involved in both the demand and supply sides of skills. Wade (1990) argues that there are more evidences showing the state as an active player in both demand and supply of skills in many of the East Asian countries. He also challenges the conventional neoclassical explanations of high economic growth as having undermined the enabling conditions including the existence of educated population, good infrastructure and industrial investment.

Gerschenkron (1962) hypothesized that for developing countries (late industrializers) the active agency of the state is of significant advantages in terms of capital accumulation, facilitation to adopt the latest technology and methods of industrial policy making. Amsden (1989, p. 3) builds on this hypothesis and looks in to the process of 'catching up' as a process of learning how to compete. Adoption of

borrowed technology is essential in the development of late industrializers. This in turn implies the importance of education and training at the center of the economic policy making and the pivotal role of key institutions. An interventionist state, large diversified business groups, abundant competent managers, and abundant well-educated labor all play their respective roles.

The statist approach also emphasizes the linkages between economic growth and human resource development policies. Verma et al. (1995) have come up with a two stage model to explain this linkage. In the early stage, a less developed country starts with creating conducive environment for encouraging investment. This may be in a form of low wage and low unionization levels. With growth in investment there will be a change in the labor market - full employment is achieved and pressure is put on wages to rise. Full employment and higher levels of education produce more demand for unionization and collective bargaining. In the later stage, therefore, the labor market changes losing its advantages that attracted the investment during the early stages. At this critical point there are two alternative responses from the government - which however shall not be viewed as mutually exclusive and practically they are commonly applied in some kind of combination.

The first alternative is for the state to hold on to the conditions of the early stages, for example, by applying wage controls and the suppression of unions and collective bargaining. The other alternative strategy would be to adapt to changes in the nature of the labor market. Government may use such techniques as linking pay level and productivity and increasing investment in education and training to upgrade skills. This second alternative can create a cyclic effect: upgraded skills improve value-added production which produces more profit for the businesses enabling them to pay their employees better.

This implies that at the firm level there would be better attention and effort to provide training, performance-based pay would be introduced, a more flexible organization of work would be adopted and there would be better employee readiness for the production of higher value added goods and services. At the system level the government would create incentives for in-firm training, would establish training fund at state level or sector level and would introduce productivity driven wage policies (Ashton et al, 1999)

Verma et al make a strong argument in favor of the role played by human resource development in this process. For them, the investment in skill formation from private and public sources should be complimentary to each other. Formal education by itself, without being supplemented by different forms of job related and on the job trainings, cannot assure skills development. That is why the private investment by firms towards training of their employees is essential. However the main role, in building such complimentary system, is of the state. The state should not only invest in education and other infrastructures, in its own, but also encourage and give incentives for private investment in training. Changes in both public as well as business policies are necessary since neither the private nor the public sector can achieve the goals of skill formation for economic growth without the other.

In their views, Verma et al have demonstrated the connection between education, training and economic growth through the concepts of human resources development. In addition, they have shown that political choices made by leaders can have profound effect on the nature of the labor market which afterwards influences the alternatives available for future decision makers. They also have superseded the neoclassical view by elaborating that much more needs to be done to guarantee the move to higher value added production in an economy, than just investing in secondary education.

As much as its contribution, the statist approach did not escape from some criticisms. Indeed, much of the negativity against more roles for the state comes from the notion that the state bureaucracies are inherently inefficient. However the statist argue that bureaucracies should not be viewed through the same lens. With proper consideration of cohesion clearly identifying the decision making and authority channels, and fostering rationality in its functioning, a bureaucracy can be made to stand through its challenges of inefficiency (Sung & Raddon, 2014 forthcoming).

It has been pointed out that this approach puts too much emphasis on the state as solid entity that autonomously stands out from the various challenges and interests of society. In policy studies it is a common knowledge that the policy process not only takes lots of inputs from different stakeholders, it is also faced by different obstacles in its implementation. They are subject to interpretations that in the end they may drift away from the initially intended goals, or in worst case scenarios, may lead to state failure (Kim, 2012). Admitting the point that states are not impervious of the influence of society, Clark and Chan (1994) suggested that state and market should both be viewed as being embedded in the large domain of society and culture. With this premise put forward, they identified the crucial factors in their analysis such as the size and competitive strategy of firms, the nature of financial systems and the relationship between state and society. They argued that bringing society back in to the analysis is essential since political and economic institutions work differently in different socio cultural context. However they do take culture as a determinant factor in their analysis, rather as an atmosphere that offers different alternatives for action.

However, this view shall be contrasted to the 'socio cultural approach' (Abe, 2006) to explaining the fast economic growth in Eastern Asia. The later presupposes that the dominant, yet different from the western, socio cultural value derived from Confucianism, underpins the success of the region in economic growth through education. This value is viewed as supporting high level of public commitment to education which translates in relatively high household investment in education, promoting a fast and more egalitarian expansion of education. Besides, the value of public obedience for state power (Knutsen, 2010) might have enabled governments in the region to have more autonomy in designing and implementing educational and other development policies.

In a nutshell, the statist view admits that the demand and supply interaction of skill in the labor market has a significant role in determining the path of economic growth in a developing country. However, it underlines that the state has the power to

influence both the demand and the supply of skills through appropriate policies and intervention mechanisms. Ideally the state is believed to be conscious of the impact of its actions and plans the human resource needs of the country well ahead of time, along with setting economic goals (Ashton et al, 2002). It is believed that the state is in a better position to forecast future demands because, on one hand, the state can better read market trends through its bureaucratic means, and on the other, the state itself influences, or even creates, the demand. As Law (2009) puts it, the states set their plans for industrialization with a targeted time span, and determining the skills demand. Then they invest in education and training institutions to prepare them for the task and they use their policies to manage the supply of skills. While governments may generally be much less efficient and slower than private agents to respond to market needs, when it comes to skills supply, state led adjustments could be more flexible and rapid, if political legitimization is linked to economic development (Ashton et al, 1999). However, the actions of the state should not be viewed as happening in a vacuum. State itself interacts with market and other spheres of economic life in a wider socio cultural setting.

Chapter three

Literature review

3.1 The concept of developmental state

There is no one all inclusive and all-agree-on definition of developmental state. The available alternative definitions have differences stemming from their disciplinary emphasis (i.e. economics, education, political science, public policy, sociology and so on) and the differences in the respective contexts in time and geographic coverage. However, it is possible to identify certain communalities essentially all related to the role of state in economic development. It is more approachable to attempt to understand the general concept and its contexts before, or than, giving a specific definition.

However, the role of state has not always been perceived positively. Right after the end of the Second World War, when development economics took centre stage in mainstream social science theory and comparative policy analysis, intervention from the state was mostly viewed with negative lens (Skocpol, 1985). In the practical sphere this was exacerbated by the diametric difference between the fronts of the cold war about the nature and roles of state. Gradually the perception about the role of state evolved where it is recognized as one of the major actors, although under influence from its surrounding, particularly society, shaping social, political and policy processes (Evans et al, 1985).

The concept is generally associated with the type of economic policies followed by East Asian governments in the second half of the twentieth century and, in particular, with the post World War II Japanese economic model. It could be

understood as referring to a state that intervenes to guide the direction and pace of economic development (Caldentey, 2008).

Criticisms against neo classical development economics in its views that equate growth and economic development as synonymous, was an essential factor in the early development of the developmental state model. This criticism spelled out the failure of the neo classical view to fully account for the diverse patterns of national economic development as well as their outcomes. Making considerable distinction between economic development and growth, with the former being more comprehensive and covering social and political goals, [such as nation-building, improved environment, poverty reduction and so on], the developmental state model attempted to offer an alternative explanation for the source of economic development while emphasizing the critical role of the state (Sung & Raddon, 2014 forthcoming).

The developmental state model is similar with the neo classical one in its consideration of labor and capital inputs as critical in economic growth. However the two substantially differ in explaining the relationships of the state with labor and capital. This relationship, in the realm of the developmental state, is one that gives a strong power for the state to intervene by identifying national strategic [economic] priorities, using different policies (e.g. investment, trade and industrial policies) and applying collaborative arrangements among state, labor and capital (Sung, 2006). Market mechanisms generally remain indispensable in the developmental state model, even though “are no longer the sole driving forces of economic development. Instead, the state’s developmental vision forms a key driver that ‘subordinates’ the role of labor and capital” (Sung & Raddon, 2014 forthcoming, P.2). This perspective on economic development has significant implications on other social policies such as education and training.

Another way to understand the concept of the developmental state is by examining what Kim (2012, p. 4) phrased as “putting the state and development in causal terms”. Underpinning this perspective are two essential assumptions. First, there is a nation that aspires development but it is challenged by the realization that its market forces alone cannot achieve its development goals because of certain strong barriers. Second, the state has the powers to overcome the barriers. Having power, for the state, means being able to make and implement decisions independently from, and sometimes even against, the pressure from society. Besides, the state should have command over a capable bureaucracy staffed with professional technocrats for making rational decisions and formulating efficient policies (Clark & Jung, 2002). In addition, this state power should be supplemented by another essential factor, which is, the will of the state and its leadership to overcome the prevailing predicaments and to actualize economic development.

In recent years, a growing body of literature is emphasizing the importance of power and commitment for a typical developmental state. For instance, Ghani et al. (2005, cited in Fritz & Menocal, 2006) stressed that a developmental state must have the control and capacity to design and deliver policies, and its projects must be as inclusive as possible, and have long term, institutional standing that goes beyond

any specific political figure or leader. Similarly, Leftwich (2000) paints the picture of an ideal developmental state as one that demonstrates sufficient determination and ability to initiate, forge and lead by cooperating with domestic private sector as well as by crafting a system in which the state supervises and offers attractive deals for foreign investment. Thus, a developmental state can broadly be understood as one “that evinces a clear commitment to a national development agenda, that has solid capacity and reach, and that seeks to provide growth as well as poverty reduction and the provision of public services” (Fritz & Menocal, 2006, p. 4).

More of a political, than a developmental or economic, view on the developmental state concept is related to how such state drives its legitimacy. According to Chang (2010) developmental state is one the political legitimacy of which is tangibly tied to its achievement in economic development. Hence the state applies carefully planned industrial policies in order to achieve its economic goals.

Chalmers Johnson, arguably the most cited author on the subject, introduced the phrase ‘developmental state’ in his 1982 seminal book: *MITI and the Japanese Economic Miracle: The Growth of Industrial Policy, 1925– 1975*. Johnson used it to differentiate between alternative types of capitalism, where also he questioned the conventional view on the role of state in economy. In his argument, Johnson pointed out that the state was at the center crafting and coordinating the Japanese ‘economic miracle’ (Johnson, 1982, 1999). This came as a major blow to the laissez-faire narratives, which were inclined towards putting the contribution of the state and politics, in economic growth and development, as negligible or even negative.

Johnson’s definition identified four elements that typically characterize a developmental state. First is the existence of small, highly elitist state bureaucracy with the best of the professionals available in the system and having development at its top priority. The second element calls for political autonomy for the bureaucracy so that it can make and implement decisions in relative freedom from the influence of parties with vested interest. The third element is a well thought out and well planned state intervention in the market functioning. And the last is the existence of a pilot organization like the Ministry of International Trade and Industry (MITI) of Japan (Johnson, 1982).

Another common definition of developmental state is in terms of its outcomes, as opposed to its elements. Such a definition is given by Peter Evans, whose contribution of *Embedded Autonomy* (1995) introduced a new perspective in to the discussions about developmental state. In his view, a developmental state is considered to have existed when and where an industrial transformation is taking place and it can be sensibly argued that the state has played the crucial role in making it happen. He noted that a state can be identified as developmental “when the consequences of its actions promote rather than impede transformation” (Evans, 1995, p. 44).

However, Levi-Faur (2012) criticizes these common definitions for suffering from insufficiency and putting the locus of attention on the wrong place. Definitions emphasizing on elements of a developmental state focus on what it constitutes, than

what it is, and appear “rather thin on theoretical definitions and thick on characterizations” (p. 6). This has resulted in the absence of extensive literature in developmental state for a long time, in effect, limiting its theoretical discussion. On the other hand, definitions referring to growth performances as a basis are misleading, since outcomes do not necessarily correlate with priorities, goals and the nature of institutions. Moreover, these definitions imply the predisposition that developmental states are successful states. Contrary to this, Levi-Faur (2012) argues that developmental states may fail in achieving their goals, which does not mean that they are no more developmental, but that their commitment to growth is unfruitful. He therefore suggests that “outcomes should be left for empirical and theoretical investigation, and not be part of the definition” (p. 7). In addition, the developmental state is very often identified by the characteristics peculiar to East Asian region and its post World War context. Attempts made to extrapolate the concept to other regions of the world has largely targeted on developing countries of Eastern Europe, Latin America and recently Africa. Similarly, developmental state has also often been described in relation to certain kinds of economic policies, such as import substitution and strategies of foreign direct investment – again, focusing on its most commonly used tools than the concept itself.

Having stressed that the definition of the developmental state should not be associated with a region, a stage of development, level of growth performance, particular industrial strategies and the like, Levi-Faur offers an alternative definition:

The developmental state is a state with a dutiful and credible commitment to development.(2012, p. 10)

Citizens expect that the state would deliver development, creating duty on the part of the state. On the contrary, credibility measures how much trust citizens have on the state elites to the promises they make and to fulfilling their duties. Credibility is an acquired attribute, showing how much reliable and trustworthy are the state’s commitment and capacity to practically realize the development goals it puts forward. Similarly, development is also the duty of the state elites which is not only the source of their legitimacy but also the standard for holding them accountable. The developmental state, therefore, has the duty and responsibility to deliver development, which it can delegate to the market or other social actors while it remains to be ultimate developmental institution. This, Levi-Faur claims, equally applies to both the Global South and the Global North.

This definition attempts to overcome the shortcomings of previous definitions by spelling out both social expectations (duty) and acquired legitimacy (credibility) as interactive forces in determining the relationship between the state elites and the citizens, thereby implying accountability. By pointing out that growth is not necessarily the only priority for [even developmental] states it has downplayed the dichotomous view that a state is either developmental or not. Finally, it has also liberated the concept of developmental state from being associated with characters pertinent to the development of East Asian countries as well as its identification with certain economic policies and strategies.

A more comprehensive definition that appears to have covered major aspects of the concept of developmental states discussed above was given by Edigheji, who sees a developmental state as one that:

...authoritatively, credibly, legitimately and in a binding manner is able to formulate and implement its policies and programs. This entails possessing a developmentalist ideology that privileges industrialization, economic growth and expansion of human capabilities. Such a state also has to be able to construct and deploy the institutional architecture within the state and mobilize society towards the realization of its developmentalist project.(Edigheji, 2010, p.4)

Edigheji's definition looks not only at the political and institutional dimensions, but it also incorporates the ideological perspective. It stresses on the state power to emerge with a binding process based on its ideology. Here as well, outcomes of the developmental projects are not used as defining factors. A developmental state, pre-supposedly, pursues the goals of economic growth and social transformations. However, the rate of success in this regard is different in different cases, depending on a number of different factors. Therefore, it can be said that developmental states are conceptualized by their goals, institutions, and how this institutions are managed; but not by their outcomes or success. This being the general idea, looking at the major features of developmental states will give a better understanding of what they are and how they function.

3.2 Features of developmental states

Developmental states have different evolution, context and trajectories, resulting in a wide variety of the specifics of their features, depending on the case considered. Therefore, any attempt to build common features of developmental states shall not be extended to mean that there is only one way of understanding and describing developmental states. However, attempts in the past three decades, to formulate a list of common attributes of developmental states, have shown a plausible result making comparative analysis possible to be conducted between states of varying geographic coverage, time and context.

In very general terms there are two major features of developmental state that commonly appear in literature: developmentalist ideology; and the existence of pertinent institutions, norms and practices that underpin the development process (Castells, 1998; UNCTAD, 2007; UNECA, 2011). Developmentalist ideology implies strong orientation and political commitment towards development that manifests in overall government decisions. On the other hand for development intentions to take effect certain institutions with administrative and technical capacity are required. Weiss (2010) has analogized these two features as the 'software' and 'hardware' of developmental states. Further, the following more specific features of developmental states can be identified, mainly based on the experiences of the East Asian countries in the post Second World War era. It shall be noted, however, that none of these features is necessary nor sufficient in itself for a developmental state to exist.

a) Interventionist

First and foremost a developmental state is interventionist. It intervenes not only just to rectify market failure but to direct the whole economy in to what it wants. Nonetheless, here it shall be noted that, contrary to the common misconception, its heavy intervention does not imply that the developmental state uses heavy public ownership. In fact the developmental state, according to Caldentey (2008), requires the existence of such a private sector that actively responds to government policies and cooperatively participates in its schemes.

From the very beginning Johnson has made a distinction between the 'plan-rational' or developmental state of the Japanese model, the 'market-rational' or regulatory state of the American model and the 'plan-ideological' of the Soviet model, focusing his discussion on the earlier two (Johnson, 1982, pp. 18-26). In the regulatory state industrial policies mostly tend to focus on providing information and administrative services. On the contrary in the developmental state such policies use a number of different instruments to gear the economy to the desired long term change and to create international competitiveness.

The state being the chief in charge of planning and coordinating resources uses such strategies and policy instruments for desired sector(s) and / or market(s) as: tax breaks, cheaper credits, subsidies, protection from import competition, export promotion, direct credit and financial regulations, and much more measures belonging to the arena of industrial, trade, and financial policies (Caldentey, 2008). It is important to stress that different developmental states do intervene in different sectors, with different instruments and strategies to different target outcomes. Even in one country the degree and nature of intervention varies over time depending on internal and external factors and the development goals the government intends to achieve.

b) Vision guided

Capable and committed leadership is at the core of the making of a developmental state. With a developmentalist ideology at the background, the leadership defines and articulates the development vision and formulates the appropriate economic strategy (Sung & Raddon, 2014 forthcoming). The leadership sets the development goals, designs the outline, builds ownership among an elite group of politicians and bureaucrats, and mobilizes long term popular support. Driven by the desire for redemption out of dependency and underdevelopment, the successful developmental leadership is also wary of institutionalized corruption which is likely to breed with industrialization and economic growth (Johnson, 1987 cited in UNECA, 2011). This can be summed up by what Mok (2006, p. 91) calls 'purposeful governments' credited to have significantly accounted for the success of East Asian countries.

Such leadership is often said to have a strong sense of nationalism, manifesting in the form of political will and commitment to transform the condition of the country by all means necessary - altering the system of production, encouraging and

supporting capital accumulation and accelerating the process of industrialization (UNECA, 2011). However, it is also noticeable that the developmental leadership runs the risk of easily slipping in to the trap of building personality cult or creating strongmen.

c) Effective planning and coordination

A developmental state uses effective planning and coordination mechanisms to gear the generation and use of labor, capital and other resources as well as the activities of different bodies in different sectors towards the realization of the vision set.

The conventional neo classical model of development depends on the notion that in a free market, countries capitalize on their comparative advantage to engage in free trade with others. However this begs the question: what would be the fate of those countries with insignificant comparative advantage? The common reaction to this question is that undeveloped countries have at least unskilled labor as their comparative advantage. On the contrary, for the developmental state model comparative advantage is not something static depending on natural endowment of resources as a sole means. Rather, it is dynamic and even creatable with the appropriate measures by the state (Sung & Raddon, 2014 forthcoming).

Similarly Wade (1990) argued that the developmental state is conscious about the existence of global value chain in which it attempts to locate itself. The state creates the necessary conditions for industries engage in international competition by providing enabling support. The state also assesses and forecasts changes in the global value chain and accordingly uses market signals and guidance for corresponding changes. In effect the state is part of the competitive advantage; it is not a passive element waiting for things to happen by chance; instead, it forecasts, plans, steers and takes measures to support the private sector, in a bid to create and / or strengthen competitive advantage.

At the center of such process is a pilot agency (Johnson, 1982) – an institution endowed with the power and responsibility to plan, oversee and guide the development process. Such an institution, like the MITI of Japan, Economic planning Board of South Korea, and the Economic Development Board of Singapore, also coordinates activities and supports communication and cooperation between government and private actors (Evans, 1995). Proposing even more power for the pilot agency, UNECA (2011) suggests that besides creating a pro investment macroeconomic environment, supervision of financial institutions and providing incentives for the private sector, the agency may also set target against which a carrot and stick method of motivation may be applied – rewarding those who met the target and punishing those who failed.

d) Committed to building human capital

Education is said to have played an irreplaceable role in the success of the developmental states of East Asia (Johnson, 1982; Ashton et al., 1999, 2002; Amsden, 1989; Abe, 2006; Mok, 2006), where those countries with the highest investment and commitment in education turn out to be the most successful. In much of the

developmental state analysis workers are considered as one of the very essential inputs for industrial policies to work. Particularly in the early stages, the late comers depend much on labor intensive industries with learned technologies. The learning effect (i.e. copying, analyzing, applying and improving), Amsden (1989) argues, enables the late industrializers to transform much faster than the early industrialized countries.

This fast transformation results in increased complexity in the production system and the economic structure in general. Successful countries move up the global value chain (Sung & Raddon, 2014 forthcoming), moving away from labor intensive primary economic sector. This move in turn requires better educated and financially better off generation of labor that is fit for the emerging demands of the economy. For instance the shift in economic policies of governments moving from small businesses to heavy industry affects the demand for skill. Therefore, developmental states need to forecast the demand for skills, resulting from their plan of economic development, and use different mechanisms to alter the pertinent demand and supply of education and training (Ashton et al., 1999).

On the other hand, one of the peculiar characteristics of developmental states is the need for effective bureaucracy with capable bureaucracy to make and implement decisions. This obviously requires well trained high quality staff in the bureaucracy. Following this, one of the arguments against adopting developmental states in currently developing countries, particularly Sub Saharan Africa, is that these countries, even if they happen to have the political will, they just don't have the qualified people to run it well. However, using the experiences of East Asian developmental states as evidence, Chang (2010) argues that this is a wrong way to look at the problem. He explains that except for Japan "all East Asian countries had, contrary to the prevailing myth, rather poor human capital base at the beginning of the post second World War period, which was also reflected in the low quality of their bureaucrats" (p. 92). He cites the example of South Korea, who until the end of the 1960s had to send its bureaucrats to countries like Pakistan and the Philippines for training. From this it can safely be argued that the paucity of skilled manpower should not deter developmental states from achieving success as long as they are committed to human capacity development with the right strategies.

e) Efficient and autonomous bureaucracy

Johnson's famous quote, that "politicians reign and the bureaucrats rule" (1982, p. 316), shows the importance of the bureaucracy in a developmental state. A developmental state requires the establishment of such a capable bureaucracy that can function to the effect of making and implementing policies that maneuver the economy without the need for interference - meritocratic and autonomous bureaucracy (Caldentey, 2008).

State capacity has emerged as one of the important issues in the developmental state analysis. To effectively intervene and to see that the necessary development plans are properly implemented, the state needs to have such a capacity which can be partly achieved through high quality of the essential institutions, besides the

bureaucracy, like the central bank, other financial regulators and the judiciary (UNECA, 2011). However, the state functionaries, no matter how high quality they are, cannot achieve the desired impact by acting independent of each other. Instead, they need to act as a corporate entity, properly coordinated and brought together by broad collective goals than just as the sum of their respective strategies – i.e. internal cohesiveness (Chibber, 2002). The most commonly articulated means for states to achieve internal cohesion or coherence is to be endowed with robust, effective, and rule-following Weberian bureaucracy (Evans, 1995; Evans & Rauch 1999) characterized by professionalism, discipline and technical skills as the core of their administrative competence (UNECA, 2005, p.138).

Peter Evans also introduced the idea of ‘embedded autonomy’ (1995) which, again, calls for the high quality of the state machinery. It requires the system to perform the demanding task of balancing between being able to understand and forecast the needs of the economy (by being embedded in the private sector) and being sufficiently autonomous to prevent being trapped by the rent seeking behavior of businesses that are after short cuts through government favors than sweating to win competition of the market (Green, 2012).

f) Strong executive, weak legislative

Very often the developmental state is taken as a default dictatorial system. Indeed a sizable number of the East Asian developmental states were led by dictators, especially at the early stages of their developmental process. Citing (Johnson 1982; Amsden 1989; Wade 1990), Ashton et al. (1999) identified that one of the political prerequisites for a developmental state is the existence of strong executive and a relatively weak legislative branches of government. As such even in a parliamentary system, where the legislative traditionally has the upper hand, developmental state tends to limit the parliamentary democracy (Murakami, 1992 cited in Abe, 2006).

The UN advising African countries on pursuing development recommended that a “capable but not necessarily authoritarian” developmental state would best serve the cause (UNECA, 2011, p. 97). In doing so it has not only recognized the canonical notion that equates developmentalism and dictatorship, but it also acknowledged that it does not completely dismiss the need for authoritarian systems so as to achieve rapid development. Chang (2010) suggested that a mass base support for the political power is a necessary condition for developmental states to succeed. On the contrary, others suggested that developmental state is also very elitist, where in some cases the economy is transformed by the strong influence of a handful of people (e.g. Wade, 1990).

Strong executive, mass support and high level of elitism in the political system , put together with the need for strong and capable leadership with developmentalist vision, imply that a developmental state is likely to be an authoritarian or a democracy largely dominated by one party (sometimes even vulnerable to be dominated by one person). One way to explain this is that multi party democracy does not give enough time span for political leaders to concede the initial high cost of growth in the hope of the overall and long term benefits of development.

3.3 The Ethiopian developmental state

Though debated in many ways among scholars as well as politicians, Ethiopia officially claims to be a developmental state. It has been more than two decades since the concept and some elements of the developmental state model started to emerge in various policies of the country. However, it is about a decade since it started to be openly pronounced by the Ethiopian government and become a subject of heated discussion in academic and political forums.

3.3.1 Emergence of the Ethiopian developmental state

The emergence of the developmental state paradigm in Ethiopia has to be viewed with in two broad contexts: the country's successive attempt to emulate the developmental paths of different countries, and the global phenomena that led to the realization of the failure of the neoliberal paradigm in Africa. The politics of emulation in Ethiopia is marked to have begun in mid-nineteenth century with Imperial Russia being the first model for modernization and development. It was then followed by an attempt to copy from the Meiji period of the Japanese Empire in the late nineteenth and early twentieth century. This process was interrupted by the war with Fascist Italia, and after the Second World War the British Monarchy emerged as a prominent model among other western countries. The 1974 revolution brought the military socialist regime which devotedly followed the Soviet Union as an example (Fantini, 2013; Kebede, 1987). The 1991 overthrow of the socialist regime by an armed struggle did not result in turning to western models, as it happened in other countries, rather to "a revised Marxism distinguished especially by adherence to Stalin's theory of the 'national question'" (Clapham, 2006, p.108). Ethiopia's shift, in the past decade, to model its development project mainly after the 1970s and 80s industrialization experiences of East Asian countries, with Japan, South Korea, Taiwan and more recently China being often mentioned as examples (DeWaal, 2013;Fourie, 2011; Fantini, 2013; Thakur, 2009) shows that the search for a developmental model to emulate is still a continuing process.

On the other hand the emergence of the developmental state paradigm in Ethiopia was part of the large scale global reaction to the failure of neo-liberalism in the developing world, particularly in Africa. After the collapse of the socialist camp, and therewith the planned economy model, neo-liberalism advocated by western countries and their extension international financial institutions, came out as a triumphant ideology that was considered a panacea to the African problem. However the Structural Adjustment Program (SAP) imposed on developing countries failed to bring about the expected development and transformation (Pender, 2001). The economic policies underpinning the neoliberal thought such as limited government, market fundamentalism, monetarism and individualism failed short to reflect the social and economic realities of developing societies. Hence, the developmental state paradigm, which was proven to be successful in East Asian countries, appeared the most promising alternative to African countries including Ethiopia.

Against this backdrop, it is difficult to trace the specific time when Ethiopia became officially a developmental state. In fact, there seems to be a disagreement about the emergence of the concept in the political and economic discourse of the country both in terms of time as well as its cause. It has been suggested that some elements of developmental state were observed in the 1995 constitution (Gebremichael, 2013; Daddi, 2013), while there were some policies that reflect the same characteristics even during the transitional period between 1991 and 1994. The narrative of advocating developmental state as the best developmental path for Ethiopia started to be heard loud and clear since the beginning of the 2000s when the government launched a campaign portraying poverty as an existential threat to the whole country (Kefale, 2011). Others even suggest that the controversial election in 2005, which left the ruling party Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) vulnerable, was the turning point for the developmental state paradigm to emerge as a national agenda (Hassan, 2008; Kebede, 2011; Negash, 2011).

Speeches of the former Prime Minister Meles Zenawi, emphasizing the need for fast economic growth as a way of assuring Ethiopia's survival as a country, made the most significant influence. The 2006 issuance of the draft of his master's thesis entitled "African Development: Dead ends and New Beginnings" made the argument that the neoliberal paradigm has come to a dead end as an alternative for Africa's development and a new approach - the developmental state - was the most viable alternative to push forward. Since Zenawi was the one most important, most influential person in the political and economic landscape of the country (Bøås, 2012), his conviction was a clear indication that developmentalism was about to become a mania of the whole country. His speech on the new year of the Ethiopian Millennium in 2007, in which he declared the 'Ethiopian renaissance' confirmed the same. Later in 2010(a), on a speech at the opening of the 5th International Conference on Federalism, Zenawi, once again affirmed his commitment to the developmental state model identifying it as one of the two pillars of the Ethiopian renaissance, the other being democratic federalism. Zenawi continued vehemently advocating the developmental state model for the whole Africa (Zenawi, 2011; Zenawi, 2012; Zenawi, 2010b). His advocacy and Ethiopia's growing inclination towards developmentalism culminated with setting a long term goal of elevating Ethiopia to a middle income country by 2025, as part of which a comprehensive five year Growth and Transformation Plan (GTP) was launched following the 2010 election.

Two contending views explain the justification for Ethiopia's move to embrace the developmental state model. One view claims that the realization of the country's underdeveloped status in many aspects of life, along with the international momentum created by the Millennium Development Goals (MDG) and the conviction of the ruling elites about the eminent national danger of continuing to live with chronic poverty led to the reassessment of the development approaches of the country which ended up favoring the developmental paradigm (Habisso, 2010; Woldegebriel, 2013; Tadesse, 2012; Melke, 2013). This view attaches genuinely economic and developmental reasons to the shift of approach. The contrary view puts it that the real reason for the emergence of the developmental state in Ethiopia is the strong political desire of the ruling party to create an excuse for more grip on

power and to the establishment of a one party hegemony (Alemayehu, 2009; Kebede, 2011; Negash, 2011; Hassan, 2008). This view also asserts that the 2005 election crisis was a land mark event for the ruling party to realize the fact that it was losing ground and to take a swift change of strategy by forcefully pushing developmentalism. In doing so, the ruling party maintains not only its power but also its heavy hand on the economy.

Over the last decade the notion of developmental state was a subject of heated debate among the scholars and politicians alike. At first the debate started from whether or not the developmental state approach was relevant for Ethiopia. Proponents, including Zenawi himself, argued that it was the only way forward for Ethiopia to bring about growth in a short period of time, while the opponents maintained that developmental state is naturally inclined to elitist and undemocratic form of government which gives autocratic prerogatives to the few at the expense of the freedom of the masses. The next phase of the debate moved to whether or not Ethiopia was a developmental state. Mainly depending on the differences in definition of the concept and its attributes along with disagreements on the Ethiopian condition, the positions extended from those who argue that Ethiopia is not a developmental state, rather an autocratic disguised in the name of development, to those who argue with certainty that Ethiopia is the only democratic developmental state in Africa. In the past few years, upon realization that Ethiopia's becoming a developmental state was an undeniable state of affairs, the debate came to be about the results it produced. Again, advocates of developmental state credit the strategies of the government for the successive economic growth recorded, while the opponents argued that the growth is only numeric since it is not practically changing peoples' lives. They maintain that the growth obtained is critically undermined by inflation, corruption and unfair distribution of income creating classes of the very rich few and a mass of very poor (see Klausen, 2007; Meleke, 2013; Daddi, 2013; Habisso, 2010; Zenawi, 2006, 2010b, 2012; Kiros, 2011; Kebede, 2011; Negash, 2011; Hassan, 2008; Woldegebriel, 2013; Tegegn, 2008). However, it is important to note that debate on the Ethiopian developmental state is mostly adulterated by the tense relationship between the government and opposition, chronic differences on the political and ideological positions on ethnic federalism and revolutionary democracy advocated by the ruling party.

3.3.2 Nature of the Ethiopian developmental state

A good point to start in understanding the nature of the Ethiopian developmental state would be to look at the arguments and the justifications forwarded by the man who is invariably credited as the architect of Ethiopia's development strategies in the past two decades or more – the former Prime Minister Meles Zenawi. His argument rests on the conviction that basically the neoliberal paradigm has led Africa in general to a dead end in terms of economic progress and into a “fragile unstable democracy that is not only incapable of evolving into a stable and mature democracy but actually hinders the development of an alternative path of democracy that leads overtime to such a mature and stable democracy” (Zenawi, 2006, p. 36). For him if

Africa was to experience a renaissance, it is possible only through a shift to the democratic developmental state paradigm (Zenawi, 2012; Woldegebriel, 2013).

Zenawi, whose favorite examples usually came from South Korea and Taiwan and less often from China, asserted that Ethiopia does not have any major comparative advantage in any productive area which led to rent seeking as a rampant means of money making. To address this, the state has to lead the private sector towards greater commitment to value creation; and to do that successfully, the state, in return needs a considerable autonomy and political space for experimentation. Generally, developmental states could be of different forms as long as they upheld hegemony of value creation, maintained autonomy from the private sector, controlled rent seeking, and maintained continuity in their policies for long enough to succeed. Zenawi, by way of questioning the meaning of liberal civil and political rights in a situation of chronic poverty and political chaos, favors authoritarian state dominated by one party or coalition that works to meet the prerequisites of human rights – strong state and development (DeWaal, 2013).

However, this simply shows the logic and explanations from the perspectives of the maker(s) of the developmental state in Ethiopia. A closer look on the actual nature and distinctive attributes of the concept as it is put in practice, reveals a variation to this line of thought. Taking the six features identified in section 3.2, the Ethiopian developmental state can be seen as follows:

i. State intervention

One of the areas the Ethiopian developmental state is said to have missed the basic features of its East Asian models is that its interventionist tendency is too much to the extent of being market unfriendly. While the state is expected to design the developmental plans, intervene in the implementation of its strategies, steer the market with legal frameworks and incentive schemes, evaluate the outcome of the results but leave the market to free competition, in Ethiopia the government intervenes into the functioning of the market. A typical example of this would be the hard price control the government puts on different products and the anti hoarding campaigns it launches all in the name of controlling inflation and protecting consumers. That has led some (e.g. Desta, 2011) to conclude that the Ethiopian government, though not explicitly stated, appears to be pursuing a centrally planned economic model. Others tend to see the Ethiopian model to be more of the 'authoritarian developmental state' that follows the 'Beijing consensus' than the market friendly developmental state (Thakur, 2009).

State control of land, despite the level of importance given to improving agricultural productivity, is another basic flaw in the logic of the Ethiopian developmental model that is hampering the whole agricultural activity. The absence of private ownership of land does not encourage peasants to make investment in their land for a better productivity; neither has it allowed them to use their land in transaction. Besides, the existence of big businesses politically backed by the ruling party, along with lack of rule of law and rampant corruption practices, is distorting the fundamental market

structure (Kebede, 2011). In effect this is discouraging more domestic and foreign direct investment in the Ethiopian market.

ii. Vision guidance

After the completion of the previous five year development plan called the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), in 2010 the grand developmental plan with clearly stated long term vision, the GTP, was launched. In what seems a differing attribute than its predecessors, the GTP stipulates Ethiopia's vision as:

to become a country where democratic rule, good governance and social justice reign, upon the involvement and free will of its peoples, and once extricating itself from poverty to reach the level of middle-income economy as of 2020-2023.
(FDRE, 2010 p. 21)

Besides the democratic values embedded in the overall vision, the GTP further explicates the vision on poverty alleviation by giving specifics on the aspects of the economic vision. It says that Ethiopia's vision specifically on economic sector includes:

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 and securing social justice and increasing per capita income of the citizens so as to reach the level of those in middle-income countries.(Ibid, p. 21)

The first phase of this overarching plan, extending for five years 2010/11 to 2014/15 and covering a wide range of economic and infrastructural development is currently underway. The explicitly stated emphasis on economic development and the clarity of goals, such as eradication of poverty and elevating the country into a middle-income status by a definite date, indicate the developmentalist orientation of the contemporary Ethiopian state. Put differently, it can be argued that the Ethiopian state already has the requisite ideological orientation (Bekele & Regassa, 2011). However the question whether Ethiopia has met the institutional requirements, such as capable bureaucratic system, strong central planning institution, institutional infrastructure for effective coordination, strong set of social and economic policies etc., shall remain a subject to be further explored. In fact, there has been a lot of criticism that the GTP is too ambitious considering the economic situation of the country at the starting point, the institutional capacity already in place and the fact that the country is substantially dependent on foreign aid.

iii. Effectiveness in planning and coordination

Apparently, the Ministry of Finance and Economic Development (MOFED) is the institution endowed with the responsibility of planning and controlling the implementation of the GTP. It has produced the GTP document detailing the goals, methods, sources of income and monitoring and evaluation responsibilities and approaches (FDRE, 2010). However it is observed that the capacity of this institution

to effectively plan and coordinate the implementation is challenged on two grounds. First, the country largely depends on foreign aid even to fill the regular budget deficit it faces every year, let alone such an ambitious plan that requires a huge investment. The domestic saving practice is not that much reliable to generate the required amount of capital for investment (Desta, 2011). Hence the scope of the planning as well as how much it can be put into practice depends on the positive relationship the country can maintain with its development partners – which in fact has been debased in the past years owing to the controversial election of the 2005 and its aftermath, the human rights condition in Ethiopia, and the contested environmental impact of some of the big projects in the GTP itself.

Secondly, the ministry would have challenges to direct the activities of other ministries that are on the same hierarchical level with it. The decisions that affect other ministries, therefore, have to come through the Council of Ministers which is the higher body in the hierarchy. Besides the federal arrangement, which gives a substantial level of authority for regional governments and their functionaries, at least in principle, would inhibit the MOFED from a direct purview over what happens at the local level. This could have been minimized by setting the institution in charge of planning and coordinating long term development as an ad-hoc body outside the regular hierarchical government structure with direct relation to all concerned ministries (e.g. the Economic Planning Board of South Korea and Economic Development Board of Singapore).

iv. Commitment to building human capital

In the past two decades one thing the EPRDF government has made a remarkable achievement rarely contested is in expansion of education. At all levels education access has significantly grown. However, many have their doubts on a number of issues related to how education and training are made to fit to contribute to the human capital need of the country. One issue often raised is that the emphasis has been exclusively on expanding access and does not regard quality of education; and it is not clear how much the curriculum is contextualized to address the development issues of the country. Until the quality of education is fit to the demand of the economy it is not possible to say that the need for human capital has been satisfied, only by counting numbers. At the lower levels of education the rate of class repetition, dropout and attrition remain still very high. At higher level quality has been long forgotten and the unemployment rate of graduates is ever increasing – showing that either they are trained an irrelevant field to the economy or that education and training are not well coordinated with the economic growth. Besides the tense relationship between government and universities is inhibiting improvements in the quality of the academic institutions and driving many educated people into internal and external brain drain (Kebede, 2011; Hassan, 2008). However, in the past few years more emphasis has been placed on quality and a systemic level of drawing university entrants to more needed fields of study in science and technology has come in to effect.

v. Efficiency and autonomy of the bureaucracy

Autonomous and efficient bureaucracy is one of the defining elements of a developmental state. In Ethiopia, however, the efficiency and autonomy of the bureaucracy appear to have been compromised mainly because of the ethnic federalism in political arrangement of power and administration. The civil bureaucracy is recruited based on ethno-language criteria than meritocratic, which undermines the possibility of building competent bureaucratic institutions (Bonda, 2011). The institutions in which the functionaries operate are strongly influenced by the ruling elite since the higher positions in many governmental departments are assigned according to an ethnic based quota system to meet equal representation. This has led to the wide perception that the bureaucrats are expected to operate in line with their ethnic affiliation than in pursuit of the goals of their institutions (Desta, 2011). The result is bureaucratic institutions and functionaries that are not disciplined, exhibiting high level of inefficiency, rent seeking behavior and rampant corruption at a system level. Unless these problems are resolved the state cannot achieve its development goals and the results of its investment in development project will be hugely compromised (Desta, 2012a; Woldegebriel, 2013; Desta, 2012b). Politically neutral and professionally competent bureaucracy is of an immediate need to rectify the dysfunctional Ethiopian developmental state.

vi. Executive-legislative relation

In developmental states the executive branch of government often is stronger in power than the legislative since the earlier needs some space to undertake activities and to pursue goals which in the short term may be against the interest of certain groups. However, this is not tantamount to favoring an executive that is not checked and controlled at all. In Ethiopia, there is a long tradition of having both the legislative and executive presided and influenced by the same political elites (Abebe, 2011). For the last over twenty years one political organization, EPRDF, mostly with the same leadership, has dominated both branches of government. Currently having a majority of 99.6% of the parliamentary seats, it practically makes the laws, executes them and controls the execution. The parliament and other independent controlling institutions such as the Auditor General are usually described by critics as a 'toothless lion' that cannot bite. Besides the bureaucracy and the judiciary system are considered simply extensions of the ruling party (Desta, 2012b). This can be seen in the keen observation made by (Fantini, 2013) who pointed out that in line with the Ethiopian political tradition, a single Amharic word, *mengist*, describes at the same time the state, the government and the party in power - typically indicating the current overlap of power at all levels.

Though it is common for the executive branch of government to be strong in developmental states, the situation in Ethiopia seems excessive to the point of jeopardizing transparency and accountability, in effect, failing to ensure the efficient utilization of the country's resources and creating infesting ground for corruption and rent seeking behavior. Moreover, the lack of independence of the bureaucracy and judiciary system undermines the operation of free market and competition and discourages [particularly foreign direct] investment.

3.3.3 Challenges of the Ethiopian developmental state

While it has made discernible progress, the Ethiopian developmental state is challenged in its move forward by both internal and external forces. One such pertinent challenge is the existence of chronic political difference impeding the possibility of consensus on major issues. Of course one of the typical characteristics of the Ethiopian political landscape is the diametric differences on almost all important national issues that are so strong and emotionally charged that political dialogue among the elites is hardly possible. Many of the differences are fundamental to the views of different political groups on issues such as ethnic federalism as a political arrangement, the appropriateness of revolutionary democracy as an ideology, the development of democratic process in the country, conditions of human rights and political freedom, etc.

Years after Ethiopia has officially claimed to have adopted the developmental state model, there is still fierce debate and disagreement continuing on such basic issues as what is a developmental state; is developmental state relevant to Ethiopia; what type of developmental state should Ethiopia follow; which country should be a model for Ethiopia to learn from; and so on. On top of this, the result and consequence of the 2005 election challenge the assumption that the Ethiopian developmental state has the support of the masses at the base level, particularly in the urban areas (Abbinik, 2006). In spite of the ethnic federal structure, the Ethiopian developmental state tends to show significant similarity to its predecessors in terms of the top down approach of policies, public administration and development management. While popular support at the base level is a crucial determinant of success for development, in Ethiopia “wisdom about development and transformation keeps on coming from above, with little recognition for local knowledge or the autonomous aspirations of groups and individuals” (Fantini, 2013, p. 6). Besides, the lower level structure of the public administration is highly charged with the tension of the ethnic politics that is producing a “negative impact on the creation of civic country wide citizenship for successful developmental state” (Bonda, 2011, p. 34). To lead the transformation with legitimacy and credibility the state has to work on these issues of differences as much as it is working on economic growth.

Commentators observe that there is a leadership gap causing a discontinuity in the Ethiopian developmental state following the death of the former Prime Minister Meles Zenawi. Mr Zenawi was the one person who was instrumental in every policy in the country over the past two decades or more. The international recognition and support for Ethiopia’s development strategy, in spite of controversy and serious criticisms about the conditions of human, political and civil rights in the country, was garnered by the political ability and diplomatic skills of Mr Zenawi who was acclaimed in different international forums as an African champion of development (Fantini, 2013). After being the sole face of political leadership for twenty years, his death in 2012 has opened a new phase of uncertainty in the internal dynamics of EPRDF where no specific group or individual has emerged with consolidated power (Bøås, 2012). The project of internal renewal started by Zenawi to replace senior

leaders by new ones, and so far partially implemented, further complicates the picture and adds to the uncertainty.

On the other hand the legitimacy of the Ethiopian developmental state has been built on the legacy and experience of the liberation struggle the collective memory of which is fading away. This is especially the case with the youth accounting for a vast majority of the Ethiopian population. This seems the reason why the current Prime Minister Mr Hailemariam Desalegn and more generally the ruling class are appealing to the 'legacy of the visionary leader' as a way of reinforcing the legitimacy of the government and its actions (Fantini, 2013). This being so, the weakness of the opposition, the rampant corruption and rent seeking in both public and private sectors, the complete control of the media by the government all add to the concerns about the accountability and transparency of the leadership.

The lack of clarity and incompetence among the lower level hierarchy of government structure is another serious challenge. The implementation of developmental policies is undertaken by people of least competence in professional terms who work in a tense political environment. There seems to be a paucity of solidified understanding about what developmental state is and how Ethiopia is embracing it. DeWaal (2013) warns that in a country as wide and diverse as Ethiopia implementing a policy without creating a common mind set first runs the risk of degenerating the principles, no matter how sophisticated the theoretical foundations are, in to a set of dogma parroted by party cadres, with hardly any understanding of the real meaning and implication of the policies and strategies. Confusion between political and developmental goals along with the incompetence of the bureaucracy and the growing of individual and group interests contest the effective implementation of the development polices at the grassroots level.

Macro economic conditions such as the ever increasing income gap, too much dependence foreign aid than private investment, uncontrolled inflation, imbalanced development between the urban and rural areas and the small size but highly corrupt private sector are in the list of challenges to the Ethiopian developmental state. The government of Ethiopia claims that it is creating rich farmers in the rural areas and emerging private investors, through micro and small businesses, in the urban areas, and this is leading to reducing the income gap evidenced by Ethiopia's standing in international rankings of income distribution (Zenawi in 2010 argued that Ethiopia's Gini coefficient of 0.29 which was the lowest in the African continent, and among the lowest in the World, justifies the landslide victory of his party in the 2010 national election). However this is highly contested by opposition and critics who counter claim that the economy is creating a small class of rich and a wide mass of poor. The fragile middle class in between is so unstable that it could slip down to the masses at any pint. This assertion is mostly explained by the existing distribution of large piece of land for foreign investors dubbed as 'land grabbing' (Butler, 2010). Land grabbing is pushing people to leave their native areas and move to urban areas where they are adding to the worse situation of poverty already there (Kiros, 2011; Desta, 2012b; Hassan, 2008). Besides, while the state ownership of land increases the risk with making investment in land development by the peasants (Ali, Dercon &

Gautam, 2007), the ethno-language criteria discourages the free movement of labor and capital (Bonda, 2011) contributing its share, among other things, to the stagnant development of the private sector.

The commitment of the Ethiopian developmental state to democratic values has always been questioned. In fact the Ethiopian government is often criticized for being undemocratic and using development as an excuse for that. The popularization developmentalism coincided with the passing of a set of laws that are restrictive on civil society organizations and the media (Kefale, 2011). In the absence of the space for dialogue and exchange of ideas in the making and implementation of policies higher level of development will remain very difficult. That is why scholars and political commentators alike strongly suggest that the Ethiopian developmental state, to move forward with its development goals, needs to improve its institutions, increase its commitment to a democratic and participatory development process and reestablish its legitimacy and credibility through its democratic credential (Bekele & Regassa, 2011; Desta, 2011; Tegegn, 2008). Recognizing the progress made so far and underlining the challenge of lack of democracy in the process, Tadesse (2012) credits the former prime minister to have introduced the basics of developmental state as well as for making it 'intimidating and suffocating' which requires the immediate attention of the emerging leaders as the most urgent problem that need to be fixed.

Chapter four

Towards analytical framework

4.1 Education in developmental states

Skill formation systems have played a decisive role in the rapid economic development of the late industrializing developmental states. Rapid economic growth was accompanied by vast expansion of education and training through centrally coordinated planning and resource management towards building stock of human capital (Green, 1999). The common explanations in terms of market failure and cost benefit analysis were not sufficient to address the advances in some of the rapidly growing countries, particularly in Southeast Asia. Advocates of the developmental state model argued that the strategic actions of the developmental state vis-à-vis national economic development are at the center of national skills formation (Sung & Raddon, 2014 forthcoming).

The IMF (1991) commented that one lesson that can be taken from the developmental states is that the economies which committed themselves to education and training made great strides in both human development and economic growth (Morris, 1996). Rapidly growing school systems produced the supply of disciplined and generally educated labor to meet rising employment demands; and socialization in schools has been used to promote the attitudes that were consistent with both the social cohesion and the capacity for productive

cooperation that have underpinned the comparative advantages of East Asian economies (Morishima, 1997). So strong was the perceived linkage between skills formation and economic development in East Asia, some economists “have gone so far as to argue that education and skills are the essence of successful late industrial development, since that process relies precisely on learning from and adapting foreign technologies” (Green, 1999, p. 254)

It has been noted that one of the distinctive features of national education systems of the Southeast Asian developmental states has been the emphasis on skill formation (Morris, 1996). Efficiency in human capital was irreplaceably important for the developmental states. However, similar stress has also been on citizen formation mainly through values and moral education. Moral and values education reflects the priority given to promoting national identity and social cohesion. In Japan, moral education before the Second World War emphasized ultra-nationalism to be later suspended after the war. In 1958 it was reintroduced to improve condition of juvenile delinquency and the moral decay caused by the defeat in the World War. In South Korea and Taiwan, which faced civil war with communist forces, Abe (2006) argues that moral education was, at least at the early stage, associated with anti communism movement. In other countries, such as Singapore, moral education has also been used as a means of securing public loyalty to the ruling body. Nonetheless, what has to be noted is that moral education, in Southeast Asian developmental states, has contributed to the creation and promotion of national solidarity, which was a necessary input rapid economic growth directed by the state.

What appears to be the most distinctive feature of education in developmental states is its relationship with economic growth. In any attempt to understand the functioning of developmental states, one would discover how various institutions and national systems are made ‘subordinate’ to a set of economic priorities (Sung & Raddon, 2014 forthcoming). Education and training policies are linked with the making of economic policies at the highest and most strategic level. Consequently, institutions and mechanisms have been set (and changed over time) make sure that a strong and efficient link exists between economy and skill formation. This, in effect, resulted in a high degree of centralization of control over schools, universities, training centers, and even sometimes in-house training by companies that cannot be justified by the level of funding from the state (Ashton et al., 1999).

As a result of this relationship between economy and education systems, there has been a discernible relationship between the level of economic growth and the emphasis on educational expansion. As countries transformed from agrarian to advanced industrial economies, they also moved from relying more on primary education to advanced higher education. Cummings (1997 in Abe, 2006) commented that at the early stage of economic growth the state investment in tertiary education was negligible, which later came to take a sizable proportion of total educational budget. However this did not happen in all developmental countries in the same way while its pattern was more visible in countries such as Singapore.

At the beginning, during the low-cost and labor-intensive manufacturing stage of economic growth, basic literacy and numeracy amongst the workers was vital. The

Economy required no sophisticated knowledge, but rather needed low-wage labor. Therefore the primary focus of the education system was to provide universal, basic general and technical education (Tan, 2007) to the workforce.

In the mean time, in preparation to the next stage of economic development - the capital intensive stage - investment in infrastructure development for secondary schools vocational education schools and training centers was underway. Many developmental countries adopted a flexible approach for recognizing informal trainings for up skilling and trainings for those who did not come through the channel of the formal education (e.g. workers who dropped out of primary schools but have been working for several years would get the chance to be trained in vocational schools as long as they meet some basic requirements such as basic English and Math). Lastly, the knowledge-intensive stage of economic growth was characterized by its aims to move up the global value chain to catch-up with advanced economies. Thus education and training policies focused on skills upgrading required for effective participation in an advanced industrial society, the enhancement of intermediate level technical skills and expansion of higher education focusing on science, technology and engineering (Sung & Raddon, 2014 forthcoming).

These shifts in pace with economic change were possible through strong intervention and efficient forward looking planning by the state. According to Mok (2006) at the lower level of education it was observed that some similar measures were taken by the governments of Southeast Asian developmental states including, but not limited to:

- the reestablishing of new aims and a national vision for education;
- the expansion and restructuring of education;
- the assurance of education standards and a quality education (at later stages);
- the privatization and diversifying of education (in some of the countries);
- the emphasis on the use of development planning and strategic management;
- centralization of power and strong state direction; and
- the development of new curricula and methods of learning and teaching (more flexibility).

After decades of focusing heavily on technical areas, there was promotion of creative education in order to support a new industrial policy and in response to the growing role of the service sector in the economy. This resulted in a more comprehensive approach in the higher education systems. The following section attempts to draw a picture of what higher education in developmental states.

4.2 Higher education in developmental states

Drawing on literature from the 1980s and 1990s this section attempts to show the peculiar nature of universities and higher education systems in general in developmental states. Developmental states in the early stages of development the primary target of which was to attain rapid economic growth through industrialization are most relevant to the current situation of Ethiopia, and hence to

this study. This typically relates to the context of the South East Asian region between the 1970s and 1990s. The 1990s Asian Economic crisis has called for lots of economic and political reforms in many countries of the region. Several preconditions attached to IMF's rescue plan have imposed crucial elements of the neo liberal realm of politico-economic arrangements undermining the predominant statist alternative (Hayashi, 2010). Hence considerable change has happened and the countries have progressed a lot since then resulting in substantial alteration in the nature and functioning of the developmental state. Similarly, the higher education systems of these countries have evolved significantly that today, rather than focusing on promoting industrialization and training technical experts, they eye on fitting in the global trends of higher education (e.g. the global university hub initiatives of Singapore and Malaysia, the close to 100 % access rate of South Korea, the world class universities project of china, and the like). These higher education systems have come a long way that their current experiences are not relevant for an infant system like that of Ethiopia's which pursues starkly different goals and has completely different challenges. This explains why it is necessary to focus on literature from two or three decades back.

Some of the features and roles of higher education in developmental states are similar to that of the traditional universities in Europe and elsewhere, but with a different level of emphasis or unique combination of goals and functions. In this regard, taking a brief look at what Castells (1993, pp.80-82) identifies as the traditionally major functions of universities gives an important perspective to a contrasted understanding of higher education in developmental states. Castells sees universities as important institutions in all societies, throughout history, with basic and implicit functions to perform towards the respective roles given to them by society by means of political or economic influence. The four major functions he identified, at a theoretical level, manifest with varying level of weight which is the reflection of the predominant role expected of the respective higher education systems in different historical periods and different societies.

First, universities have historically been prominent players in the formation and dissemination of ideology. Having its root in the European church based universities of both the statist orientation as in the Italian, Spanish or French universities (i.e. those institutions closely tied to the interests of the national or local states, and to the religious orders of the Roman Catholic Church) and the more liberal schools of the Anglo-Saxon tradition (the ancestors of liberal arts colleges), universities continue to serve as ideological apparatuses, regardless of their commonly referred to ideology of ideology-free status.

The second essential role of universities, for Castells, is the making of dominant elites – including their selection, socialization, networking of cohesion, and the delineation between those elites and the rest of the society. As the legitimacy of family heritage as a source of social power faded away, universities, including the Oxbridge version of theological schools as well as the state-based European universities, came forward to play the fundamental role in the formation of the new elites of the proto-industrial and industrial societies. This role did not substitute the

ideological role of universities; rather it frequently happened in parallel making the leading institutions of the university system the breeding ground for new elites. Built around the unquestionable dominance of Oxford and Cambridge, the British system presents the best example of such arrangement. However, contemporary examples of the role played by the Ivy League universities in the US, and that by the University of Moscow in the former Soviet Union provide similar cases and reflect on how the process of elite formation is adaptive to cultural and historical contexts of different societies.

The generation of new knowledge, the function of the university taken today for granted, is the third role that emerged very apparent with the technological revolution influenced by the US science oriented universities and the consequential model of economic growth. This role has become even more critical to the essence of the university with the advent of globalization and knowledge economy. Until the emergence of this major shift, in many countries universities were not recognized, by political as well as private institutions, as having this function. Even after the shift of view took place with the technological revolution, in several countries of Europe research had separate establishment from higher education being undertaken by national scientific research centers. The German model provides an exception to this by harboring a more flexible interaction between teaching and research functions of universities. While many European governments chose research institutions instead of universities which are viewed as being too vulnerable to pressure from students, Japan offers a diverse alternative where research is rather predominantly an in-house activity by big private firms, supported by government funds.

The fourth function of the university, perhaps the largest and most important in modern times according to Castells, is the professional training for the bureaucracy. This basic function of higher education systems has a wide coverage since the time of higher level schools specializing in training the church bureaucrats, to the Napoleonic model that is the basis for most European university systems, to the traditional Chinese university system devoted to preparing students for imperial examinations for state bureaucracy - which in turn influenced the Japanese and Korean university systems. This function of training the bureaucracy expanded in scope and in specialization when the process of industrialization required training large numbers and diverse professionals - engineers, accountants, economists, social workers, etc. Besides the expansion in basic services such as health and education demanded unprecedented number of teachers and medical professionals all to be trained by higher education institutions. Simultaneously, universities had to expand and strengthen themselves to meet the growing demand for training, thus becoming large consumers of their own production.

The professional university that focused on training the labor force was particularly successful in those countries where it was aligned close enough to the industrial world to be instrumental to the economy. Indeed once the potential of universities in promoting development was recognized, many countries pursued building "technology institutes", "research universities," and "university-industry partnerships" (Castells, 1993, p. 83). Therefore, after focusing for centuries on the

ideological and elite formation functions universities, policy makers and the private sector in many countries turned to realizing and using the higher education system as a force of production in the development of the industrial and informational economy.

However, skeptics argue that there is a risk of failure and even a potential danger in this new view about the role of universities. Peper (1984), for example, cites the failure of universities in planned economies of socialist countries, where they were made completely subordinate to the needs of the labor market, and because of the rapid technological change universities were obliged to train technical professionals to adapt constantly to new technologies. Similarly Castells warns that when universities are too closely tied to the industry, they may lose sight of their “overarching role vis-a-vis the short term interests of particular segments of the industry” (1993, p. 82) they are attached to.

In spite of the skepticism, a volume of literature shows that higher education systems were successfully integrated with economic policies resulting in rapid growth in economy particularly in the East Asian newly industrialized developmental states of the second half of the twentieth century. Attesting this Altbach (1992, p. 159) concludes that higher education institutions in those countries are “not only central to educating people for increasingly complex and technologically oriented societies, they also provide the research base that will permit these societies to create ideas and translate them into usable processes and products”.

The countries have successfully transformed their economies by shifting from agriculture to manufacturing and gradually moving from import substitution to export oriented selective high technology heavy industries. To this end they pursued ‘corrective and structural adjustment’ targeting on the move away from low-wage, low productivity and unskilled labor intensive activities to high technology and high value added activities that require highly trained work force. This adjustment policy has been facilitated by well thought out and carefully designed far reaching policies for manpower development, education and training, to which higher education was of paramount importance (Singh, 1991).

Therefore, the success in this regard, among other things, is attributable to the existence of relevant and properly directed higher education system that is well aligned to the economic policies. Such a higher education system can be described and understood by certain features including, but not in any way limited to, the following.

4.2.1 Strong state control system

The interventionist developmental state intervenes in and closely controls its higher education system to make sure that the higher education development and strategy is well coordinated with the other aspects of its social and economic policies. Such centralized system, commonly referred to as the state control model, in effect leaves the higher education institutions with minimum level of autonomy.

The rational planning and control strategy can be traced back to the ideal of rational decision making, in which all possible alternative solutions for a given problem and their respective consequences are taken in to account before making the final choice. It calls for the centralization of the decision making process and a significant degree of control over both the choice and implementation of a given alternative. This strategy of government regulation is reflected in the state control model of higher education systems (Ransom et al., 1993).

The state control model is traditionally linked to continental Europe, where higher education institutions were established and almost entirely financed by the state. The French higher education system which is characterized by centralized bureaucratic control exercised by the Ministry of Education provides a typical example. Almost everything in the higher education system falls under the purview of the ministry of education - access policies, degree requirements, curricula, the examination system, the appointment and remuneration of academic staff, and so on. Standardization of degrees, which appear to be awarded by the state rather than the university, is often said to be the justification for such detailed involvement of the state in the higher education system. In the continental model, state control coexists with strong authority of senior chaired professors, having considerable power at the lower level. Therefore the power structure of such a higher education system is dominated by the interest of the two representing the alternative ends at the top and the bottom, with weak institutional administration in the middle. Indeed, the state not only controls the appointment of the chair holders, it also uses the higher education system to meet its manpower needs in the government bureaucracy and the labor market (VanVught, 1995). Therefore in effect the power of the state prevails even over that of the senior professors who are influenced by the decisions of the state.

The state control model has been widely criticized for a number of shortcomings. This model is said to be less successful in stimulating and effectively supporting innovation, because its underlining assumptions, which favor more centralized control, are at odds with some of the fundamental requirements for an innovative higher education institution such as high professional autonomy, organizational fragmentation and decentralized decision making power. By undermining multiplicity of approaches, it boosts the likelihood of the arbitrary dictate. It also fails to acknowledge that in a complex multi-level system specific knowledge is more easily and cheaply acquired by the lower-level decision making units. Inflexible and detailed oversight procedures and hierarchical control lead to unnecessary and counter-productive bureaucratic systems and can stifle innovative potential at the lower level. Even worse, if power and knowledge are at two different ends, the unit with the knowledge can use its expertise to evade and counteract to orders from the powerful (Ransom et al., 1993; Van Vught, 1995).

In many post-colonial developing countries the state control model has been unsuccessful. Governments of newly liberated countries attempted to use higher education as a means of national integration and as an important tool to maintain the momentum of the period in nationalism and initiative for economic growth.

State authorities decreed massive increases in student intakes, pledged undifferentiated access and guaranteed employment to graduates at relatively high salaries, all without having adequate resources. The results were “high unit costs per student, increased dropout rates, low and longer completion rates of graduates, and imbalances between the number and types of graduates produced and the number and types of jobs available” (Ransom et al., 1993, p. 12).

It is not an easy task to build a fully functioning higher education system under such circumstances. Skeptics of the state control model argue that this is because of the absence of strong leadership on the part of the academic institutions and unwillingness of governments to permit the universities to fulfill their potential by fully developing their traditions of autonomous development (Altbach, 1992).

Even at the face of such wide skepticism and critics, there are some countries that proved the state control model to be a success for promoting rapid economic growth if well aligned with overall developmental goals and properly coordinated with other policies and sectors. The developmental states of Southeast Asian region provide example of such success. Typical in this regard is the case of South Korea which as part of its national education system introduced a tight rein on all developments in higher education. However, despite considerable pitfalls, strains on students and parents, and denial of opportunities for individual personal development, the education system of South Korea managed to significantly contribute to the country’s economic progress (Morris, 1996).

The same can be said for Singapore, Malaysia and Taiwan which not only largely financed their higher education systems, but also engaged in a wide variety of activities ultimately determining what they wanted their higher education to be like and where it was headed. The high degree of coordinated control exercised by the governments of these countries ranged from shaping the overall legal framework through legislative enactment to the specific tasks of staff appointment. Other dimensions, applied in different composition in different countries, include: regulating the establishment of new departments, colleges or universities, setting student quotas for different universities and disciplines, shaping the curriculum, stipulating the number of courses, determining the combination of subjects to be taken, encouraging students to enter fields where there are shortages, the appointment of presidents, determining the number of teachers per faculty, the teaching load, tuition fees and faculty salaries, etc. In the earlier stages of their development governments also took measures to favor more students to go in to vocational schools (e.g. Taiwan set a 3:7 ratio). Later with the concern to upgrade the labor force to meet the demand of the transforming economy they eased their policies but still favoring technical fields than the social science and humanities (Singh, 1991).

4.2.2 Centralized admission procedures

The desire to ensure that the higher education system supplies the required amount and mix of graduates to the labor market has made developmental states to involve in detailed control of higher education institutions. Admission is one such area

where government involvement was crucial, even in private academic institutions. Central government agencies, such as ministries of education, were directly involved in determining the admission process in to higher education with three purposes in mind: ensuring quality of higher education, making up for social injustices, and determining how many people go in to each discipline in response to the needs of economy.

Growing economy of the developmental states was paralleled by a rapid expansion of their higher education systems. As the countries move from small scale manufacturing and import substitution to medium and heavy industries and export oriented production, the demand on the quality of graduates was increasing as well. Hence quality assurance emerged to be one of the common challenges in those systems. In the 1970s when China replaced its admission policy national examinations based on academic criteria by one that rather considers family background and political criteria, the result was that its universities were crippled and its economic growth was slowed for about a decade. In the 1980s China restores its rigorous national academic examinations as part of its effort of modernization and quality improvement (Ransom et al., 1993). This illustrates the idea that admission procedure has implications to the quality of education and quality in turn influences the economy.

If higher education is to advance a society promoting its ability to innovate with the aim of achieving economic and social development, then due care has to be given to the issue of quality. And, the simplest way to improve quality, Patel (1993) suggests, is to have very high admission and instruction standards. By doing so multiple goals can be achieved simultaneously - limits the rate of expenditure increase in higher education; concentrates resources in few institutions, which in turn facilitates easy maintenance and improvement of quality.

With this notion in mind, many developing systems used centrally administered strict higher education admission test and/or national system of assessment that seeks the most competitive ways to identify the best of every cohort that will join higher education (Morris, 1996). The downside of this method is that it influences how teaching at the secondary schools is conducted. Schools having their eyes on helping their students succeed in the entrance exam, almost exclusively focus on teaching the selection test rather than teaching the broad range of educational objectives prescribed in the curriculum. Those who failed the selection test often do not get alternatives in to the higher education system or employment causing waste of resources and human potential. Many of the developmental states later, upon realization of the problem, introduced admission policies to higher education that consider, at least partly, secondary school work rather than solely relying on a one-shot exam at the end of the cycle. Such a broad based admission system targets on changing teaching at the secondary school level to be more relevant for those who go on to the higher education as well as for those who turn on to other forms of training and /or employment (Ransom et al., 1993).

On the other hand such highly selective systems would favor those who are affluent enough to go to better private schools and who can afford private tutorial to succeed

in entrance exam. Hence tend to be elitist and add up to social injustice by widening the rich - poor gap (Patel, 1993). Equity in access is a more philosophical and political issue with sophisticated determinants. Therefore each country, considering its own specific situation, will have to determine the optimum balance between social equality goals and economic growth goals. Malaysia could be a good example facing such a challenge where a small higher education was viewed equivalent to quality in the 1970s and 80s. Available spaces were restricted and selection policies were supposed to select the top performers. However, through time the principle of social equity superseded the notion of quality in the public sector, where quota based national selection policies were superimposed on meritocratic criteria hoping to redress perceived social injustice. In the private higher education sector selection remains based on merit. When manpower needs continue to exceed the supply produced locally, the best students would be sent to study overseas (Ransom et al., 1993).

With satisfying the economic growth target in mind governments of developmental states have used admission as a means of differentiating between the elite high quality institutions and the relatively open higher education. Admission also served to determine how many and who go to what field of study as required by the intended economic strategy (Morris, 1996). Access to higher education institutions has been driven by objective criteria and not by individual need, and enrollment levels have been tied long term manpower plan. Governments actively influenced career choices and encouraged students to enter fields where there are shortages while they stay away from those that have become competitive enough (Singh, 1991). In spite of the success recorded in the developmental states of the Southeast Asian region, this method ultimately undermined individuals' rights to choose their careers and to make their own personal development plan.

4.2.3 Major emphasis on technology transfer/learning from others

In the second half of the 20th century technology has revolutionized the economic production processes and its outcomes. Related to this, the importance of global markets to national economic development has increased at an unprecedented magnitude. Countries that fail to cope with these advances will become increasingly marginalized, and their economies will either stagnate or decline (Ransom et al., 1993). Hence countries are trying all means possible to keep up with the changes in technology and global markets. In this process of trying to move in pace with the world, the intellectual skills of the labor force, especially in science and technology, has become the major determinant. Because the level of use of advanced technologies in an economy is highly dependent upon the general level of education and culture of labor, there is a growing connection between people's intellectual skills and their countries' development potential (Carnoy et al., 1982 cited in Castells, 1993).

Science and technology play a critical role as sources of economic productivity and competitiveness in the contemporary global economy. Emphasizing this, Castells (1993) analogized the importance of science and technology systems in the new global economy with the role of factories in the industrial age. This is not to suggest

that manufacturing will disappear, but the new manufacturing of the twenty-first century, as well as agriculture and advanced services, will only be able to efficiently perform on the basis of a new, highly developed cultural, scientific, and technological system.

Thus, technology has emerged an important development tool, but it is also one of the most unevenly distributed capacities in the world, and access to technology and/or technology transfer has become at the core of development policies. Literature also shows some of the most common ways of technology transfer developing countries may benefit from. Bianchi et al., (1988) for instance have identified the following:

- Import of machinery with the instructions and training for using it;
- Acquisition of licenses to design and produce the necessary equipment;
- Acquisition of know-how by training scientific and technical personnel by sending students, scientists, and technicians abroad to universities, government institutions, or foreign companies;
- Acquisition of know-how by inviting foreign experts to national universities or scientific or industrial organizations;
- Acquisition of know-how by training national personnel in foreign companies located in the country;
- Location in the country of technologically advanced foreign companies that produce at least partly for the local market.

Seen from the perspective of the developing country each mode of technology transfer has its merits and demerits. Relying on import policy negatively affects the trade balance of the country. Sending students and technical personnel abroad risks that they may not return home since they are offered much better conditions of work in the host country. Similarly attracting multinational firms to the country, though is one of the most successful methods of technology transfer, has its own drawbacks. First, multinational firms are not much willing to let their valuable technology get in to the hands of potential future competitors. Second, locating in a developing country is mostly decided based on the overall production structure of the company, than the market or industrial needs of the host country. Similarly, training of personnel is determined based on the firm's internal needs (Castells, 1993).

Traditionally, the unindustrialized countries were dependent on the industrialized ones largely being users rather than producers of science and technology. However the successful developmental states realized that they cannot, in the long run, rely on others to produce all of the research that is needed for their emerging technologically based industries. At the early stages they opted for unsystematized and unreliable methods where technological inputs were purchased from abroad or were sometimes simply copied without regard to the legal niceties. Countries like South Korea, Taiwan Singapore and China were all violators of copyright, trademark and intellectual property, until each came to the point of adopting a more systemic approach including legal framework (Altbach, 1992). They started developing their own scientific system and academic institutions as well as building a research base

in order to effectively analyze, interpret, and use advanced research and technology from abroad.

Different countries used different combinations of methods and strategies of technology transfer and development, to be able to link up with the globally advanced production system. However this required a basic structure that can facilitate the process of receiving, supporting and using the know-how being transferred, which (Castells, 1993, p. 70) summarized in to the following five elements:

- An adequate system of communications and telecommunication linkages at the world level.
- An integrated productive structure, where suppliers and markets operate, at least for the advanced segment of the economy, at a similar technological level. In other words, a modern firm without an adequate network of suppliers and ancillary firms can only be an enclave, unable to contribute substantially to the country's development, and ultimately unable to be competitive.
- A skilled labor force of workers, technicians, engineers, and scientists able to adapt their skills continuously to the fast pace of technological change.
- A research system able to assimilate the discoveries taking place in the most advanced areas of the world, adapt them to the country's specific needs, and gradually be able to participate in international scientific networks.
- An institutional system able to link scientific research, technical applications, and training of the labor force in the context of a process of technology transfer.

Without these conditions fulfilled to sustain an endogenous process of technological development, the exogenous impulses received through technology transfer will not be assimilated.

Clearly, in this process, higher education has a crucial role to play in training the labor force and generating the knowledge and research (Ransome et al., 1993). In rapidly industrializing countries higher education institutions have been acknowledged for contributing significantly in not only assisting the technology transfer and adaptation but in the development of endogenous technology as well. They provide the skilled labor force that is needed for the development as well as transfer of technology, both in terms of specific skills (for example, engineering) and in terms of general learning ability; they generate the scientific foundation and the research and development activities (except for Japan where research and development was more concentrated in the private sector than in higher education); they adapt innovations produced in other contexts and for other needs; and they perform such tasks in close connection with the industrial structure.

4.2.4 Diversified institutions

Higher education systems of developmental states are diversified on the basis of what specific function they perform and what needs they have to satisfy. A majority of institutions are devoted to training bureaucrats and technocrats and preparing the supply of professionals for the dynamic needs of the economy, while few high quality institutions are the breeding ground for the elites of the political leadership and policy makers. Similarly, in terms of their engagement, many of the institutions were primarily concerned with training (and teaching) while few selective institutions with the brightest of staff and students were set for scientific leadership through research. It is also discernible that there were distinctions between comprehensive and specialized institutions, the later ultimately dedicated to a certain small area of specialization but with greater intensity.

In many developing countries, the recruitment of social elites, first for the colonial administration, later for the new political elites created with independence, was a major function of higher education systems. Because of instability of political regimes in these countries, universities emerged to be a battle ground of conflicting ideologies each attempting to win over the other in the hope of securing autonomy to lead and shape the nationalist ideology. In effect universities were dominated by their political function which combined the ideological function and the formation of social elites. However, when countries were faced with the task of development in the modern and integrated global economy in the second half of the 20th century, the need to train skilled labor gave a new impetus to universities as educational institutions (Castells, 1993). In the rapidly industrializing developmental states, the traditional function of teaching continued to be important as significant proportion of jobs in the modernizing economy requires advanced education. Besides, the increasingly differentiated economy needs a wider range of skills and the universities were supposed to provide training for a growing range of specialties. Thus the universities have been "called on to furnish a much wider range of programs, departments, and interdisciplinary units to provide the education that the economy needs" (Altbach, 1992, p. 145).

Even among those countries that pursued similar developmental goals through industrialization, the size and structure of their higher education systems were varied. However, despite these differences certain common features were observed. In this regard the experience of the Southeast Asian developmental states gives a useful example. Upon the realization that it would not be possible for all applicants to go to high technology and capital intensive higher education system, South Korea and Taiwan adopted a two tier system, one lower level, low cost and localized tier and one high level specialized tier. They successfully expanded and diversified their HE systems to meet national skills requirements as well as satisfy the public demand for access to higher education, and the possibility to move from one level of higher education to another. These countries had a more open entry system allowing a large number of people to join higher education in general, but within that system a small, high prestige and difficult to access publicly funded institutions emerged with the task of producing the best of the manpower to industry and research. Malaysia and

Singapore, on the contrary, opted for a small elitist higher education system almost fully financed by the state. They maintained the grip on access allowing in only small number of the applicants with the best results (Singh, 1991). Graduates of such institutions have a better chance to get employment at the highest levels of the occupational structure, while there were a small number of polytechnics engaged in training technicians. Both groups of countries were selective and encouraged a small elite group of scientific manpower: one through limited entry and the other through highly contested entry in to the key institution.

Although universities were vital both in teaching and research functions, the extent to which they were at the center of research and development varied between the countries. For instance the National University of Singapore was at the center of undertaking researches in the areas identified by the state as area of priority. With large number of highly qualified staff and a number of specialized institutions and departments focused on research, the National University was the largest scientific institution working in close collaboration with local industries (Pang & Gopinathan, 1989). In Malaysia the setting up of Institute of Advanced Studies as well as the development of specialized science and technology universities contributed for improved role of universities in development oriented research. The universities themselves grew more interested in improving their research profile and a number of interdisciplinary and multidisciplinary collaborative researches as well as consultancy agencies flourished within the university system (Singh, 1989.)

In Taiwan, scientific research was the task of the universities and the *Academia Sinica*. Though both basic and applied research were undertaken by universities, the amount of money the universities received from the National Science Council was often not sufficient for large scale engagement. Only the few prestigious public institutions were actually engaged in research at a meaningful level (Hsieh, 1989). The private sector, with large industrial corporations played a significant role research and development. The government tried to increase the engagement and overall importance of universities in research through the establishment of the Korean Advanced Institute of Science and Technology, which was to provide leadership in the training of elite scientists as well as in research (Sungho, 1989). Besides, few top institutions, such as Seoul National University, Yonsei University and Ewha Women's university, were nurtured and provided with facilities and funds more than the others. They had better qualified staff, more finance for research, better research environment and they were encouraged to do research and publish (Singh, 1991).

All countries have attempted to improve the research engagement of their universities through strengthening some selective universities or through establishment of specialized research institutions. However skeptics doubt the usefulness of relying on non university institutions for research and development. While it seems more difficult to control universities, they provide a more appropriate combination of training and research, in the long run. Altbach (1992) sees universities more viable for the job because the traditional strength universities

have, though is not of immediate usefulness, provides a solid foundation for advanced training as well as for applied research.

4.2.5 Focus on science and technology as priority areas

Considering the availability of limited resources, countries need to identify and pursue certain areas of high priority consistent with their socio economic needs and integral to their development plans. In doing so, they determine their comparative advantage, choose between different fields and disciplines, and foster links between research and development (R&D) done by universities and by the other private and public productive sectors (Ransome et al., 1993). Such coordinated approach emphasizing more efficient use of resources in certain high importance areas of research and fields of study enable exploiting the full economic and social benefits of technological innovation.

However, determining the priority areas in higher education and coming to a functional plan is not an easy and straightforward task. The priority issue cannot be solved in either - or terms since skills are complementary and socio economic needs are many and diverse. Nor can it be decided by calculating rates of return since social returns are difficult to compare and private returns are not that relevant in this specific case, except in the context of financing higher education (Patel, 1993). Given the uncertainty involved in making detail manpower plan Patel furthers that setting priorities in higher education can be done based on common sense trial and error approach, by learning from experiences of other systems and, from debates among professionals.

In spite of the skepticisms, there has been a record of literature on successful cases of developmental states using prioritization of science and technology fields in their higher education system towards economic development goals (Altbach et al, 1989; Castels, 1993; Singh, 1991; Ashton et al, 1999; Patel, 1985; Amsden, 1989). Though it has taken effect in different ways, the emphasis on science and technology was a common phenomenon. Controlling and manipulating the admission process, establishing government agency in charge of the promotion of science and technology (at commission or ministry level) enacting various laws, opening many more science and technology universities, altering student choices at lower level, establishing high class science and technology institutes, providing better incentive for those who prefer to join those fields (both at undergraduate and graduate levels), providing more generous grants to researches in the priority fields, etc. are some of the techniques applied in different systems.

As was the case for Japan, earlier economic growth of the other Southeast Asian developmental states relied on low-tech low wage industries. For example in the case of South Korea steel, shipbuilding, textiles, and relatively unsophisticated consumer products exemplified this stage of development. As the economies grew further and faced with competitions from countries of similar impetus, those countries moved on to more high tech and value added products. Singapore was credited (Altbach, 1992) to have realized the need for this kind of model of

development, and to systematically position higher education, research and training as the key in its economic strategy.

Further, as industrialization became more prominent the prioritization of science and technology in general terms was growing in to the need for specialized engineers (as opposed to general natural scientists) and technicians to support their work. In this regard there has been an evident relationship between the preparation of technology students and the level of industrialization (Singh, 1991). Examples are seen in South Korea, Singapore, Taiwan and, to a lesser level, Malaysia who all focused on their prestigious universities and institutions for the production of engineers relevant targeted industries. South Korea and Taiwan manly concentrated on multiplying their electrical and electronic engineering departments and students, while Singapore focused on training specialists in computer hardware and software, and in biotechnology. In the mean time the higher education system continued to diversify training large number of students in various technology fields at junior colleges and polytechnics. The graduates of these institutions are generally expected to work at a practical level in industry, while small proportions get the chance to move on to institutes of technologies for advanced and specialized studies.

From the stand point of the comprehensive scientific university, critics doubt the long term benefit of such an approach of emphasizing on selected institutions and selected fields of study. It has been argued that though this approach is useful to achieve short term demand for training of some technical personnel in certain specialties, it fails to meet the ideals of the scientific university. It ignores one of the essential elements id building universities as centers of innovation and discovery – which is the “cross-fertilization different disciplines (including the humanities), together with their detachment from the economy's immediate needs” (Castells, 1993, p. 75). Further, if the scientific community is not free to choose the goals of scientific research they want to pursue, there will hardly be innovation and discovery.

Similarly, the high emphasis on science and technology has resulted in the neglect of the ‘soft’ fields of social sciences and humanities. However those fields have a significant role to play in understanding the context with in which science attempts to improve life. In the complex social environment emerging trends and problems need to be scientifically analyzed and interpreted to be constructively tackled. For example, population trends have a great deal of impact on the labor market and the economy calling for demographers and sociologists to make interpretation of such developments. Scholars in the humanities also help in the understanding of culture, literature, and history in rapidly changing societies. Altbach (1992) has argued that in some ways the social sciences and humanities can be seen as even more important than the hard sciences because “it is impossible to rely on external knowledge for analysis of society and culture” (p. 147). In simple terms he warns that it would be a mistake to downplay or ignore these fields.

4.2.6 Large scale expansion

In the second half of the twentieth century higher education has seen significant expansion in many developing countries. In post colonial countries the new nationalist governments considered the creation of new universities and the surge in student enrollment as one measurement of development, which in turn secured them legitimacy. However much of the expansion took place in the traditionally popular fields of study (i.e. social sciences and humanities), and the major task of the higher education system remained to be recruiting and training of the political and administrative and managerial elites on which the political system relied (Morris, 1996; Castells, 1993). Furthermore in the more socially oriented regimes, careers in the social services, particularly education and health, became increasingly important drawing more popularity and more demand for training in these fields.

Particularly in developmental states the rate of expansion was significant and purposefully directed. Recognizing the valued contribution of higher education in producing the high level manpower desired, governments were willing to make substantial investment in the sector. China's case which saw the building of 500 new universities in a five year period in the 1980s is an exceptional example (Ransom et al., 1993). Similarly, but more steadily, in the 1970s and 1980s, the share of expenditure in higher education progressively increased as percentage of both GNP and total education budget of several countries. This increase in expenditure is evidenced in the increase in enrollment: between 1970 and 1980 South Korea and Malaysia experienced an annual increase of about 20% while Singapore and Taiwan had 6.2% and 6.8% respectively. Similarly, in the 1980s annual growth rate of 14.8% in South Korea, around 13.3% in Malaysia, 12.4% in Singapore and 5.6% in Taiwan had been recorded (Sighn, 1991, p. 390).

This remarkable expansion has been explained by three primary factors. First is the deliberate action of governments to expand their higher education as part of the manpower plan in their overall development blueprint. As evidenced in the above examples governments decided to pump more and more of money into expanding and restructuring their higher education systems. Second, as economies grew and the private sector expanded, the value of higher education degree as a way of competitiveness in the labor market increased. This has garnered more commitment by individuals who even went abroad to study when they could not have access at home. And third, as the economy continues to grow the middle income class keeps growing and a new class of professionals emerged who not only afford higher education but also want the best of higher education for their children (Altbach, 1992). The expansion in turn has made higher education institutions large consumers of highly educated staff, adding to the demand side of the equation.

It is common that in many developing countries governments finance higher education though some institutions funded by different organizations (e.g. religious and professional) run parallel with the public system. As expansion of higher education continues there will be more pressure on governments causing strain in resources, which at some point makes the idea of continuing with subsidizing higher education more and more unrealistic (Ransom et al., 1993). In light of easing the

burden on the public, countries have devised various strategies to reduce or shift the cost of maintaining their higher education, while not seriously compromising its developmental contribution. The two most common broad alternatives are to introduce cost recovery methods and to encourage privatization.

Resting on the argument that higher education provides both social and private return, cost recovery calls on the individual to share the cost of higher education in the proportion of the private benefit. More state subsidies shall be given for those fields that produce greater societal benefit, while those fields that basically produce private benefits have to be paid for by the student. However the uncertainty involved in trying to determine the private (or social for that matter) benefits of a higher education degree puts the biggest challenge. Additionally, Patel (1993) suggests the alternative of using different sources of income to enable higher education institutions finance part of their expenses is also widely practiced - evening classes, correspondence courses, private diplomas, a burgeoning of all kinds of tutorial arrangements, consultancy services, sale of products, etc.

Another alternative financing mechanism is the private funding and provision of higher education. South Korea and Taiwan provide good examples where the major expansion process was carried out by the sector. The government involvement, though vital, was considerably minimized to directing, encouraging and facilitating for the private sector. The universities and colleges in the private sector, however, were almost without exception oriented towards teaching, undermining research (Altbach, 1992). To compensate governments built national universities and institutions financed by the state and emphasizing research. This clearly shows that, especially in the context of developmental states, the private sector cannot be left alone to satisfy the whole higher education needs. Therefore policy makers have to make a careful consideration of how much and what kind of privatization is necessary; and who should pay, how much, when and for what kind of higher education.

4.2.7 Non economic functions/goals

Higher education institutions are part of the international knowledge system, and serve as channel to keep the society informed about what is happening in the wide world of science, scholarship and research. They also play an irreplaceable role by doing research in historical, cultural and social developments - issues considerably important in countries that have undergone significant changes. Higher education institutions also constitute the knowledge base of society, which in essence are the source of ideas and immensely contribute for countries under transformation (Altbach, 1992). In other words, as Castels (1993) has put it, higher education institutions have diverse purpose that covers a wide range of social, economic and political aspects of a society's life. Over different historical epochs in different societies, higher education institutions have played varying roles relevant to the respective circumstances.

During colonial periods, regardless of the higher education model prevailed, colonial authorities desired loyalty of universities, their students and graduates, and

used different techniques to ensure the same and prevent dissent. In spite of the strong grip, universities were mostly the source and breeding ground for social and political changes. University intellectuals were the key in the nationalist independence movements (Altbach et al., 1989). After independence the new nationalist leaders used higher education institutions as instruments of not only establishing legitimacy but also creating national integration and development (Ransom et al., 1993).

Even for developmental states, where economic growth was an agenda of the highest priority, higher education was maintained not only for its economic benefits. In fact nation building was an important issue in Southeast Asian developmental countries such as South Korea, Singapore and Malaysia. Hence higher education has been seen as a vital component of this process targeted at overall socio economic and political development of the countries (Abe, 2006; Singh, 1991). The 'strong states' used [higher] education to foster a strong sense of social cohesion and political identity. Besides creating basis of legitimacy for governments through improving economies, education, through competitive and meritocratic orientation, has provided individuals with the opportunity for upward social mobility regardless of class, religion and other social groupings (Morris, 1996). Higher education institutions are therefore charged with the responsibility of not only supporting the economy and changing technology of production, but also improve social and cultural circumstances, ensure economic development beyond mere growth, bring about political maturity and socialization process - i.e. absorbing values, good work ethics, pluralism, patriotism, and so on (Ransom et al., 1993; Patel, 1993).

However, it should also be noted that universities can be troublesome institutions especially in transitional societies. They are often the ground for ideas that challenge established orthodoxy to emerge and grow. Professors as well as students engage in political activism presenting challenges to authorities, while they are widely accepted by the mass. There have been several incidents where such movements originating in higher education end up overthrowing governments (Altbach, 1992). On the contrary governments want to have more control over universities as the later become more and more expensive and the earlier still shoulders the major responsibility of financing. Hence universities and governments, especially in developing countries, are frequently at odds.

Chapter five

Research design and methodology

5.1 Research design

Following Babbie's (2006) categorization of social research on the basis of purpose as exploratory, descriptive and explanatory, this qualitative research employed an exploratory research design with certain shared characteristics of descriptive research. In social science exploratory research design is most suited for a research

problem/topic where there are few or no earlier studies to refer to. In such a case the exploratory research focuses on gaining insights into and creating familiarity to a subject for later investigation (Cuthill, 2002; Labaree, 2014). In other words, this design is preferred when problems are in a preliminary stage of investigation – often before it is possible to conduct explanatory or analytical research on the subject (Shields & Rangarajan, 2013). The goal of an exploratory research, therefore, is not to produce a conclusive result that can be used for decision making, but rather to create more understanding of an issue for further (exploratory or conclusive) research. Exploratory research design provides maximum flexibility since it can be used to address questions of all types (what, why, how) and can use various methods of data generation (secondary data, document analysis, literature review, questionnaire, interview, focus group, etc.). Furthermore, by using loosely defined information need and flexible research process, it can also be used to define new concepts and/or modify the existing ones (Labaree, 2014).

The subject of higher education in the context of the developmental state has been little researched. Particularly in the case of Ethiopia no prior research is available on the issue. Hence, this research is intended to provide preliminary understanding on the subject, instigating specific questions in this line of inquiry. Therefore the exploratory research design is most suited to the purpose sought – exploring the nature of higher education in the context of the Ethiopian developmental state. In doing so the research attempts to draw a full picture of the Ethiopian higher education within its developmentalist context – giving descriptive illustrations. Therefore, the research uses both exploratory and descriptive approaches to map the developmental nature of the Ethiopian higher education.

5.2 Sources of data

Data for this research is primarily obtained from official documents of the government of Ethiopia and is analyzed using the content analysis method (Marshall & Rossman, 2006; Mogalakwe, 2006; Bowen, 2009). More specifically, a theory driven deductive qualitative content analysis (Mayring, 2000) is used where priorly formulated aspects of analysis, originating from the theoretical concept of developmental state and built up based on literature review, are used in connection with the content of the selected documents. Reliability and convenience explain the choice of the source of data. On one hand, review of [official] documents has the edge of providing objective and verifiable information on a subject (Berelson, 1952 cited in Marshall & Rossman, 2006) specifically for quantitative records and study on official policies and programs. Besides, since the study is concerned with preliminary level exploration of the issue (rather than evaluation of implementation and effect) at the system level, documents of policies, programs and strategies will provide the necessary information. On the other hand, considering the physical and technological gap between where the research is conducted (Finland) and where primary data was available (Ethiopia), relying on existing data was the obvious option. Indeed, attempts have been made to supplement the secondary data from documents with primary data from interviews, which did not materialize.

Having in mind the purpose of obtaining the most reliable and sufficient system level information that can show how the developmental state concept manifests in the Ethiopian higher education, both in policy and practical spheres, the following documents are selected for review and analysis.

- a) Education and Training Policy (1994). Issued during the time of the Transitional Government of Ethiopia in 1994, this policy is still in action. With sections emphasizing objectives, overall strategies and areas of priority and special attention, this document provides the broadest direction for all levels of education and various forms of training. However, it is discernible that higher education is addressed here as part of the overall direction defined by the policy and did not receive any special attention, nor was it given a priority.
- b) Higher Education Proclamation (2009). Issued by the House of Peoples' Representatives of Ethiopia, the current higher education proclamation number 650/2009 is a revision of its predecessor proclamation 351/2003 (of the same title). The proclamation, with multitude of sections addresses a number of major aspects of higher education at both system and institutional level. It also recognizes supporting and supervising agencies such as the Higher Education Strategy Center and the Higher Education Relevance and Quality Agency.
- c) Education Sector Development Plan I to IV (1997 to 2015). Following the development of the education and training policy, the ministry of education organized a series of consultation to design implementation plan for the policy. This consultation, which involved stakeholders at regional and federal levels as well as donor agencies and others (Martin et al., 2000) resulted in the development of a series of five year programs the first of which was launched in the 1997/98 to last to year 2001/2002. Later it was decided to align the programs with the five year life-term of the government making the second phase cover between years 2000/2001 and 2004/2005 - therefore the overlap between the last two years of the first phase were integrated in to the first two years of the second phase (MOE, 2001). The education sector development program derives its goals and strategies from the policy and identifies specific time bound objectives for each level of education along with the resource and organizational requirements.

The education and training policy gives a general direction, the proclamation, along with other proclamations and regulations, provides the legal framework within which the policy goals are to be achieved; and the education sector development program presents the practical aspect in the development of education, particularly higher education in the country. Hence, a combination of these three kinds of documents gives more or less a complete picture of how higher education is placed in Ethiopia. However, there are other related policies and regulations that can complement the information obtained from these key documents. The following documents are also consulted in the research:

- Directive for placement of regular undergraduate students to public higher education institutions (Amharic) (2010)
- Council of Ministers regulation on cost sharing in higher education (2003)
- National employment policy and strategy (2009)
- Council of Ministers regulation on establishment of universities
- Council of Ministers regulation on establishment of HESC and HERQA
- Strategic documents of the Ministry of Education and its agencies HESC and HERQA

Additional data has also been obtained from different secondary sources as well as review of literature such as: annual education statistical abstracts; annual reports on various issues by recognized institutions; budgetary and financial reports; surveys, studies and academic researches; and other sources including websites, news, opinion articles, videos, interviews, speeches, etc. The attempt made to incorporate primary data through interview did not succeed because of difficulty of reaching concerned individuals, and lack of willingness on the part of those contacted.

5.3 Data analysis

The analytical framework for the study is developed (in chapter 4) based on review of relevant literature. It has identified the seven major characteristics of higher education typical to the developmental state of the 1970s and 80s in the East Asian region. A document review guideline, which follows the components of the analytical framework, is used to dictate the review of the key documents identified in the previous section. The guideline includes a total of 27 specific questions under the seven categories (see appendix). Each document is reviewed and relevant information is obtained and categorized in accordance with the guideline and in a manner that addresses each specific question under every category. Similarly, the analysis and interpretation is made following the framework. Finally, the developmentalist nature of the Ethiopian higher education is discussed in light of what higher education looked like in the time and region of what is often considered the pinnacle of the developmental state model.

5.4 Validity and reliability

Validity and reliability generally provide the basis for judging the trustworthiness, credibility and conformability of a research. Literature identifies two types of validity – internal and external. Merriam (1998) describes internal validity in terms of the extent to which the findings of the research match or accurately represent the reality or the phenomenon under investigation. A significant determinant of internal validity is the appropriate choice of data source and method of data generation (Bush, 2002). The most relevant documents have been chosen for the purpose of this research and document review guideline is used to generate data that is most consistent with the enquiry of the study. However, since the research does not cover implementation aspects, the discrepancies between the findings of this research and the situations on the ground could be explained by performance in policy implementation, rather than validity of the research. External validity, in its part, refers to the extent to which the results of the study can be generalized to a wider

population (Yin, 2008). Since the research is conducted at system level, generalizability for wider population is not a germane issue of concern.

Reliability, on the other hand, addresses the question whether similar findings could be obtained if the same research problem is studied by others using exactly the same procedures that were previously used (Merriam, 1998). In qualitative social science research reliability is largely challenged since human nature is not static and interpretations cannot be standardized. Nevertheless, the use of analytical framework emanating from review of literature sets the outline for interpretation, in effect producing a reasonable degree of reliability.

5.5 Methodological limitations

The research is based on document review and secondary sources of data. Though the goal is to explore the subject in an attempt to draw a general picture, the incorporation of primary data would have enriched the information available. Accordingly, attempt was made to get interview with officials of concerned institutions and experts involved at policy making level. However the attempt was met with challenge when targeted potential interviewees refrained from responding to e-mail requests for an interview schedule, though some of them had initially expressed their willingness.

Education in Ethiopia, like every other policy area, is highly politicized and a clear difference on opinions is reflected along the lines of political differences. While there is a relatively fair degree of agreement on certain issues such as access, the differences are very vivid on issues like quality, governance and administration, institutions and teachers' autonomy, professionalization of the teaching job, academic freedom, etc. This can be seen in different reports and commentaries. Even scholars often appear to stand on diametrically opposite sides. Some (e.g. Yizengaw, 2003, 2005; Ashcroft, 2004, 2010a, 2010b; Teshome & Kebede, 2009) write about the success and triumph of higher education while others (e.g. Bishaw, 2002; Negash, 2006; Telila, 2010; Kabsay, 2012) write about the crisis and collapse of the same. This has made it difficult to determine the reliability of available literature to be considered in the study.

Similarly, the attempt made to read through publications of the ruling party, EPRDF, looking for background information and justifications for the policy directions followed was unfruitful since these documents predominantly justify policy choices by appealing to the polarized political relations with the opposition, than based on scientific reasoning rooted in the practical needs of the society. The documents seem to be more dedicated to glorifying and protecting the ideology of revolutionary democracy and the political power arrangement of ethnic federalism by categorically condemning the alternative views on social policies as threats.

In several documents, including the education and training policy and the ESDP, higher education is presented blended with other levels of education. There is no separate long term strategy specifically for higher education. Therefore extracting was subject to contextual interpretations.

Chapter six

Findings and discussion

6.1 [Higher] education as a tool in development

To understand how developmental state concept is positioned in a given education system or how education is integrated in the overall developmental approach of a country, the first thing to look for would be how education is connected to development and how significant is the importance attached to education in the overall development strategies. In the reviewed official documents, there is sufficient evidence substantiating the critical role of education in the development endeavors of Ethiopia. The importance attached to education in the documents is, in the words of Teshome (2008, p. 52), 'almost biblical'.

The ETP gives a definition of education that is strongly rooted in the purpose and role it plays in the human life in general:

Education is a process by which man transmits his experiences, new findings, and values accumulated over the years, in his struggle for survival and development, through generations. Education enables individuals and society to make all-rounded participation in the development process by acquiring knowledge, ability, skills and attitudes. (TGE, 1994, p.1)

It further details how education at all levels has the purpose of strengthening the problem solving capacity of the individual, and hence the society, towards creating a better life. Through education, according to the document, man can not only identify harmful practices to replace them with the useful ones, he can also preserve, develop and utilize its environment towards all rounded development by diffusing science and technology into the society. Education also creates the condition for equality, mutual understanding and cooperation among people by way of promoting respect for human rights and democratic values (Ibid).

The document emphasizes on the important roles of education in the development efforts of the Ethiopian government and justifies the necessity of formulating a new policy that gives direction for education and training that will help in changing the alarming situations of the country at the time. Therefore it can be observed that education has become one of the priority areas of government since the time of the transitional period where a comprehensive policy on education was among the urgent areas of action (MOE, 2001; TGE, 1994).

The Education Sector Development Program (ESDP) in its part articulates the importance of education as a justification for why the program is needed and how it can contribute to the overall development of the country (MOE, 1998). All the different phases of the program address this same issue in different manners. For instance, one of the four major goals of ESDP-II is:

To meet the quantitative and qualitative demand for trained manpower at all levels in order to respond to the socio-economic development needs, bearing in mind the

needs of poverty reduction, the strategy of agricultural- development-led- industrialization of the country through vertical integration of the secondary, technical- vocational, and higher education programs. (MOE, 2001, p. 30)

Similarly in ESDP-III increased access to and enhanced quality of education are put among the key pillars of long-term development. The document explains how education fits in the strategy for rural transformation.

An integral part of the rural transformation strategy involves enhancing access to primary education for all school-age children and thereby producing educated farmers and other workers who utilize new agricultural technologies. In addition to this, well-trained and qualified manpower equipped with modern managerial, technical, research and leadership capabilities play an indispensable role for the speedy development of competitive industries in the country. Because of this, due attention is given to the reform in the structure of education system to make education and training responsive to the country's development strategy. (MOE, 2005, p. 6)

Similarly, the importance and value of higher education has not only been embedded in the general statements about education, it also has been particularly emphasized in different manners in the documents. The ETP, for instance, in its assessment of the chronic problems in education at the time, stated that “higher education institutions are found only in very few regions. They are overcrowded and their research capacity is very low” (TGE, 1994 p. 3).

Of course, this emphasis is very insufficient in that it represents only a small portion of the problems higher education had, and still has. However, it tells that the shortcoming of the sub sector is recognized and is used to explain why the policy was necessitated in the first place. It is worth noting that much of the need assessment and much of the respective emphasis of the ETP was on general (primary and secondary) education. Indeed one cannot help but notice that in the 33-pages document ‘higher education’ was mentioned only seven times reflecting how insufficiently the subsector was addressed. Since the ETP is still the broadest governing document regarding education of all levels, the level of emphasis placed on any sub sector can be seen as having an impact on the development of the same. By the same logic it can be argued that the complex problems in the Ethiopian higher education is caused by, among other things, the insufficiency of vision and direction given at policy level.

This can be supported by the observation that in the early phases of the ESDP, no clear articulation has been made about the role of higher education in development. Indeed, it makes a logical sense that at the early stage of education development, following the practices of developmental states, primary education has to be emphasized which later extends to secondary, Technical and Vocational Education and Training (TVET) and higher levels of education respectively. Nonetheless, it was necessary to create such clear picture of this progressive development, interpreted in terms of specific goals for each phase, which would have enabled the government to undertake the foundation work for the massive expansion that was to be introduced in the later stages of the program.

The second phase of the ESDP states that higher education is central in the National Capacity Building Program of Ethiopia which emphasizes on:

human resource development, improving working systems and institutional set up to facilitate decentralization, democratization and the overall Agricultural-Development-Led-Industrialization. Investment in higher education is important for socio-economic development, which in turn is a critical prerequisite for sustained poverty reduction and the future of Ethiopia. (MOE, 2001, p. 47)

The same idea is repeated in ESDP-III where the TVET and higher education are given the responsibility of training the manpower that is needed for the various kinds of development projects particularly in “infrastructure development, education, agriculture and health services” (MOE, 2005, p. 31). In its section on specific goals, the document also particularly identifies those that are pertinent to higher education as follows:

To develop responsible and competent citizens who meet the quantitative and qualitative demand for a high-level trained labor force based on the socio-economic development needs of the country, and

To develop the volume, quality and relevance of research and consultancy services which are necessarily directed to the needs of the country. (Ibid, pp. 34-35)

However, these goals give neither a long term vision nor specific actionable targets. The HEP, in its part, justifies itself by referring to the importance of relevant and quality higher education and research in terms of efficiently satisfying the “Ethiopian peoples’ aspirations of peace, democracy and development” (FDRE, 2009, p. 4976).

It is only in ESDP-IV that a clear long term vision is articulated in connection to the purpose the higher education sub sector is expected to serve.

For higher education, the goal is to develop highly qualified, motivated and innovative human resources and produce and transfer advanced and relevant knowledge for socio-economic development and poverty reduction with a view to turning Ethiopia into a middle-income country by the year 2025. (MOE, 2010a, p.9)

This vision, in other sections, is reinterpreted in what would be the specific targets expected during the particular phase of the program and indicators are identified for evaluation purposes later.

In summary, it can be noted that, in Ethiopia, education in general, and higher education in particular, are assigned irreplaceable role in the overall development of the country. However, this only forms the foundation for the conception of the developmental state attributes in the education sector. To see more specifically how the developmental state concept manifests in the Ethiopian higher education, it is necessary to examine the issue within the analytical framework – looking at the major attributes of higher education in developmental states.

6.2 Level of state control

One of the well established and sufficiently evidenced developmentalist characteristic of the Ethiopian higher education is the high level of state control over the system. Legal and strategic documents reveal that the Ethiopian government has strong control that is underpinned by different mechanisms of influence and supervision. The need for centralized control is commonly justified by the state's desire to coordinate activities among concerned institutions within the education sector, as well as coordinating the higher education system with other sectors and social policy areas, such as the economy.

The ETP justifies itself stating the goal that "it directs that there be appropriate nexus between education, training, research and development through coordinated participation among the relevant organizations" (TGE, 1994, p. 5). This type of coordination seeks linking concerned bodies towards the development of education itself, at all levels, than linking it to other social policy areas. The HEP, on the other hand, provides that one of the objectives of higher education is to "prepare knowledgeable, skilled, and attitudinally mature graduates in numbers with demand-based proportional balance of fields and disciplines so that the country shall become internationally competitive" (FDRE, 2009, p. 4979). A similar provision of the HEP (p.4981) sets out a responsibility for HEIs which requires them to design and offer appropriate programs and supply qualified graduates well prepared to meet the needs of the country. These provisions imply not only that preparation (the supply) of graduates is demand based, but also a certain mix of professionals is to be maintained in response to the market need. However, there are no indications about the role of the state on the demand side of the higher education - no clarifications about how the needs of the country are determined and how the higher education system and its institutions are involved.

In the ESDP, higher education is more directly under the purview of the federal government compared to lower levels of education which are mainly implemented by the regional education bureaus, and the ministry of education is more of an aggregator. For instance, in ESDP-I about 87 % of the program was to be implemented by the regions (MOE, 1998, p. 12). This is mainly because ESDP-I primarily focused on primary and secondary education. Nonetheless, in later phases of the ESDP, the role of the Ministry of Education seems to be more clearly articulated where, for example, ESDP-II explicitly names the ministry as the executing agency of the program at the federal level (MOE, 2001, p. 63), in addition to planning the higher education component of the program.

This appears to be counterbalanced by the organizational structure of the ESDP which puts its steering committee at the highest level. Yet, it shall be noticed that the committee is not a legally defined body with clear cut authority which potentially reduces its legitimacy and influence for controlling, leadership and coordination. It also does not have its own resources to enable it make flexible decisions. In addition, it is worth mentioning that several parties are involved in the implementation process of ESDP (as can be seen from the structure), including donors and other indirectly concerned government bodies. On one hand this makes it more likely for a

well coordinated activity to be accomplished by engaging those who are concerned, but at the same time it makes the administration cumbersome. The document itself identifies that there is a risk involving this.

The bureaucracy necessitated by different donor requirements could put a great strain on the administration of the program. For this reason the existing systems are being improved and we hope that in time all donors will feel able to use the same procedures. (MOE, 1998, p. 22)

There are a number of mechanisms devised for state control over the higher education system. The broadest and the strongest type of such mechanisms is the establishment of different laws, which together form the overall legal framework within which the system (HEIs and other concerned institutions and individuals) would operate. First, all public institutions financed by the “federal government shall be established by regulation of the Council of Ministers... [those] financed by a state government shall be established by law enacted by the state” (FDRE, 2009, p. 4979). In the same manner, merger, splitting in to two or more, changing names and dissolution of a public HEI are all done by regulation of the respective bodies – the council of ministers or the authorized body regional governments (p.5022). Private institutions, on the other hand, shall be established in accordance with the law governing associations, business organizations, cooperatives or any other relevant law. Their establishment shall be accompanied by a “memorandum of establishment specifying the institution’s: (a) scope of activities; (b) property and source of funding; (c) management bodies and agents”(Ibid, p. 4980). Even those that are not established by the federal government do not escape the purview of the federal government and its institutions.

The higher education proclamation recognizes institutions that have different kind of involvement in the system and identifies their roles, powers, responsibilities and rights. All HEIs, except those established for religious teaching, are required to operate according to the proclamation and other legal directives issued by the concerned institutions authorized to do so by the proclamation. The ministry of education is mandated to issue directives necessary for the implementation of the proclamation and regulations issued under the proclamation. The proclamation also establishes agencies under the ministry - the Higher Education Strategy Center (HESC) and Higher Education Relevance and Quality Agency (HERQA) - and grants them considerable power to direct and supervise the HEIs.

The ministry is endowed with a wide range of responsibilities enabling it to control the overall nature and direction of higher education in the country. Among others:

...ensure that preparation and delivery of curricula of higher education are in accordance with international developments and national demands and requirements; approve and ensure the implementation of strategic plans of public institutions; conduct studies to identify as well as to meet the professional and intellectual manpower needs of the country; encourage government organs, professional associations, business organizations, and other appropriate persons to

work jointly on matters concerning education, training, research, practicum or apprenticeship and research and technology transfer; (FDRE, 2009, pp. 5038-39)

HERQA on its part is granted powers and responsibilities relating to controlling the quality and relevance of higher education. This includes evaluating and accrediting programs (as well as renewal of accreditation every three years), ensuring institutions have the required capacity for enhancing internal quality, ensure that education and training programs offered by HEIs are consistent economic, social and other relevant policies of the country, evaluate institutions to make sure that they have met various standards set forth in the proclamation, etc (FDRE, 2009, pp. 5039-41).

Even more detailed powers and responsibilities that are typical to the kind of control a government agency might have in a developmental state reside in the HESC. The center is given mandates that would allow it to deal with issues both at system and institutional level and that can effectively determine the nature and future direction of higher education in general. The full list of powers and duties of the center (FDRE, 2009, pp. 5041-42) reads as follows:

- a) prepare national strategy for the development of higher education and institutions;*
- b) prepare long-term national plans for the development of education and research within the system of higher education;*
- c) prepare national proposals to raise the quality of research activities of institutions, the qualifications of the academic staff, and the study programs of institutions;*
- d) ensure that institution level planning and strategy are in line with the national higher education macro plan and strategy; and for this purpose, work closely with institutions; examine strategic plan agreements and, upon approval, follow up their implementation;*
- e) develop proposals on block grant budget allocations to individual public institutions, and monitor the implementation of the same;*
- f) collect, analyze and as appropriate publish and disseminate annual educational, research, financial and other statistical data of institutions;*
- g) submit proposal to the Ministry on criteria and scheme of rewarding institutions through grant of differentiated developmental budget, and implement the same upon approval;*
- h) ensure that higher education is in line with the overall socio-economic development needs of the country and abreast global trends in orientation and approaches;*
- i) advise the Ministry on ways of ensuring efficient higher education governance, leadership and management;*
- j) conduct research and studies on current policies, practices and results, and propose appropriate course of action, and serve as a resource centre for reform, change and development;*
- k) give opinion on higher education reform and development strategy and plan of the country;*
- l) foster cooperation among national institutions in its areas of activity, and maintain contacts with institutions of other countries which are in charge of issues of higher education;*
- m) discharge other responsibilities that may be entrusted to it by the establishing law*

Reporting and supervision constitute other mechanisms for state control. HEIs are required to collect and publish accurate and comprehensive statistical data on educational and financial matters (TGE, 1994). This, besides allowing for information exchange between HEIs and concerned bodies, enables the central government to follow on the capacity and performance of each HEI which can be used for supervision and planning purposes. However, though the policy prescribes it for all institutions, it shall be noted that private institutions are not obliged to publish details of their financial statistics. Following the policy the HEP also requires, particularly public institutions, to:

(a) Submit to, as the case may be, the Ministry or the appropriate state organ duly evaluated and approved annual performance and audited financial reports based on the strategic plan agreement; and publish the educational and expenditure data for the fiscal year...

(b) Furnish information to the Ministry or the concerned state organ whenever it is required to do so. Any public institution may be subject to supervision by the Ministry or the appropriate state organ to ensure its compliance with the law and strategic plan agreements (FDRE, 2009, p. 5027).

Besides the quarterly meeting of the steering committee, Annual Review Meeting is established in the ESDP as a mechanism of supervision. The meeting, involving a range of concerned bodies including donors, private sector and NGOs, discusses performance in the implementation of the programs, identifies challenges and recommend solutions (MOE, 2001). Reports are also produced quarterly semi annually and annually.

For the public HEIs financing establishes a strong tie with government. Public HEIs are funded by the federal or state government:

through block-grant system based on strategic plan agreements. Every public institution shall receive a block grant-budget, agreed upon in advance as indicative budget for a five-year period; provided however, that such block-grant budget shall be revised annually (FDRE, 2009, p. 5023).

However, the application of block-grant system of funding is conditional to the capacity and preparedness of the institutions, otherwise line item or program budgeting being the alternatives in practice.

While public HEIs are encouraged to generate their own income through different means, their capacity to do so is very limited. Also, public institutions are allowed to accept donations from third parties, provided that such donation may not negatively influence their mission. Loyalty to government direction is very important that it is protected by this provision restricting the ability of the public HEIs to negotiate with third parties on terms of donation.

Non government owned and private HEIs may receive government subsidy, if they are not profit-oriented and if they strive to strengthen the developmental effort of the country in their services. The ministry is empowered to issue directives on how

nonprofit private HEIs may apply for budgetary subsidy or capacity building, and the mechanism of monitoring their use (FDRE, 2009, p. 5037).

Another very strong mechanism of state control over HEIs is the appointment of the top management. Governments may use mechanisms to make sure that the top management positions of universities are filled by individuals who are committed to the developmental directions and approaches/ideologies of the state. The procedures provided in the HEP for the selection and appointment of board members, presidents and vice presidents of public HEIs reveal that the government is directly or indirectly involved in the appointment of each.

The board, the supreme governing body of a public institution, according to the HEP, has seven voting members, and is accountable to the Ministry. Four of the board members including the chairperson are directly appointed by the Minister. The remaining three voting members of the board are appointed by the minister upon nomination by the president of the institution (FDRE, 2009, pp. 5011-12). The president, who is also a non-voting member of the board, is appointed by the minister from a short list of nominees provided by the board. On the other hand the vice presidents are appointed “based on merit and through competition by the board” (P. 5015).

Membership to the board of a public HEI has very vague requirements, neither is it publicly advertized. And, only the positions of vice presidents are to be filled based on merit and competition. Moreover, the minister can remove the president from his/her position (p.5019), and the ministry can reform the board in part or in whole (p. 5012). Similarly, the board may remove the vice presidents from position, and the president in some exceptional cases.

In a nutshell, these complex relationships ensure that, by law of transitivity, the preference and ideological predispositions of individuals in top management of public HEIs originate from one source - the minister.

State control that comes through these different mechanisms stands in contradiction with the autonomy of the HEIs. Though state control gives important advantages for a more synchronized and coordinated developmental approach, it is also noticeable that undermining institutional autonomy is pressing against one of the fundamental features of academic institutions. HEIs in Ethiopia are granted considerable degree of all inclusive autonomy both in the ETP and the HEP. The policy (TGE, 1994) provides general directions regarding issues of autonomy as evidenced in the following paragraphs:

...institutions, including higher education, will function, autonomously with the necessary authority, responsibility and accountability (pp. 21-22).

Educational management will be decentralized to create the necessary condition to expand, enrich and improve the relevance, quality, accessibility and equity of education and training (p. 29).

Educational institutions will be autonomous in their internal administration and in the designing and implementing of education and training programmes, with an overall coordination and democratic leadership by boards or committees, consisting of members from the community (society), development and research institutions, teachers and students (p. 30).

The proclamation, in its part, grants every public institution the necessary autonomy in pursuit of its mission. Further, it details the aspects in which autonomy of public HEIs is guaranteed as long as it is exercised with due regard to lawfulness, efficiency and effectiveness, transparency, fairness, and accountability (FDRE, 2009, pp.4985-86). This includes autonomy to:

- (a) develop and implement relevant curricula and research programs; create new or close existing programs; set up its organizational structure and enact and implement its internal rules and procedures;*
- (b) consistent with other provisions of this Proclamation, select, through a transparent system of competition, academic and other staff to be employed by the institution and designate or determine their responsibilities based on institutional requirements and expectations concerning performance and quality of work;*
- (c) administer its personnel based on the provisions of this Proclamation and the principles of other applicable laws;*
- (d) nominate the president, vice presidents and members of the Board, and select and appoint leaders of academic units and departments as provided for by this Proclamation;*
- (e) manage its funds and property on the basis of this Proclamation and other applicable laws and regulations.*

However, these provisions are adulterated by other provisions of the same proclamation which undermine the genuine and full autonomy of public HEIs by allowing the ministry and the minister of education to involve in various important institutional issues, such as selection of top management, setting values institutions are required to uphold, predetermining the governing body of the institutions and making strict limitations to reorganization, etc. But the biggest blow to institutional autonomy comes in the provision which grants the ministry or other appropriate state organ the power to “annul decisions of the board, the president or the senate which are contrary to the law, government policy or to the institution’s mission and statute” (FDRE, 2009, p. 5027).

Private HEIs, on the contrary, are completely autonomous and accountable to the appropriate organ as provided in their respective memorandum of associations and by-laws. They are also accountable to the Ministry “in respect of the propriety of its operations in the provision of education and conducting research” (Ibid, p. 5028). The proclamation requires them also to comply with the directives issued by the ministry regarding student admission, minimum curricula quality standards, including educational content, pedagogy, student assessment and examination system, and system of grading. They also have to submit their periodic plans (every five years) on education and research along with annual updates on the plans, and they have to operate in accordance with the HEP and other applicable laws (p. 5029).

6.3 Central admission procedures

The centralized admission procedure is, in a way, an extension of the quintessential character of developmentalist higher education system – the central state control. The ETP seems detached from the practice on the ground with regard to higher education admission procedures. It formulates secondary education to cover four years of duration consisting of two cycles of two years each. The first cycle is for general secondary education in which students will identify their interest for further education and world of work. The second cycle “will enable students to choose subjects or areas of training which will prepare them adequately for higher education and for the world of work” (TGE, 1994, pp.14-15). Though stated here as if students have the possibility of choosing their line of study and career, twenty years after the issuance of the policy, admission is still done by a central body where only the small percentage top performers and the lucky few get to be assigned to the field and/or institution of their choice.

After completing the second cycle of secondary education, the policy requires students to “sit for examinations of relevant institutions for admission” (p.19). By this the policy implies that the different institutions would have different entrance exams. It further calls for the establishment of a national organization of educational measurement and examination, but limits this organization only to providing central resources of professional support and expertise, and to coordinating from the center. However, the practice is rather that one centrally administered entrance exam is given and all admission is handled by the Ministry of education.

In a more recent development, the 2009 HEP recognizes the role of central admission procedure by emphasizing the objective of higher education, among others, being to prepare “knowledgeable, skilled, and attitudinally mature graduates in numbers with demand-based proportional balance of fields and disciplines so that the country shall become internationally competitive” (FDRE, 2009, p. 4979). By this it is implied that there is a need for making a centralized national level decision as to how many candidates should be accepted into different fields in order to maintain the required mix of professionals in the market to meet the competitive demands of the country.

The proclamation is straightforward on the issue that admission to undergraduate programs is “based on completion of the preparatory program and obtaining the necessary pass marks in the university entrance examination” (p. 5003). The Ministry is granted the mandate to administer the university entrance examination and decide on eligibility for admissions to any institution. Furthermore the ministry determines the admission requirements for students who completed secondary schools in other countries and the special circumstances and procedures for admission of adults, in consultation with concerned institutions. The Ministry (2010b) has also issued a directive for the implementation of this provision – directive for placement of regular undergraduate students to public higher education institutions (Amharic).

It is stated that “institutions shall explore and establish as necessary a system of pre-admission counseling of students on study choice” (FDRE, 2009, p. 4990). However

this is neither practical nor necessary except in the specific case where students have to choose between departments and /or fields of study within the specific institution where they are assigned. Under the title 'Rights of Students' the proclamation makes no provision that makes it a right for students to choose an institution, department and/or field of study they want. Neither do they have the right to change from one institution, department or field of study to another.

The proclamation proposes the notion that the centralized placement of students shall someday come to an end. The following paragraph depicts such a change:

The Ministry shall consult the public institutions concerning student placement so long as the current centralized placement of students in public institutions shall continue. As and when direct selection of students for admission by public institutions becomes feasible and desirable, the Ministry shall limit itself to administering the entrance exam, deciding on pass marks and eligibility for admission, including entitlement to affirmative action, monitoring the admission process and ensuring compliance by institutions to its directives (p. 5004).

However, the proclamation fails to describe the circumstances under which the central student placement shall be dismantled. Even in the case where the central placement is removed, the ministry would still have the responsibility to:

ensure that student placement to and within any public institution and procedures of admissions in general are consistently fair and just in accordance with this Proclamation, government policy, and with requirements it may stipulate from time to time as necessary (p. 5038).

From the above stated provisions, it can be understood that the centralized administration of the entrance exam and the determination of the passing mark by the Ministry are not subject for change. This raises the question: is exam to remain indefinitely as a sole basis for determining admission in to higher education? Will other competences and skills remain having no place in higher education admission?

6.4 Technology transfer/learning from others

Learning from others, through research focusing on technology transfer, adaptation to fit to local needs and circumstances and dissemination of results to industry and society in general, forms one of the pillars of higher education within the developmental state paradigm. Such purpose of HEIs can also be achieved through different engagements the institutions may have with their environment, such as consultancy services, non formal short term trainings of different kind, partnerships with industry and community services. The general idea of technology transfer is among the major dimensions of the Ethiopian higher education addressed in policy documents, extensively discussed on different platforms but far less put in practice.

The ETP gives a generic recognition to technology transfer where it identifies one of the objectives of education and training to be the creation of competent citizens who, among other things, "show positive attitude towards the development and dissemination of science and technology in society" (TGE, 1994, p. 8). Similarly, the

HEP sets objectives for higher education that include “promote and enhance research focusing on knowledge and technology transfer consistent with the country's priority needs” (FDRE, 2009, p. 4979). This objective not only emphasizes the importance of technology transfer, it also implies the identification of priority areas for the country, though it remains unclear what are these priorities are, who determines them and how are HEIs’ activities practically linked to these priority areas.

The proclamation further directs the attention of research at institutional and individual level to focus on problem solving through technology transfer. Under the title research and research direction, the HEP provides that:

The focus of research in any institution shall be on promoting the relevance and quality of education and on the country's development issues focusing on transfer of technology... More specifically, every institution shall undertake research that shall: a) take into account the priority needs of the country and enable the country to solve its challenges and build its capacity through technology transfer; b) equip students with basic knowledge and skills that enable them to undertake further and relevant studies and research (p. 4990).

Besides, every institution is required to allocate sufficient fund specifically earmarked for research focusing on technology transfer and innovation. Institutions and their academic staff are also entitled to “enter into joint research and receive research funds from external and foreign sources if the research falls within the research standard, code of professional ethics, and norms of the institution” (Ibid, p. 4991). This provision provides the opportunity to do research with advanced systems and tap the available research funds in the international academic arena. In doing so creates better chance of technology transfer not only in the content of the research itself but also in using the research facilities of the partner institutions, and learning more advanced methodologies.

The ETP provides for all levels of formal education to be complimented by non-formal education, which should be “concrete in its content, focusing on enabling the learners develop problem-solving attitudes and abilities” (TGE, 1994, p. 15). This is also reaffirmed in the HEP which allows institutions to offer any type of degree, by the decision of their respective senates, besides those formally recognized by the proclamation. Moreover, HEIs may also offer short term trainings with the goal of “imparting knowledge and skills in specific fields, and award appropriate certificates” (FDRE, 2009, p. 4987). This flexibility in designing programs and trainings would enable HEIs to be responsive to the needs of market and the industry. Trainings focused on disseminating specific knowledge, building particular skills, or transferring knowhow learned from elsewhere would be possible with such flexibility at disposal.

Endeavors of technology transfer can only be enhanced if appropriate channel is built between HEIs and stakeholders – relationship with industry and the society at large. The ETP addressed this by stipulating that students, teachers and researchers in higher education would participate in programs that enable them to gain the

necessary practical experience in their respective fields. On the contrary it provides that professionals of different organizations shall participate in teaching at HEIs (TGE, 1994). Similarly, the proclamation not only requires individuals and institutions to perform consultancy and other supplementary activities related to their areas of expertise (p. 4991), it also obliges HEIs to establish “cooperation relations with industries and other institutions in pursuit of its mission” (p. 4982). These multi directional and multi dimensional relations that would be formulated to serve mutual benefits facilitate the possibility for the HEIs to understand the challenges of their partners and conduct researches that can resolve the challenges, while the partner institutions assist in the teaching and research functions of the HEIs.

While the legal framework addresses the issue in such a manner, the practical aspect (the ESDP) also follows up, but with a relatively dimmer view. ESDP-III admits that HEIs are not performing as much as they are expected in the areas of research and consultancy. It is explicitly stated that HEIs are expected to:

...produce new knowledge through research, serve as conduits for the transfer, adaptation, and dissemination of knowledge generated elsewhere in the world, and support government and business with advice and consultancy services. To meet this objective, research forms part of the job description for academic staff, who are supposed to spend 25 % of their time in research activities (MOE, 2005, p. 18).

ESDP-IV goes even further and provides a well articulated outline of actions for improving technology transfer. In the section that describes the policy and strategies for the higher education sub sector it reads:

...a framework for national research priorities will be developed in line with which HEIs will develop their own priorities... Universities will receive support for the establishment of research policies, including through innovation funds... university-enterprise partnerships shall be enhanced, ESDP-IV will extend support to selected universities for the creation of technology transfer business units and consultancy centers, in particular at Institutes of Technology (IoTs). ESDP-IV will also build the research and development system that gives emphasis to technology transfer and to expand and exercise useful technologies. This implies building the capacity of technology institutions in technology transfer by giving due emphasis to exercising and expanding useful technologies and making universities' research and development systems to be the principal factor to evaluate their outcome and contribution for country's development. The research and development system will get due attention to have its own budget and capacity building program will be arranged (MOE, 2010a, p. 65).

However, this seems to be contradicted by the position of the same document which gives the primary responsibility of technology transfer for TVET institutions, and instead leaves HEIs devoted for the creation of ‘new knowledge’. It states:

For TVET, the goal is to create a competent, motivated, adaptable and innovative workforce and to transfer accumulated and demanded technologies in Ethiopia, thus contributing to poverty reduction and social and economic development through

facilitating demand-driven, high quality technical and vocational education and training, relevant to all sectors of the economy, at all levels and to all people (p.9).

TVET providers and related institutions are said to be strengthened to become “centers for technology capabilities’ accumulation and transfer” (Ibid, p.55). On the contrary, HEIs are to enhance their capacities for “knowledge creation and transfer as well as community and consultancy services to the economy and society at large, in line with the country’s socio-economic needs” (p.64).

From the above points, it appears that in ESDP-IV the TVET sub sector is endowed with the responsibility of technology transfer relevant for all sectors and at all levels. Nonetheless, it shall be noted that technology transfer requires research in order to make sure that technology is effectively adapted to the specific needs of the country and to be obtained in the most efficient manner in terms of cost, time and maximized productivity. At the same time, it is clear that the TVET institutions do not have the research capacity, neither the academic depth that would enable them to explore the world of knowledge to identify and adapt relevant knowledge in a suitable manner. On the other hand, given the level of economic growth and academic development, it is difficult, if not unrealistic, to expect HEIs to become centers of knowledge creation. This should also be seen in reference to the overall political-economic narrative of the country which has been, and still is, largely dominated by the importance of technology transfer and the cost and time effectiveness of learning from others in order to accelerate economic growth.

Finally, an important issue pertinent to technology transfer is the choice of language of instruction. Countries that decide to catch up in development by learning from others are always faced with this critical decision, because language determines how much higher education systems can interact and engage in academic and research activities with other [more advanced] systems. Not only has Ethiopia chosen English to be language of instruction in secondary and higher education, it also has decided that English shall be taught as a subject starting from grade one (TGE, 1994; FDRE, 2009). Since a huge majority of academic literature and ongoing research projects are available in English - the international *lingua franca* of academics - this choice opens up the door of opportunity for accessing unlimited knowledge already accumulated elsewhere.

6.5 Diversity of institutions

Different HEIs may be set to serve different purposes, to perform different functions, to have different capacity and status, to garner different type and amount of resources, to setup different governance structure, to have different level of specialization and focus, etc. Literature has shown that in the developmental state paradigm institutions are often established with such differences so that different types would serve different purposes within the overall mission of education in development.

Examination of the official documents reveals that such differentiation of HEIs seems to be largely missing from the Ethiopian higher education. Specifically,

focusing on teaching at the higher education level, the ETP calls for research oriented approach which targets on problem solving capacity. Its statement which reads “higher education at diploma, first degree and graduate levels, will be research oriented, enabling students become problem-solving professional leaders in their fields of study and in overall societal needs” (TGE, 1994, p. 15) implies that there is no distinction among the institutions since all are to be research-oriented teaching institutions.

As the highest governing law of the subsector, the HEP is generally expected to provide details about how institutions may differ from one another - if they do. In the section describing institutions as legal entities the HEP identifies four levels of status for HEIs: (1) university; (2) university college; (3) college; and (4) institute (FDRE, 2009, p. 4982). However, this specific article fails to rank them in any order, though requirements are forwarded in subsequent articles from which one can infer the respective orders by looking at how tough the requirement is for each type of HEI. Further, there is no clear articulation of the differences between these types of institutions with regard to their nature and the respective roles they are expected to play in the higher education system. The proclamation does not mention anything about whether they have specific focus area, method of financing, status in recognition, teaching-Vs-research orientation, etc. Besides, all institutions are endowed with the right to offer programs that lead to the award of any level of degree among (1) Bachelor Degree [BA/BSc]; (2) Medical Doctor [MD] or Doctor of Veterinary Medicine [DVM] degree; (3) Master’s Degree [MA/MSc], or a Medical or other Professional Specialty; (4) Doctorate [PhD] Degree or its equivalent; (pp. 4982-83).

A distinction is made in terms of the requirements institutions have to meet to be granted the different status. Status is granted by the Ministry of education and covers a range of considerations including undergraduate enrollment capacity, minimum number of academic units, number of graduated classes (cohorts), undertaking research publication and dissemination, curriculum that matches the national standard set by the ministry, and fulfillment of the necessary academic staff, institutional governing structures as provided for by the proclamation, teaching materials, classrooms, libraries, laboratories, and other appropriate discipline-related facilities etc. Only universities and university colleges are required, among other things, to conduct, publish and disseminate research.

The proclamation sets out the same function for all HEIs where it says that “the core business of any institution shall be to offer education and training through regular programs, conduct research, and render community services” (p. 4987). Research is to be carried out by all institutions and a clear outline mandatory for all institutions has been provided:

Every institution shall define its core research areas and themes on the basis of the priority needs of the country, the institution’s comparative advantages, and in consultation with the key stakeholders. More specifically, every institution shall undertake research that shall: (a) take into account the priority needs of the country and enable the country to solve its challenges and build its capacity through

technology transfer; (b) equip students with basic knowledge and skills that enable them to undertake further and relevant studies and research.

Every institution shall have an institutionalized system that enables it to carry out planned research and conduct joint research projects with other national and international institutions, research centers, and industries. Particulars on the organization, management, responsibilities, and procedures required to conduct research shall be determined by each institution (p. 4990).

Every institution is required to establish research and innovation fund and has the right to use research fund originating from non public sources. What is even more, “every institution shall ensure that all and everyone of its academic staff are engaged in study activities based on literature or research focusing on developmental issues” (Ibid, p. 4990). This can be seen as a reflection of the determination to use academicians as army of research addressing the country’s development issues.

Expansion of graduate programs (masters and PhD) has been the goal of both the third and fourth phases of the ESDP. This is primarily to meet the growing demand for qualified teaching staff that is created by the continuously increasing intake capacity at undergraduate level. In addition, another justification for expanding graduate programs reads as:

The expansion of graduate programs in the existing universities will also be a strategy of revitalizing relevant and quality research undertaking in these institutions. Both the masters and PhD programs will be major venues for research in universities. Research policies and strategies for efficient, transparent, relevant and quality research undertakings in universities will be developed. A research database system will also be designed (MOE, 2005, p. 55).

The HEP also recognizes institutions for having different capacity for offering graduate programs and calls up on those institutions better endowed with resources in this regard to “assist, free of tuition charges and as a matter of national priority, in the academic staff development of less so endowed public institutions” (FDRE, 2009, p. 4994). However, both the ESDP and the HEP refrained from identifying specific institutions and dedicating them for this mission of training academic staff for higher education and conducting more research.

Another possible dimension of institutional diversity is the governance structure of institutions. Still, the HEP puts strong restrictions on public HEIs in this regard as well. The proclamation states that:

Any public institution shall have: (i) governing and advisory bodies; (ii) academic units; (iii) governing body of teaching hospital, as may be relevant; (iv) administrative and technical support units;.... Governing and advisory bodies of a public institution shall consist of: (a) board; (b) president; (c) senate; (d) managing council; (e) university council; (f) academic unit council; (Ibid, pp. 5006-07).

Indeed, a public HEI may reorganize itself, in part or in full, differently in accordance with international good practice, where the only purpose of such

reorganization is to achieve more effective performance in the fulfillment of the HEI's mission and, only if it is approved by the Board and endorsed by the Ministry. For the reorganization to take effect, the president "shall submit to the Board an exhaustive proposal discussed by the managing council, the university council, the senate, and by unions of students and teachers of the institution" (p. 5007). Such a tough procedure of being debated and approved seems to have made it very difficult for institutions to change their organizational system.

Though the proclamation does not seem to appreciate diversity of institutions, what appears to be a more tangible differentiation of HEIs is introduced in ESDP-IV. In the higher education section the document sets a target of having established ten institutes of technology and two Science and Technology Universities (MOE, 2010a), both by the end of the program (2014/15). Nevertheless, the document did not give any further explanations and justifications – it is not known if the institutes of technology will be independent institutions by themselves or as part of already existing universities; what unique features these institutions will have; what differentiates science and technology universities from other types of universities; what special arrangements will be made for these institutions, and so on.

6.6 Focus on priority areas

Identifying a priority area that fits in the development plan of the country, articulating it in terms of targets and expected outcomes, defining a systematic scheme for how to achieve it, designating the responsible institution(s) for coordinating activities and identifying the role of each HEI in the process and setting out mechanisms of support are expected of a developmentalist higher education policy and strategy.

There are references made several times to priority areas in the policy, the HEP and ESDP documents. However, there is hardly a clear articulation of what the priority areas are, what specific targets are expected or how they are to be achieved. The notion that education and training has to be linked and integrated with development efforts focused on certain priority areas is first introduced in the ETP. One of the specific objectives of the policy is to "...make education, training and research be appropriately integrated with development by focusing on research" (TGE, 1994, p. 9). Similarly, the HEP identifies that one of the responsibilities of HEIs is to:

undertake and encourage relevant study, research, and community services in national and local priority areas and disseminate the findings as may be appropriate; undertake, as may be necessary, joint academic and research projects with national and foreign institutions or research centers; (FDRE, 2009, p. 4981).

The important question that follows would be: what exactly are these priority areas and how are they justified? In this regard, what the policy puts in its objectives as "the development and dissemination of science and technology in society" (TGE, 1994, p.8) seems to be the overarching focus area that has been repeated in the ESDP documents as well.

Primary and vocational education were focused in ESDP-I as a means of addressing the demands of the country and its economy. Therefore, expanding equitable access in these subsectors was set to be a strategic priority (MOE, 1998). Consequently, the share of budget in higher education was reduced in favor of boosting the share of primary education. This appears to be in line with the general practice of [developmental states] identifying and pursuing priority areas that are relevant to developmental goals, which at the early stage of economic development, are often concerned with building generally educated and vocationally trained workforce.

ESDP-II not only identifies the priority areas justified by the government's goal on poverty reduction, but it also names higher education and TVET as being its area of focus, given the responsibility they have in training the required skilled manpower.

The Government of Ethiopia places a very high priority for poverty reduction as part of its overall goal for socio-economic development. The Poverty Reduction Strategy has identified four priority sectors; i.e. road, education, agriculture and natural resource, and health sectors. To implement the Poverty Reduction Strategy successfully, the economy shall need substantial additional skilled and trained manpower at all levels- top, middle, low. Expansion of the road infrastructure, education, agriculture and health services shall demand substantial number of trained manpower. Thus, responsibility for training the required additional skilled manpower shall substantially fall on the tertiary and TVET sub-sectors of education (MOE, 2001, p. 27).

This explicit statement about the specific role of higher education in the development of the country through emphasis on certain priority areas is a considerable improvement in its own. However, the document fails to set specific targets for these priority areas (e.g. in terms of number of new programs to open, graduates to produce, etc.).

ESDP-III largely emphasizes on attaining universal primary education by the year 2015 in its vision and mission for the education sector in general. Its fundamental thrust is described as being:

to improve quality, relevance, equity, and efficiency and to expand access with special emphasis on primary education in rural and underserved areas, as well as the promotion of education for girls in an attempt to achieve universal primary education by the year 2015 (MOE, 2005, p. 6).

Assessing existing situations, the document asserts that expansion in higher education was guided "as per the national development priorities and skilled labor market demand" (Ibid, p. 13), indicating that new degree programs were opened in teacher education, engineering, health, agriculture, ICT and business. Further, it envisions that, by the end of ESDP-III:

a third of the students will be enrolled in teacher education programs to produce qualified teachers for secondary schools and TVET institutions. In addition to this, programs in engineering and technology, computer sciences and IT, applied sciences, resource management, veterinary technology, etc., will be opened (p. 54).

Teacher education is clearly prioritized with quantifiable expected result. However, in other aspects the list of programs to be opened ending with 'etc.' implies no concrete prioritization.

As for ESDP-IV, driven by the long term vision of transforming Ethiopia in to a middle income level country by 2025, it stipulates that the economic transformation, among other things, requires a “conscious application of science, technology and innovation as the major instruments to create wealth” (MOE, 2010a, p. 11). But then, the prioritization of science and technology is primarily designated to the TVET subsector where higher education seems to be considered only supplementary to TVET.

One of the priority thematic areas is to strengthen the focus on sciences and TVET. The government is committed to strengthening the role of the education and training system in building a strong scientific and technological foundation for national development....This will demand strong development of Technical and Vocational Education and Training (TVET), through promoting the participation of the private sector and a further expansion of TVET provisions in sectors of higher priority based on the strategic development corridors of the country. Expansion of Higher Education, especially in science and engineering fields will also be deepened (Ibid, p. 14).

The two key outcomes most emphasized for higher education in ESDP-IV are:

- (a) A balanced distribution of higher education opportunities throughout the country through the widening of access to higher education, in particular to science and technology; and*
- (b) Increased student learning, personal growth and improved employability through high quality higher education and relevant professional mix (p. 9)*

Focusing on balanced access to science and technology does not actually point at improving the role of science and technology in economic development. The emphasis, therefore, remained focused on fairness of access. However, though it seems inconsistent (if not contradictory), ESDP-IV in later part sets targets that reflect the priority given to science and technology. It targets to increase the number of technology institutes to ten, and to open two Universities of Science and Technology. This is further advanced by the goal of increasing ratio of intake in Science and Technology to Social Sciences and Humanities from 58:42 in 2008/2009 to 70:30 in 2014/15 (p. 64).

Generally, with all the discrepancies, it can be observed that the mass production of competent and innovative graduates in the fields of Science and Technology sums up the priority goal of ESDP-IV in the higher education sub sector. The introduction of “high quality science and mathematics curricula at primary and secondary schools and... the policy of the 70:30 university intake ratio” (p. 11) are devised as the major mechanisms to achieve this goal.

6.7 Massive expansion

A large scale of expansion is perhaps one of the typical features of education in Ethiopia at all levels in the past two decades. In higher education an unprecedented scale of expansion was started in late 1990s and early 2000s. Access and equity are the driving justifications for the ongoing expansion which is also considered as one strategic dimension in the ESDP. The HEP states that to “ensure fairness in the distribution of public institutions and expand access on the basis of need and equity” (FDRE, 2010a, p. 4979) is one of the objectives of higher education. This is further assured in the ESDP which outlined the establishment of new HEIs to be distributed over different regions of the country. Another important factor that led to the expansion of higher education in Ethiopia was the apparent demand the country had for professionals of different kind needed to supply the developmental endeavor. While ESDP-I was restrictive in a sense that preferred to limit expansion to few areas that were deemed with high immediate demand, ESDP-II takes a broader look at the need for expansion.

In a country such as Ethiopia where the sector is negligible in its development, where there is a huge demand for graduates (teachers, health workers, lawyers, engineers, etc) and where not only the current but also the future demand for highly trained personnel to serve the public sector as well as the growing private sector is large, it will be a dire necessity to develop and invest on higher education (MOE, 2001, p. 47).

When higher education expansion is planned in a poor country like Ethiopia, an immediate and crucial question the government faces is the question of how to finance it. In this regard four alternatives are apparently discernible: increased government budget, introduction of tuition fees and cost sharing, income generation by the HEIs, and encouraging private and non government investment.

Table-1 Budget of higher education in ESDPs

		Higher Education Budget		Increase from previous phase	
		Amount (appr. '000 Birr)	% share	Amount (appr. '000 Birr)	%
ESDP	I	1,306,496	10.7	NA	NA
	II	3,459,033	22.9	2,152,537	164.8
	III	12,937,600	24.0	9,478,567	274.0
	IV	30,516,000	21.7	17, 578,400	135.9

Source: compiled by author from MOE, 1998, 2001, 2005, 2010.

Increase in absolute amount as well as the relative share of higher education in the overall budget has been recorded in the ESDP along with the increase in the total budget of education relative to the overall budget of the country (see table-1). In the outset of the program, the main emphasis was on lower levels of education and expansion in higher education was meant to address immediate needs in certain sectors. However, as the program moved forward with later phases, higher education became more emphasized and this emphasis primarily manifested in expansion of the subsector.

The idea of tuition fees and cost sharing was first introduced in the ETP. The policy clearly puts that the priority of the government in financing was up to the completion of general secondary education, while an increasing cost sharing would be introduced for higher education. It also stipulated that appropriate mechanism shall be devised to facilitate for students to cover their educational expenses through service or payment after graduation (TGE, 1994). This was brought in to effect only in 2003 with the promulgation of the higher education proclamation (FDRE, 2003a) and later in the revised 2009 proclamation. Subsequently, a regulation (no.91/2003) by the Council of Ministers (FDRE, 2003b) provided for the detail implementation of the cost sharing scheme. HEIs are also allowed to charge tuition fees which would be according to a directive the board would issue regarding the kind, amount and manner of payment (FDRE, 2009). ESDP-I explains how tuitions and cost sharing by students would help in the higher education development.

The introduction of student fees is planned to help pay for expansion and improvements in quality. Students' loans are being considered as a means to reduce the impact of this policy on the access of the poor to higher education. In addition universities will be encouraged to earn money from consultancies and the private sector will be involved in financing education (MOE, 1998, p. 9).

Allowing and encouraging public HEIs to generate income of their own to finance part of their activities was another measure introduced by the ETP. The policy states that “the necessary conditions will be created for educational and training institutions to generate their own income and to use it to strengthen the educational process” (TGE, 1994, p. 32). This is reestablished in the HEP which reads as

...an income generating enterprise may be established by any public institution upon the request of the president and approval by the board; the enterprise shall have its own legal personality and operate, like any business organization, in compliance with all legal requirements; the initial capital required for the establishment of the enterprise may be a budget allocated by government. The institution shall use the net profits of the enterprise in the pursuit of its mission and objectives in accordance with the provisions of this Proclamation (FDRE, 2009, p. 5026).

Income generation was also one of the target outcomes of ESDP-IV which aspires that by the year 2014/15 (end of the planning period) 22 universities would be able to raise 5% of their budget from their own internal sources, which would be used to strengthen the relevance and quality of their services (MOE, 2010a). However, this seems a very small amount to ease the financial burden on the central government.

Finally, encouraging investment in education and training by non government and private parties is another trend of development observed in Ethiopia. In this regard the policy, besides encouraging government and non government organizations to establish their own training programs, urges the government to “create the necessary conditions to encourage and give support to private investors to open schools and establish various educational and training institutions” (TGE, 1994, p. 32).

The HEP also considers private and non government HEIs as partners that contribute in the development efforts of the government in the sub sector. This is reflected in ESDP-III where it stipulates the modalities of engaging private investors and institutions:

The private provision of higher education will be encouraged through the facilitation of quick access to incentives (e.g., land, tax exemption, etc.), provision of technical support and short-term training programs... Mechanisms to foster public-private partnerships will also be developed by undertaking joint studies and designing development strategies (MOE, 2005, p. 54).

By the end of the planning period for ESDP-III private and non government institutions accounted for 17.3 % of the student population in the country (MOE, 2010a).

Generally, ESDP-II can be taken as the actual beginning of the expansion program that is still continuing. It sets out goals for higher education expansion with specific numeric targets in undergraduate (30,000 per annum at the end of the planning period) and (6,000) in graduate programs; it stipulates the opening of new programs deemed necessary for economic development, and provides that opening of new institutions and upgrading the existing ones as a means for intake increase. It also outlines the need for major undertakings in certain selected HEIs to increase graduate admission as well as diversity of programs at masters and PhD levels. It also acknowledges the contribution of private HEIs in terms of increasing capacity (MOE, 2001, p. 48), though it refrains from putting a clear target in that regard.

The document also recognizes the changes that are necessary to come about with the expansion of the sub sector in terms of infrastructure, facilities, qualified teachers and leadership and management capacity. It stipulates the need to increase the capacity of teaching staff and the leadership in terms of number and qualification locally as well as abroad, and stresses the need for establishing a clear and comprehensive legal framework specifically for the subsector. The need to the establishment of a strategy center as well as a quality assurance agency are also emphasized which have been subsequently addressed in the 2003 proclamation.

6.8 Higher education for non economic functions

Though the primary characteristics of higher education in the developmental state paradigm relate to addressing economic needs, through production of the required manpower and undertaking researches that are targeted at accelerating economic growth, the non economic functions of higher education also take a pivotal place. Since developmental state materializes in countries with multitude of challenges, HEIs are also expected to serve purposes that are related to nation building – creating an environment and spreading values that are crucial in building stable state. Such issues are addressed both in the ETP and HEP.

The policy (TGE, 1994), referring to all levels of education, envisages as its ultimate goal, bringing up citizens:

who are endowed with humane outlook, countrywide responsibility and democratic values having developed the necessary productive, creative and appreciative capacity in order to participate fruitfully in development and the utilization of resources and the environment at large (p. 6);... who respect human rights, stand for the well-being of people, as well as for equality, justice and peace, endowed with democratic culture and discipline (p. 7); ...who stand for democratic unity, liberty, equality, dignity and justice, and who are endowed with moral values (p. 10).

The policy also aspires for education and training that promote the culture of respect for work, positive work habits and high regard for workmanship, in which traditional education will be “improved and developed by being integrated with modern education” (Ibid, p. 25).

Similarly, the HEP stipulates that the higher education system shall be oriented towards such values both in institutional practice as well as in the content and approach of the teaching-learning process. This can be observed in the objectives of higher education which include, among others:

ensuring that education and research promote freedom of expression based on reason and rational discourse and are free from biases and prejudices; promoting and upholding justice, fairness, and rule of law in institutional life; promoting democratic culture and uphold multicultural community life; (FDRE, 2010a, p. 4979).

As an extension of this the HEIs are expected to have guiding values such as “a culture of fighting corruption; economical use of resources and effective maintenance of assets” (Ibid, p.4981). However, it is highly doubtful if the HEIs have the institutional capacity to demonstrate and promote such values.

In the ESDP, on the contrary, the issue seems to be less emphasized. ESDP-II reinforces the ETP in its predisposition on nation building through promoting certain values but defends that it was too early to practically see the changes realized in such aspects.

The education system will be revitalized so that it nurtures and produces responsible citizens who participate actively in and also knowledgeable about public affairs. To this end, the central mission of all educational institutions will be to provide citizenship education (MOE, 2001, p. 32).

Though the document says that many and varied activities will be planned in order to achieve this central mission, no further elaboration was given, neither was the issue addressed in depth in the consequent phases.

In response to the growing tensions among students of public HEIs, in 2011 the Ministry of Education (in collaboration with the Ministry of Federal Affairs) has issued a guideline that is intended to promote religious tolerance, development and democracy under multi ethnic federalism, and peaceful learning environment. The document provides detailed guidelines that aim to regulate everyday interaction among students, teachers and other HEI staff such as religious practices, dressing

and dining manners and the like. This demonstrates the notion that higher education is used in addressing the pertinent issues of the country targeting on strengthening the nation state by bringing about stability and promoting certain selected values desired at national level.

Chapter seven

Summary, analysis and conclusion

7.1 Summary and analysis

In Ethiopia the level of importance attached to education is very significant that begins with its very definition relating education with the basic purpose it serves in human life. Education is viewed as an instrument with which knowledge and skills are created, accumulated and transferred for individuals and societies to pursue all rounded development. The official documents such as the education and training policy, the higher education proclamation and the education sector development programs all have common objectives of creating citizens endowed with problem solving capacities towards enhanced development of the country.

Though relatively less emphasized, higher education is embedded in what is formulated for education in general in terms of objectives and justification for the formation and reform of the system. In recent years the role of higher education has gained more recognition that is reflected in how much it is addressed in different documents and the amount of resources that are being geared towards improving the subsector. Higher education is recognized to have a pivotal role in the developmental endeavors of the country, which is responsible for the training of the manpower needed to support the development projects. With the vision of turning Ethiopia to a middle income country by the year 2025, higher education is expected to prepare skilled and motivated professionals who will make sure that this development vision will be realized. This making up the foundation for the developmentalist nature of the Ethiopian higher education, further indicia can also be traced in different aspects of the system that are consistent with the typical characteristics of higher education in the developmental state paradigm.

Often justified by the need to coordinate activities and resources of different institutions towards common development goals, state control is very strong in the Ethiopian higher education. Indeed how efficient the coordination is among the concerned bodies is a question that remains open for further investigation. There are indications, however, that the coordination is focused more on institutions with in the education sector itself than with other sectors. Higher education appears to be more under the direct purview of the federal government, compared to lower levels of education which are under the joint auspice of the federal and regional governments. This has provided higher education with more unified direction and the possibility for better coordination. Still, the involvement of a number of parties in the ESDP, along with the formation of the steering committee at the apex of its structure, with no legally defined personality and solid power over resources, pose challenges to effective coordination.

Various mechanisms are used to the effect of state control over the higher education system. The legal framework composed of the higher education proclamation at the top and establishing laws of different institution, regulations and guidelines at the lower level make up the broadest and strongest control mechanism. The proclamation calls for the establishment of different institutions with varied roles, powers and responsibilities which all create another aspect for the state control. The two most important of such institutions are: the HERQA which is given the power and responsibility of overseeing quality and relevance of higher education in all public and private institutions, and the HESC which is endowed with a wide range of responsibilities to shape and lead the higher education subsector at policy and strategic level. Reporting and supervision also constitute the other effective mechanism of state control. HEIs are required to keep record of data and publish periodic reports for public access besides their obligation to report to the ministry and its respective agencies on regular basis. Similarly, the implementation of the ESDP is also under a close purview of the central government since the different structures of the ESDP organization are required to make periodic reports all the way up to the central government in addition to review meetings conducted at different levels.

Even more direct and tangible control mechanisms come in the form of financing and the appointment of top managers of HEIs. These two methods are specifically applicable for public HEIs where nearly the whole budget of the institutions comes from the federal government and all the top management positions are filled with appointment by the minister directly or indirectly. Of course, public HEIs are in principle, allowed to generate their own income. However, in practice the institutions hardly have the capacity to generate income from their own sources, and in the case of financing by a third party for researches the institutions are required to make sure that the terms of their negotiation do not contradict with their government-set-mission. On the other hand the regulation set forth for the appointment of top managers (board members, presidents and vice presidents) of public HEIs ensures that each of these positions are filled by individuals who are committed to the ideology and developmental interest of the government. There is an exception to this rule where the position of the vice president is filled through competitive means, though still needs to be approved by the board.

These control mechanisms provide the government with strong opportunities for coordination and synchronized development planning and implementation. However, it is also noticeable that institutional autonomy, one of the fundamental characteristics of an academic institution, is largely compromised. Though the proclamation stipulates that all HEIs are autonomous, this practically makes a lot of sense only for the private HEIs.

Put together the Ethiopian higher education system has devised multitude of mechanisms for state control. State control mechanisms, however, are not everything that a developmental state needs for effective planning and coordination in higher education. There is no sufficient evidence which shows that the education sector, and the higher education sub sector in particular, is sufficiently coordinated with

other sectors, as it is within itself. Such coordination requires a central body responsible for continuously monitoring the other sectors and use data for coordinating the planning and implementation of education policies and strategies with that of other sectors. There is no clear statement as to the existence of a central body responsible the long term planning of higher education and for the coordination of such with the economic and other social policies. The HESC seems to have a broad range of responsibilities concerned with shaping the future of higher education, though coordination with other sectors in its activities seems undermined.

The notion of the statist approach to education planning requires the state to plan and coordinate not only on the supply side, where the Ethiopian case seems to be well concerned, but also on the demand side. Talking about TVET programs ESDP-I says that “steps are being taken to improve the relevance of these programs so that more TVET graduates can get jobs ... The economy will benefit from more trained and skilled labor” (MOE, 1998, p. 8). This indicates that the employment of TVET graduates is put as a primary goal for the reforms and improvements that are deemed necessary in the ESDP-I, and the economic outcome is seen as a sideline or spillover effect of such improvement. This seems to have rested on the assumption that the labor market is not something that can be managed or manipulated with the deliberate actions of the state – which opposes the fundamental idea of the role of the state in human capital development and economic growth under the developmental state model. While there are indications in other documents and other parts of the same document that the developmental state model is pursued in the education and training sector, this statement at its best can be described as a lack of clarity in direction.

Similarly, the same document identifies a potential risk in the implementation of the program as “What if the economy does not grow” (Ibid, p. 22). Indeed, since Ethiopian economy is largely dependent on agriculture which also depends on rain fall and other natural conditions, there is a chance that things could go wrong in the economy. And since a large part of the program budget was set to be domestic it was a legitimate point to have been raised. However, this statement also reflects the assertion that the conditions of the economy are prerequisite to what happens in the education sector. In the statist view on education planning education is considered as a tool to make change happen in the economy. It presumes that education and economic reforms are to be set in parallel both under the influence of the state. Not that what happens in the economy would be a determinant for what happens in education.

Admission to higher education is centrally managed based on the completion of the preparatory program (second cycle of high school) and result in the national entrance examination. This is basically for regular undergraduate programs, where for other programs the institutions are at liberty to determine their own admission requirements. All those who have passed the entrance exam will make their choice of institutions and specific programs. The ministry of education, the body in charge of admission, will then assign students to different HEIs and specific programs.

Often the assignment is based on the government's desire to produce certain combination of professionals as seen fit for the needs of the economy. The documents, including the directive for placement of regular degree students, do not make any clear statement of the criteria, nor the procedure, used in the placement process. In effect it can be seen that the central placement system deprives students of their right to pursue a field of study and career of their choices. Moreover, it appears that aptitude, motivation, skills and the like have no place in the placement process.

Technology and knowledge transfer, one of the most common modes of catch up for developing countries, is given a massive recognition both in the policy and the higher education proclamation. It is set as one of the objectives of higher education targeting on the accelerated development. HEIs are required to allocate enough funds for research focused on technology transfer, and to engage in research partnerships with institutions from advanced systems. Further, the HEIs are encouraged to establish permanent cooperative relationship with industries and the society at large that constitutes different forms of services by the institutions and delivery of non formal programs that would facilitate transfer of accumulated knowledge. Ethiopia has also chosen English as a language of instruction which further facilitates knowledge transfer since much of accumulated knowledge in the world of academics is found in the English language.

Following the legal outlines, the ESDP also emphasizes technology and knowledge transfer as important elements in the development of education. However, the ESDP also admits that in practice technology transfer did not materialize as much as needed. Besides, the ESDP goes unclear on the specific responsibilities of HEIs and TVET institutions as to how they contribute to effective technology transfer. It is observed that in the later phase of the ESDP technology transfer lays to be the major responsibility the TVET, where HEIs are set to knowledge creation. However, it is discernible that TVETs do not have the required capacity to do in depth research on technology transfer and adaptation, while in the same fashion, the HEIs do not have the capacity for knowledge creation. What would have made a better sense is if HEIs were responsible to undertake the researches while TVETs provide tailored and practical training for lower and middle level professionals needed by the market.

HEIs of different type and status, with different governance system and different purpose are common in developmental states. In Ethiopia the education and training policy calls for all HEIs to be invariably research oriented, while the higher education proclamation outlines different status of institutions but with no significant differences in purpose. Distinctions are made in terms of the requirement the institutions have to meet to be granted each status with no clear separation between research universities and teaching universities, no identification of tiers of institutions reflecting their prestige and resource advantage. The proclamation determines not only the functions of all public HEIs to be similar but also their governance systems. HEIs are required to constitute certain predetermined elements of governance and have to go through a rigorous procedure to introduce any change on their structure.

The HEP indeed recognizes differences of institutions in their capacity to offer graduate programs, and suggests that those institutions more endowed with resources in this regard should assist the rest in development of academic staff. In the fourth phase of the ESDP diversity of institutions has been introduced where a target of setting up ten institutes of technology and two universities of science and technology is set for year 2014/15. However, there are no further explanations as to how these institutions will differ from the rest and why.

As per the HEP institutes are required to offer training in at least one field/discipline (which is the minimum requirement in the list), and is not required to conduct research (Article 14). However, the experiences of other countries implies that institutes are rather specialized for certain field and engage in wide research activities in the area – often multi/inter disciplinary. Moreover, public universities (which account the huge majority of the HEIs in capacity), are established as ‘just universities’ where there has not been any sort of distinction and usually enjoy government’s favor (Article 15) in that they are established with the full status of a university even though many of them hardly meet the requirements.

What relates to the diversity of institutions is the identification of priority areas in the higher education policy and strategy. Prioritization has been repeatedly mentioned in official documents but there is hardly any explicit statement of what the priority areas are what specific target outcomes are set. It is only in ESDP-IV that science, technology and innovation are set to be the area of emphasis as a means to create wealth. This is accompanied by the goals of establishing institutions dedicated to these areas and a shift in the student intake that designates 70 % of student population to be in the natural science and technology fields.

Though there is a ministry for Science and Technology, there is no clear guideline stipulated on how the ESDP and the focus on science and technology shall be coordinated with the works of the ministry. Indeed, according to the establishing law of the ministry one of its major responsibilities is to facilitate conditions to ensure strong inter linkage among higher education, research and development and the industrial sector with regard to scientific research and technological advancement focusing on production activities (MOST, 2012). Nonetheless, nothing meaningful has been mentioned in the ESDP that ensures the co-working of these two concerned government bodies.

With regard to expansion, higher education, like all other levels of education, has experienced unprecedented rate of increase in its size over the past fifteen years. The expansion has demanded different moves to generate resources for financing. The government budget for higher education has risen both in absolute amount as well as in relative share to overall education budget. Concurrently, in 2003 student cost sharing scheme has been introduced which allows the government to collect certain portion of expenses made to the higher education in the form of repayment or services by graduates. Private investment in higher education has been another contributor to the expansion of the subsector, though the private institutions still account to a small portion of the student population (less than 20 %) compared to the relative share they have in terms of number of institutions. Finally, income

generation by the HEIs is another attempt made to ease government expenditure in higher education. However ESDP indicates that too few institutions generate too small portion of their budget.

The expansion is predominantly financed by the state and is focused on ensuring fairness and equity in the distribution of HEIs in different regions. This predisposition has caused the government to open as many universities as possible in different regions which are exactly the same to one another rather than strengthening and specializing the existing ones in line with the needs of the economy and towards maximization of their economic contribution. Partnership between the private and public HEIs is also deemed to be very low and ESDP-III called for strengthening such partnerships, though nothing has been reported in ESDP-IV.

Neither the legal documents nor the strategies on education development view higher education to be a purely economic instrument. Repeated statement has been made about the non economic functions of higher education in shaping citizens with desired values and in terms of contribution in state building. HEIs are required to promote such values as freedom of expression, efficiency, fighting corruption, building democratic practices, workmanship and discipline, etc both in their institutional practice and the content of their teachings. In support of this goal, civic education is given to students of all fields. In recent years, as a response to the growing ethnic and religious tension particularly in public HEIs, the ministry of education has issued a guideline for regulating behavior and interaction in universities.

7.2 Conclusions

To recapitulate, the study began with the main research question which is primarily concerned with examining how the developmental state concept manifests in the Ethiopian higher education. Further, two specific questions are set out. The first seeks to identify the archetypal characteristics of higher education within the developmental state paradigm, while the second is an extension of the debate about the Ethiopian developmental state focusing on higher education:

- *What are the distinct features of higher education in a developmental state?*
- *How are these features evident in the Ethiopian higher education?*

Based on literature the study has found out that higher education systems in developmental states are tightly controlled and coordinated by the state; have an admission system administered by a central body, highly emphasize on technology transfer as a means to learn from other systems; constitute different type and tiers of institutions with different functions; emphasize science and technology as priority areas; experience large scale expansion and give due attention to sideline goals focused on nation building.

On the other hand, there is sufficient document evidence to conclude that the Ethiopian higher education system strongly demonstrates the characteristics similar to those in developmental states. The objective of the Ethiopian higher education

stated in the proclamation as preparing “knowledgeable, skilled, and attitudinally mature graduates in numbers with demand-based proportional balance of fields and disciplines so that the country shall become internationally competitive” (Article 4) is typical reflection of the nature of a developmental state that targets on improving the economic standing of a country by considering its international comparative advantage using a mix of economic and human capital policies. In addition, the major characteristics of higher education in developmental states identified in the literature review are more or less vividly perceived in the examined documents.

However, there are also shortcomings observed in the content of these documents that inhibit the system from realizing the expected advantages of higher education within developmental states. First, there is a lack of clarity with regard to how higher education is coordinated with other development and social policies and who is responsible to oversee this coordination. Besides, even though the 2009 employment policy admits that there is a serious gap between the demand and supply sides of the labor market, the state still appears to be more concerned with the supply side of the human capital formation. Moreover there is no clearly laid outline for how emphasis would move from one level of education to another corresponding to the change and development in the economy.

Second, there are inconsistencies in the documents that lead to the assertion that the different laws, policies and strategies for higher education are set separately and independently with a very loose link among each other. It can be seen that there is lack of a long term and well articulated vision that serves as an umbrella for all that happens in the subsector. There are ample examples to such inconsistency and shortsightedness. For instance, the education and training policy, the broadest framework of action in education at all levels, ultimately concerns itself with improving access at lower level (which was the most pressing problem of the time the policy was issued). Once access was sufficiently expanded at lower levels, it was imperative to move on to the higher levels to which the policy lacks to give guidance. Similarly, the early phases of the ESDP were entirely concerned with expanding access at lower levels which forces the later phases to abruptly introduce changes to higher education without enough foundations laid down and necessary connections established. The same can be said about the issue of quality. A far sighted policy framework should be able to predict the impact of expansion on quality and come up, from the very beginning, with methods of maintaining and improving quality rather than focusing on the expansion, at one time, and then suddenly shifting resources towards improving quality after a good amount of loss in that aspect has been suffered.

Also, it is observed that there are discrepancies between the HEP and the ESDP about certain issues such as diversity of institutions. While the proclamation provides a monotonous definition of HEIs that fails to recognize diversity, in time it was realized that new type of institutions - science and technology universities - are needed and hence had to be created in ESDP-IV. Such differences indicate that the documents are concerned with addressing issues at hand and are shortsighted in

that they fail to provide a wider scope with in which future changes and demands could be accommodated.

Third, though technology transfer is put as one of the central ideas in education strategy and in development narratives in general, there seems to be a lack of clarity as to how it materializes and who is responsible for it to take effect. In the proclamation knowledge and technology transfer are put to be among the main functions of HEIs while the main responsibility for the same is given to TVET institutions in ESDP-IV. Knowledge and technology transfer require extensive research to be undertaken to identify what is to be transferred and to adapt it to the local needs. However TVET institutions do not have research capacity that fits this responsibility, rather they are strong in training lower and middle level professionals. However, such coordination between the HEIs and TVET institutions appears missing.

Fourth, while different mechanisms are in principle set out as a means to finance expansion of higher education, the huge majority of the resources come from government budget. Similarly, the expansion is mainly crafted and pushed forth by the state, rather than being driven by demand (which often requires egalitarian distribution of income creating more middle class that is willing and able to invest in education and in turn attracting more private institutions to provide higher education). Reflecting the overall nature of the Ethiopian developmental state, the share of the government in the higher education is substantially large. Even after two decades since higher education has been opened for private investment, the share of private HEIs in terms of student population remains less than one-fifth. As a result, the contribution of the private sector in easing the financial burden of expansion on the government is very small.

On the other hand the expansion appears to be dominated by the atmosphere of ethnic politics where fair distribution of public HEIs and expanding access in all regions has preoccupied the pattern of the establishment of institutions. Hence number has been highly emphasized and some HEIs have been established in remote areas where there are low facilities and it is very difficult to maintain qualified academic staff – significantly compromising quality.

Fifth, while of course absolute institutional autonomy is fundamentally contradictory to the notion of the developmental state, the Ethiopian higher education proclamation seems to have offered a massive institutional autonomy to HEIs while it attempts the developmental state approach. However, in what looks like a compensatory move, the proclamation takes back the institutional autonomy by posing a number of requirements and restrictions. For example: institutions are autonomous in choosing their area of research (as part of academic freedom) however in other instances they are required to define their research programs to be consistent with the government priority; they are allowed to receive donation but they are not allowed to alter their mission because of it – (if a university receives money for research from a third party on the condition that it will be engaged in a certain area of research and if that happens to be not within the priority area of the government, the institution is no position to negotiate). The proclamation calls for

participation of society in the governance of institutions, and democratic leadership, but the appointment of top management to HEIs is nothing democratic; Institutions are allowed to prepare and implement organizational structure, but any change to organizational structure has to be only to improve efficiency and has to go through a rigorous review and approval. Institutions are not at liberty to set their own values, rather they have to uphold what is set for them. Also, the ministry reserves the right to annul the decisions of the board, to reform the board in part or in full, to fire the president, etc.

7.3 Implications of the findings

Proper and effective coordination of higher education policies and strategies with other social and development policies requires a specific institution designated responsible. Such institution should be engaged in research, coordinate its activities with other agencies and set the directions of higher education, considering both the demand and supply sides, based on evidence and future plans of the country. Considering the mandate given in the proclamation, the HESC appears to be the closest to this responsibility, if strengthened enough to have the capacity for effectively discharging those mandates.

A long term, vision-driven policy framework needs to be established that would serve as an umbrella for all legal and strategic establishments. The frame work should be vivid enough to be interpreted in to smaller scope plans and wide enough to accommodate changes that are likely to happen over a reasonable period of time in the future. Only this way, can there be consistency between the different versions of the plan.

In pursuing technology transfer as an instrument of development by learning from others, more effective coordination is needed between HEIs, TVET institutions and other government and private bodies, such as the ministry of science and technology. The ministry being in charge of overseeing the overall activities, should set the areas of priority for the country, the HEIs identify the relevant technology and engage in research to adapt it to local needs, while the TVET institutions train professionals on the practical application of the technology. Moreover, industry and society at large have to be widely engaged in the whole process.

While the public sector employs about two thirds of the formal sector employment, the private sector remains as a very small and weak sector for managing the supply and demand of education and training in the country. Therefore without being more open to private investment unemployment is unlikely to change and individuals' motivation to take up higher education will be discouraged – in effect discouraging the growth of the private higher education. On the other hand, too small private sector leaves all the burden of financing expansion on the government - keeping away the attention and resources from more pressing reforms. A developmental state is not equivalent to state owned development, rather state planned and directed. Moreover, the expansion of HEIs in to remote regions shall be halted to focus on improving the existing ones, if at all further expansion is required, it has to be based on the economic benefits it could produce rather than fairness in

distribution. Those in poor conditions should be revitalized with investment towards making them specialized institutions pertinent to the economic and environmental context which could attract more staff and students interested in the respective fields of specialization.

What one hand gives the other takes – that is the state of institutional autonomy in the Ethiopian higher education. There is a need to make a clear separation in the areas where institutional autonomy is necessary, such as in academic freedom, and researching financed by third parties, and to limit autonomy particularly on defining the contribution of HEIs in developmental projects and on how public money is used by the institutions.

7.4 Limitation of the study and need for further inquiries

The findings of the research indicated that the Ethiopian higher education clearly demonstrates indicia of the developmental state concept. However, two limitations need to be noted. First, the research is limited to examining certain documents and related literature as its source of data. Second, the research is meant to provide a preliminary view that establishes insight in to the issue and does not cover implementation side.

Therefore, taking this research as a starting point, future inquiries need to go deeper looking at aspects of both policy making and implementation, and by incorporating primary data pertinent to both processes. Furthermore, the developmental nature of the Ethiopian higher education needs to be carefully examined in terms of each of the major aspects identified in this study.

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Appendix

Document review guideline

1. Strong state control system

- a. What mechanisms are in place for the state to control HEIs?
- b. How well is higher education coordinated with policies in other sector?
- c. How [well] are the demand and supply of skilled labor matched?
- d. How does state control correspond with institutional autonomy?

2. Centralized admission procedures

- a. What does the admission process look like?
- b. Who is in charge of administering admission?
- c. How do HEIs participate in the process?
- d. What principles/ goals underpin the admission procedure?
- e. What and how objective criteria are used in admission?

3. Major emphasis on technology transfer/learning from others

- a. What is the place of technology transfer in the overall HE system goals?
- b. How is technology transfer integrated in the institutional objectives and functioning of HEIs?
- c. How are HEIs linked with industry and society to ensure technology transfer?

4. Diversity of institutions

- a. What are the different types of HEIs recognized in the system?
- b. How do they differ from one another?
- c. Are there tiers of HEIs attaching different levels of recognition?

5. Focus on science and technology as priority areas

- a. Are there clearly articulated priority areas?
- b. How are the priorities justified?
- c. What schemes are there to promote science and technology?
- d. What is the institution in charge of coordination?
- e. What is the place of HEIs (specialized and comprehensive)?

6. Massive expansion

- a. Is expansion emphasized as a strategic area?
- b. What did the expansion focus on (geography, access, quality, specific field etc.)?
- c. How is expansion financed?
- d. What is the role of private and non government HEIs?

7. Non economic functions/goals

- a. How do HEIs contribute in citizen formation (nationalism, discipline, democratic values, tolerance, social cohesion, cultural development etc.)?
- b. How do HEIs contribute for the maturity of political process?
- c. How do HEIs contribute in mobilizing society for development?