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# Revisiting the National Reform and its Institutionalization in Ethiopia

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### **Abstract**

The principal objective of this study is to assess the 2018 national reform and its institutionalization. A quantitative and qualitative mixed approach was employed for data collection and analysis. Primary data was collected from 2116 federal, regional, and city administration office employees, mainly from the Ministry of Finance, Civil Service Commission, General Attorney offices, Police Commission offices, Investment Commission offices, and Political party offices was collected through a structured questionnaire. In addition, 30 key informant interviews and 22 focus group discussions were conducted. Published materials about the reform were used as secondary sources. The qualitative approach was used to assess the current national reform being implemented in terms of its nature, content, and direction. The quantitative approach was used to examine its institutionalization and associated factors. The qualitative part of the study was examined using content and discourse analysis and the quantitative analysis employed Chi-square to identify factors associated with the institutionalization of the reform and Bonferroni Chi-Square Residual Analysis as a post hoc test to identify which of the associations are significant using SPSS version 23. The findings of the study revealed that the reform suffers from marginal consideration of the context, adoption of a gradualist non-sequential reform approach, lack of consensus on the reform agenda, and lack of government capacity for enforcing the reform exposing it to expost constraints that can lead to its reversal. Also, exposure to information about the reform across time and issues as well as allocation of resources for reform implementation is associated with higher levels of institutionalization. The recommendations provided based on the results of this paper range from modifications of the contents of reform through cascading and institutionalization.

Keywords: Reform, Institutions, Institutionalization, Ethiopia

#### Introduction

The principal objective of this study is to analyze how the 2018 national reform initiative in terms of its nature, contents, and institutionalization offers the policy-makers comprehensive and scientific knowledge extracted from field data as well as secondary sources. It is a common wisdom that in the sub-Saharan context, poor policy responses, and ineffective development strategies are believed to be the factors for economic stagnation (Ajakaiye and Jerome, 2014). Manuel (2003) stated that Africa as the display of reforms has been a useful guide to monetary policymaking. (Manuel 2003).

Fantu (2016) stated that the appropriateness of the economic reform prescribed by the International Monetary Fund (IMF) and the World Bank to revive African economies has been debated extensively indicating the need for far-reaching domestic economic reform in the beginning of the 1980s. The main problem was that the policy package recommended by the institutions including instantaneous democratization, liberalization, and the reduction of the role of the state were unfitting for local conditions and ended up obstructing rather than promoting meaningful development. Fantu (2016). Moreover, conditional lending became the means through which African development was regulated since the 1980s. Thus, policymaking, an important aspect of sovereignty, was pulled out of the hands of the African state amounting to re-colonization (Fantu, 2016; Rodríguez-Pose and Zhang, 2024).

According to Ajakaiye and Jerome (2013), most African countries witnessed the formulation and implementation of wide-ranging policy reforms under the Structural Adjustment Program (SAP) that include: (a) deregulation of interest rates; (b) trade liberalization; (c) privatization of state-owned enterprises; (d) withdrawal of subsidies; and (e) currency devaluation having an objectives of reducing the role of the state in the development process and giving market forces a greater role in the allocation of resources since in the mid-1980s. However, this measure was unable to solve African economic problems. (Ajakaiye and Jerome, 2013; Van-Wart, 2022).

Hence, SAP was one of the forerunners in whether a liberal economic policy reform could bring hope to the African economy taking it back to the growth path. An alternative approach to SAP was implemented following suggestions from the Economic Commission for Africa (ECA) and the United Nations Children's Emergency Fund (UNICEF) aiming at balancing the protection of economic welfare of the poor and the necessity of macroeconomic balance (Jeong, 1997). As in the economic sphere, Africa was also experimenting with external-driven ideologies for modernizing its political institutions beginning from the imperial project down to the Africanization of socialism. Since the emergence of the third wave of democratization in the late 1980s for ensuring the transition from authoritarianism to democracy, the continent has been engulfed in a series of political reforms and experimentation.

By the same token, Ethiopia was not immune from this historical trajectory. The quest for building vibrant democracy and sustainable economic development has taken the lives of generations. Hence, the elusive quest for democracy and development has been the enduring feature of the Ethiopian political economy. It was this crisis that has been the epicenter of the perennial conflicts that had engulfed the state for centuries. The reform initiatives that were set for in response to the popular demands from the 1960 coup down to the 2005 election were either aborted or ended by reproducing authoritarianism and repression. Thus, the struggle for the gestation and birth of democracy that preoccupied the generation hasn't yet happened.

For instance, in 1974 after the popular upsurge against the imperial regime, Dergue decided to establish a republic (people's government) and promised to address the fundamental popular demands (Melaku et.al, 2020). Though it has taken some radical measures such as a land tenure decree, the quest for building democracy became a deferred dream as the malicious human rights abuses and the civil war clouded the hope.

Again, TPLF an ethno-nationalist insurgence that replaced the Derge in 1991 has made a promise of ensuring peace, development, and democracy to the nation through the coalition of three other ethno-nationalist parties. While the federal arrangement that charted the country along an ethnolinguistic line is espoused as a panacea for the age-old instability (peace project), the response to the process of building vibrant democracy rested on rebuilding the state based on freedom, equality, and rule of law (TFG, 1991). Elevating poverty to the level of national security (securitizing poverty) and launching rapid, sustained, and inclusive economic growth was part of the economic development project (Melaku etal., 2020).

However, institutionalizing democratic centralism and state-led development management has created grand contradiction and the democratic project was a nonstarter. After the collapse of the TPLF-dominated authoritarian regime of EPRDF with protracted popular protest, a political reform agenda was in place in the pro-democracy reformist groups who had immediately faced the daunting task of rebuilding the country. Mokkadem (2019) stated that since April 2018, Ethiopia has embarked on an ambitious and transformative project that heralds a historic moment of great potential for political, economic, and social change. The reform which is rooted in the concept of Medemer (meaning synergy or convergence) is centered on three interdependent pillars of building a vibrant democracy, economic vitality, regional integration and openness to the world seeks a critical examination in light of the aforementioned historical trajectories (Melaku et al., 2020).

Hence, this working document consists of three sections beginning with an outline that summarizes the context in light of the evolution of the reform experiences harnessed from the international arena. The consideration of national and institutional context demonstrates that the best reforms are those conceived, developed, and implemented bearing in mind the country's socio-economic and political context.

The second section extracts the best lessons from preceding reform initiatives in the country. In this case, it highlights the continuity and changes mainly in the political and economic reform features. The examination of historical experiences is fundamental to understanding the formation and evolution of institutions and the associated reforms. The last section deals with the critical analysis of institutions and the institutionalization process of the current reform agenda.

# Justification

Even though Ethiopia had a profound late start at building its institutions, the pace of growth was not as impressive and is not characterized by steady progress. Development of public, economic, and political institutions was not a linear process as each successive regime has been abolishing the existing institutions established by the previous one leading to missing layers of institutional improvements in the country(Asfaw, 2019; Admassie, 2006; Mengesha & Common, 2006).

In contrast, North argued institutions connect the past with the present and the future so that history is a largely incremental story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story (North, 1990). Such continuity in layers of improvement and accumulated knowledge of it is, unfortunately, missing in the institutions of Ethiopia. Mengesha & Common added

accounts of administrative reform (as a form of institutional development effort) in developing countries in sub-Saharan Africa are relatively scarce, and Ethiopia is no exception (Mengesha & Common, 2006). As institution building generally takes a long time to produce meaningful results, (Sasaoka, 2005) It often includes long periods of knowledge development and a search for new solutions. (Bergström, 2005). Hence it is difficult to argue institutional development path in Ethiopia had such elasticity in terms of time to have visible and meaningful long-run outcomes.

The inability to passably include indigenous institutions in formal ones is another gap in institutional development in Ethiopia since most of the values and contents of the institutions have been copied from different imported political ideologies (Asefa, 2003; Admassie, 2006). The perspective of new institutional economics recognizes the role of history, path dependence, and the variability of experience across individuals, firms, and countries (Benham, 2008). Path dependence theory can shed some light on past failures and guide future reforms (Prado & Trebilcock, 2009). On the other hand, the existence of institutions both formal and informal does not guarantee their effectiveness (Stellmacher, 2007) Implying for quality institutions as much as having them at all. United Nations Development Programme (UNDP) suggested countries that strive to respond effectively to crises and to build resilience need adaptable, capable institutions (UNDP, 2011). As a result, reforms have been made part of the effort to advance institutional capacity building and institutional development thereof in the country.

Recognizing such efforts by the Ethiopian government, the World Bank states public sector reform and institutional capacity building were seen to be critical to the success of Ethiopia's long-term development objective of poverty reduction and democratization (WB, 2013). A shared vision, political determination, and long-term planning were key elements of the economic growth strategy in Ethiopia (Moller & Hill, 2016). Relatively unique among African governments, Ethiopia places a high priority on improving its institutional capacity; it created a ministry of capacity building and developed a national capacity-building program (CIDA, 2010). Although the country enjoyed such recognition among others it was also facing widespread unrest and resistance from its citizens. Uncompetitive elections and repressive laws on antiterrorism, civil society, and the media have been used to entrench the Ethiopian People's Democratic Front (EPRDF's) authoritarian rule, effectively eliminating opposition parties and independent news outlets and stifling all forms of dissent (Badwaza & Temin, 2018). Finally, the appointment of Prime Minister Abiy Ahmed in 2018 marked a turning point in Ethiopia's recent history. The transfer of power was peaceful and the new leadership launched unprecedented reforms to accelerate the country's path toward democratization (Faleg, 2019).

These reforms are changes in government policies or institutional rules to achieve the goals of political and economic well-being and development. However, the reform experience thus far suggests that if institutions indeed matter for development, we still do not have a firm understanding of how to transform dysfunctional institutions (Prado & Trebilcock, 2009). Yet, the free-market reforms undertaken by Abiy and the paths towards sustainable growth and poverty reduction are proving to be challenging due to the many structural constraints that make the outlook much less positive than the double-digit GDP figures (Faleg, 2019) Some scholars argue that those reforms are less institutionalized, not consultative and deliberative which adversely affects its irreversibility and sustainability as the existing political culture is under debate (Verjee, 2019). Hence this research is intended to study the current reform and associated factors to its institutionalization to suggest policy options as well as trigger policy dialogue on the institutionalization of reform in Ethiopia.

#### **Objectives**

This article is aimed at addressing the following objectives:

- To assess the national political and economic reform and its implementation in Ethiopia
- To identify factors associated with of institutionalization of the reform

#### Conceptualizing Institution, Reform, and Institutionalization

The notion of institution embraces various definitions ranging from minimalist to maximalist nature embedded in the theoretical debates. According to North (1991), an institution is informal and formal 'constraints that structure political, economic and social interaction whereas Scott (2008) outlines that an institution comprises regulative, normative and cultural-cognitive elements together with associated activities and resources aimed at providing stability to social life'. These varying understandings are mirrored also in the theoretical debates. For instance, the concept of path dependency earmarks historical institutionalism (Mahoney and Thelen 2010; Pierson 1994) which is suited to explain events in circumstances where institutions are settled and have a recognized tradition that affects behavior. On the other hand, sociological institutionalism relies on mechanisms of the diffusion of ideas, and logic of appropriateness (Finnemore 1996). This approach rested on the supposition about the existence of consolidated institutions with larger agencies.

The application of these two approaches in our case could not escape bypassing the problem of discontinuity or de-institutionalization following political regime change and the absence of effective institutionalization thereof. Hence, this study followed the rationalist approach and the definition of Douglass North focusing only on the formal institutions. However, the conception is extended by adding the work of Jepperson (1991) who has provided us with a more inclusive definition of institutions stating as 'social patterns that, owe their survival to relatively self-activating social processes.'

The shared element in these 'definitions earmarks that institutions are enduring characteristics of social life that affect behavior by constructing the meaning of appropriateness and affecting actors' capabilities and interests.' Therefore, institutions are rules where actors pursue their interests as well as norms that explain, legitimate, and provide a framework of meaning (Jepperson 1991). Accordingly, though this paper adopts the operational definition of the institution from North (1991) due to the embeddedness of values and norms and the influence on social and political relations which is seen as constitutive of the process of institutionalization (Finnemore 1996), this working paper attempts to keep the right balance as in the work of March and Olsen (2006). In this case institution is defined as 'a relatively stable collection of rules and practices, embedded in structures of resources that make action possible, organizational, financial and staff capabilities, and structures of meaning that explain and justify behavior roles, identities and belongings, common purposes, and causal and normative beliefs.'

This approach is necessary for studying emerging democracies for it needs to embrace new ideas along with the constraints of the institutional framework in shaping interests and conditioning behavior. For instance, the process of democratization is thought to depend on the cultural context in which formal binding rules are operational. Thus, this approach appears suitable for understanding the behavioral distinction of political actors (Jakus, 2019).

The second, most important concept that seeks clarity is institutionalization which is a complex process of evolving rules and procedures. Johan (2009) defined institutionalization as

...a slow process of accumulation and transformation of practices and rules [...] structuralizing and routinization of behavior; standardization, homogenization, and authorization of codes of meaning and ways of reasoning; and it means linking resources to values and world views. In this case, authority and power are depersonalized, and resource mobilization and principles of resource allocation are routinized.

In short, institutionalization is the process of rulemaking, adaptation, and change going through awareness creation, experimentation, expansion, consolidation, and maturity or the process of establishing a new norm or culture in an institution. In this case, it is the process of embedding the national reform agenda in public institutions. The organizational and intervention characteristics and the institutionalization process are the core elements of institutionalization (Kindaf, 2018). Though there is common parlance that institutions in any regime are somewhat differentiated from the external environment, institutions that lack experience, resources, and political support could not show a clear departure. Hence, analyzing how a lack of institutionalization' could lead to the same pattern of politicization, nepotism, and corruption is a preoccupation of this study.

For instance, in political reform institutionalization is attached to the political system which is characterized by the existence of binding rules that are formalized and can be enforced independently of individual actors (Melaku et.al 2020). Although procedures may differ to some extent, both rules and procedures are subject to scrutiny and external controls. This implies that institutionalization could be inferred either on the level of normative indicators or accounting for the expected return from the reform intervention.

This study argues that before institutions are institutionalized a complex process of social construction occurs during which actors converge on the understanding of the problem and the way out. About the institutionalization of political reforms, understanding history and social demands and then analyzing their effect on institutionalization is imperative. Therefore, this study proposes a pre-institutionalization theory to account for the institutionalization of democratic culture as part of the political reform based on the aggregation by the actors involved in the institutionalization process.

Thus, by analyzing the development of the political elite's shared reminiscence, this study aims to understand how they perceived the post-authoritarian environment (in this case the TPLF period given that EPRDF's rule was a period of authoritarianism), how they shaped their interests in the new and highly unstable transition period, and how such interests in turn affected institutionalization. Primacy is given for political reform due to it is the deceptive role in shaping the fate of other associated reform packages.

The third basic concept that demands clarity is reform which is described as a procedure wherein modifications are made to the formal rules of the game, inclusive of laws, guidelines, and institutions (OECD, 2007). Policy reform encompasses adjustments in authority's policy, institutional structures, and administrative strategies which are designed to modify and enhance overall economic performance and political development (OECD, 2007).

In the economic sector reform implies an ongoing process in which governments are involved to review the achievements and prospects. (Sachs, 1995). Accordingly, the most remorseless reforms are those that can be described as crisis-driven necessitated by the urgency to respond to economic fragility that may in the long term contribute to economic collapse (Ibid.). For instance, the post-Cold War economic reform initiatives are earmarks that how economic reforms and restructuring have been associated with Worldwide integration into the global economy. In the pre-world wars period, developing countries whose economy was mainly characterized by low per capita GDP, state monopoly, and a large number of state-owned enterprises, embarked on restructuring their economies (Sachs, 1995). Afterward, economic reforms have acquired some multilateral dimensions as witnessed in Structural Adjustment Policies (SAPs), Washington Consensus (WC), Post-Washington Consensus (PWC), Millennium Development Goals (MDGs), and Sustainable Development Goals (SDGs) among many others (Balassa, 1982; Sachs, 2012; Fine and Saad, 2014). Hence, the changing context of the aforementioned global economic reform experience which has affected developing countries asymmetrically as per their level of socio-economic development implies the circumstances that gave rise to economic policy reforms in each state need consideration of the internal context.

Though the imperatives for reform initiatives and the accounting institutionalization approach vary as per the context the justifications of Acemoglu and Robinson which attribute these initiatives to the extractive nature and the weakness of institutions are sound. The premise of institutions is the elite who plan economic institutions which are to enhance economic benefits and propagate their power control at the cost of the tremendous larger part of society.

The nature of the elites and the details of the extractive institution lead to the diverse histories and social structures, however, the reason why these extractive institutions hold on is continuously related to the horrendous circle, and the suggestions of these institutions in terms of devastating their citizens are similar even in case their qualities vary (Acemoglu and Robinson, 2012). The implementation of the reform package depended on those 'kleptocratic elites' who had created the problem in the first place and then stood as the architects and agents of the implementation of the reform agenda.

### **Precedents of the Current National Reform in Ethiopian**

The preoccupation of this subsection is probing why the institutions in the country failed to provide quality and swift service to society despite a series of reform initiatives before the onset of the national reform in 2018.

The Imperial Ethiopia economy was traditionally subsistence-based with extremely low output, productivity, saving, and investment (Pankhurst, 1963). In an attempt to transform, it into a monetized economy three five-year plans were designed to be carried out primarily under an export-led strategy and import substitution approach (Ayele 2006). Thus, Haile Selassie has initiated the reform to make a transition from a subsistence economy to an agro-industrial economy by crafting these national development plans with a five-year term for each.

The reform initiative as reflected in the plan was aimed at the development of infrastructures, training of skilled technocrats and personnel, and an ambitious drive to reduce Ethiopia's dependence on imports and accelerate agricultural development by promoting commercial agriculture, expansion of the economy's productive capacity, raising manufacturing and agro-industrial performance, as well as expansion of educational opportunities (Alemu, et. al 2002). However, the reform program failed to meet its target due to the structural problems of the economy.

Thus, while the country ended its anti-colonial struggle with a heroic victory, its economic structure remained intact. Beginning in the second half of the 19th century, young Ethiopians who were attending mission schools were impressed by the development of the then Europe. In the early 20th century, they began to realize the underdevelopment of the country and many of them refused to share the satisfaction of their countrymen merely with the military victory at Adwa in 1896 which sustains the independence of Ethiopia (Bahru 1990). In response to such intellectual awakening, a group of youngsters named Progressive Intellectuals, Young Ethiopians, and Japanizes with different renditions came up with reform proposals (Bahru 1990). The first groups aspired to transform the socio-economic status of Ethiopians whereas the latter were preoccupied with searching for an appropriate model of transformation.

The Japanizers emphasized adopting the path of Japan's Meiji transformation (Marius, 2000). Japan's transformation from a feudal society into an industrial society and its historic resemblance with the prevailing situation within Ethiopia was the gravitational force that attracted the minds of voluminously educated young Ethiopians such as in perusing the 'Japanization' model for ending Ethiopia's underdevelopment (Bahru, 1990).

Thus, envisioning the country's progress modeling Japan for all walks of life and as well propagating the modernization approach after visiting or hearing about Europe indicates that these youths were highly influenced by the ideals of classical economics and tents of westernization with the guise of modernization. They had

championed swallowing the free-market tablets using Ethiopian feudal cups. Ultimately, the movement did not bring as such a significant success story in laying the foundations for the forthcoming development endeavors of Ethiopia though it contributed to the introduction of a better governance system instead of oligarchies (Bahru, 2008).

In the political sphere, the imperial drive of bringing political modernization by instituting a nation-state which was the order of the day has set in motion the contestation of the cultural groups. The question was expounded by the students of Haile Selassie I University College and it has served as a sprite of the student politics in the imperial protest. However, it is anomalous and mischievous to believe that heavily agrarian feudal states had discrete nations.

The pre-revolutionary Ethiopia was starving for political parties. Thus, the militant students through their proto-communist party association called the crocodiles waft the country from imperial autocracy to classical socialism discounting the role of bourgeois liberalism (Bahru, 2008). This has caused a trajectory in the revolution and the students rented their Marxist-Leninist brainchild to the nationalist soldiers who have a motto of Ethiopia first. Therefore, the tendency of marching to the Ethiopian version of African socialism was silenced by the Maoist version of the National Democratic Revolution spearheaded by Menigistu (Bahru, 2008).

#### **The Socialist Reform**

Ethiopia was scared of the modernization effect of colonial rule and remained the most traditional of all African societies had hardly any reverberation to African socialism which gave credit to traditional African values yet classical socialism won the favor of the intelligential and became a national creed for the state from 1976-1991 (Bahru, 2008). The military government that replaced the feudal-bourgeoisie regime of Haile Sellassie has changed the course of development from a market approach to a command economy accompanied by a change in the economic policy though it re-oriented to the mixed market economy at the eve of its demise. The domestic policy of Mengistu was characterized by large-scale nationalization aimed at the attainment of redistributive justice, a literacy campaign for effectuating societal transformation, and massive state intervention in the economy.

### **EPRDF's Reform**

After the collapse of the Dergue regime in 1991, the Transitional Government of Ethiopia inherited an Ethiopian economy which was in a steady decline. Major contributors to the declining performance of the economy include the post-1974 restrictive economic policies, recurrent drought and famine, natural calamities, and the diversion of resources to finance the military and the civil war. With the economic ruin inherited from the Dergue, one of the main priorities of the Transitional Government and subsequently the EPRDF government is to embark on an economic reform policy to make the transition from a "socialist" control economy to a more open market economy.

According to Tada (2001:4-5), the economic reform measures undertaken in the past ten years were mainly concerned with the correction of price distortions, removal of restrictions on the private sector, instituting markets for factors of production, trade liberalization, and reducing the imbalance. Furthermore, price control applies only to petroleum, fertilizer, and rents of government-owned houses. Along with this process of liberalization lies the reform of public enterprises, which provided financial and management autonomy to state-owned enterprises.

Similarly, the reforms included the removal of subsidies and the functioning of public enterprises on a purely commercial basis. Business activities have been open to domestic private enterprise either on its own or in partnership with the government except few areas kept for government monopoly (Tada, 2001). Government retail outlets, several hotels, and factories have been privatized through sale (IDS, 1994). The rate of interest has been kept positive in real terms. The land has been allocated under a land lease system (IDS, 1994; Neway, 2006).

It is obvious that privatization and free market orientations, albeit limited, are not new to the Ethiopian economy as they formed the basis of post-1991 economic policy reforms. However, it is safe to argue that a serious attempt has been made to engineer the transition from the socialist economic logic of the Dergue regime by reducing economic controls by the state.

The EPRDF has taken stabilization and structural adjustment measures including civil service reform, and prepared a series of poverty reduction programs (Ayele, 2006). The drive of all these reforms was to ensure sustainable development by pursuing an agricultural development-led industrialization program with two components: exported-led and rural-centered development strategy (Ayele, 2006). The macro-economic reform that targets addressing the problems inherited from the socialist government was focused on liberalization of price and trade policies, stabilization policies to correct macro price distortions, privatizing state farms along with the SAP program, and the development strategy of the country was changed from industry-led to agriculture-led in 1994 (Alemu et al., 2002).

These economic reforms were further consolidated and became long-term plans through the institutionalization of five-year strategic plans known as the economic transformation strategies. Since 1992 Ethiopia has instituted a series of medium- and long-term economic development plans and reform directions such as the Agricultural Development Led Industrialization (ADLI), Poverty Reduction Strategy Paper (PRSP), and Plan for Accelerated and Sustainable Development to End Poverty (PASDEP).

The period from 1994 to 2005 was used to develop the legal and administrative frameworks (or proclamations) that informed and guided the economic policy orientation of the EPRDF Government which culminated in the development of Ethiopia's most ambitious growth and transformation plans (FDRE, 2010). In 2010, the Government has also come up with the Growth and Transformation Plans for the period 2010/11-2014/15. GTPI was aimed at increasing commercial agriculture opportunities offering over 8 million acres of land to commercial farming investors to open up opportunities for advanced farming technology, high-value crops, progressive irrigation techniques, improved seeds, increased fertilizer use, and strategies to yield multiple harvests each year.

Massive Industrial and Infrastructure project plans were envisaged to provide basic infrastructure to develop four industrial cluster zones, government-promoted industrial sectors eligible for tax holidays, and duty-free imported capital goods including textiles and garments, leather, sugar, cement, metals and engineering, chemicals, pharmaceuticals, and agro-processing, are an integral part of GTP I. It pledged a renewed focus on extractive industries such as gold, oil, gas, potash, and gemstones. Road and railway connectivity to increase by 10,000 miles and 1,500 milelong standard gauge rail network with opportunities to supply locomotive engines and railway signaling systems respectively. An equally ambitious economic program for electricity, power generation to quadruple from 2,000 to 8,000 megawatts.

In 2002, the country began implementing the integrated development plan, the first being the Sustainable Development and Poverty Reduction Program (SDPRP), which covered the three years of 2002/03-2004/05. During this period Ethiopia registered improved economic performance with an average GDP growth of 6.7 % per year (and an average annual per capita income growth rate of 3.65 %). In the second and third years of the SDPRP period, the country registered economic growth rates of 11.9 % and 10.6 % per annum, respectively (MoFED, 2006). The comparison of its economic growth rate with the rest of Sub-Saharan countries for the years 2004-2012 as indicated in Figure 1, for the nine years (2004-2012) is remarkable amounting on average, 11.03% per annum while the average annual GDP growth rate for the rest of the Sub-Saharan African countries was 5.67%.

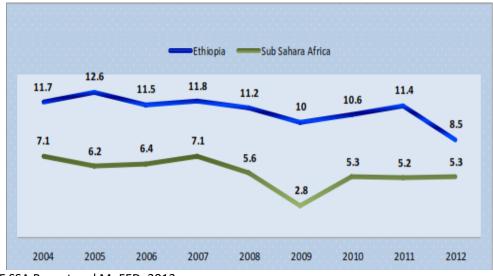


Figure 1: GDP Growth Rate 2004-2012

Source: IMF SSA Report and MoFED, 2013

Ethiopia's Growth and Transformation Plan II (GTPII 2016-2022) is also built on the premise that it is "a vehicle towards the realization of Ethiopia's vision of becoming a lower middle-income country by 2025, and it's built on Sectoral policies, strategies, and programs, lessons drawn from the implementation of GTP I and the post-2015 sustainable development goals (SDGs) (FDRE, 2016).

In GTPII, ten major departures were witnessed from GTPI which includes: 1) besides promoting the productivity and quality of staple food crops production, special attention will also be given to high value crops, industrial inputs and export commodities; 2) become a leader in light manufacturing in Africa and one of the leaders in overall manufacturing globally; 4) increased efficiency, with a focus on the quality, productivity and competitiveness of the agricultural, manufacturing and modern tradable service sectors; 5) redress

macroeconomic imbalances (aggregate demand-supply) to sustain the higher economic growth registered so far within a stable macroeconomic framework; 6) proper management and administration of the construction industry and development projects with enhanced project planning and management capacity in the sector; 7) sustainable urban development that aims to support the growth and transformation agenda; 8) emphasize human capital capacity development supported by technology and innovation to sustain the rapid economic growth registered during the preceding years; 9) build a climate resilient green economy in the context of sustainable development and realizing the vision of becoming a lower middle-income country by 2025; 10) ensure the hegemony of developmental political economy. The implementation of GTP II is still ongoing and how it will be affected by the new economic policy reform is not yet examined.

Besides to economic reforms discussed here above after the downfall of Dergue, there was a promise of instituting a transition towards democracy which called for redefining the Ethiopia state where equal rights and self-determination of all the people be the governing principles of political, economic, and social life in Ethiopia. Thus, EPRDF has made a paradigm shift and complete departure in the state-building strategy by introducing ethnic federalism claiming that it will end the vicious cycle of violence and danger of disintegration along with forging one political and economic community.

The ruling party has applauded it as a novel change that unchartered Ethiopia's political history but sections of the opposition viewed it as a plot for the balkanization of the Ethiopian state (Alem, 2005). Some scholars and some opposition parties criticized this arrangement as primordial tribalism that will provoke ethnic animosity (Alem, 2005); the continuation of Abyssinian domination in a new fashion (Asafa, 2001), and divide-and-rule by a minority group (Vaughan, 2003). However, EPRDF insisted that it had instituted political modernization that would ensure Ethiopian renaissance by transcending the odds of disintegration.

Following the protracted anti-EPRDF popular protest for ending its authoritarian rule, the reformist element has lifted the state of emergency, released prominent opposition leaders and journalists; closed the Maekelaw detention center, permitted exiled dissidents and resurgent groups to enter back home, granted amnesty for individuals and organizations charged with terrorism, unlock over 264 banned websites and blogs and normalized the relation with Eritrea. Moreover, the quest for electoral democracy continues as all-times mantra of Ethiopian political elites even after the accession of Abiy to power. According to Lefort and Tronvoll (2019) at this juncture elections are heralded as 'the last crucial stepping-stone to the completion of a democratic transition that is believed to definitively turn the page on the authoritarian order and struggling ethnic federal system established in 1991.' Thus, this study attempts to extract lessons from the aforementioned international and national reform experiences or understand the nature and consequence of the current national reform.

### Methodology

This study employed a combination of qualitative and quantitative research approaches. Whereas the qualitative approach is used to assess the current reform the government of Ethiopia is implementing, quantitative data is used to study issues associated with its institutionalization. Data is collected from purposively selected public institutions and randomly selected individual respondents. In terms of data collection tools, key informant interview, structured questionnaires, focus group discussions, and document analysis is used. For analysis, a combination of qualitative and quantitative is employed.

#### **Sampling Method**

For the completion of this paper, a randomly selected sample of 2116 employees were participants from federal and regional government offices mainly the Ministry of Finance, Civil Service Commission, General Attorney offices, Police Commission offices, Investment Commission offices, and Political party offices in Addis Ababa, Adama, Bahir Dar, Hawassa, Jigjiga and Mekele. The institutions included in this study are selected because the majority of the reform is to be implemented through them hence the degree of involvement in implementation of the reform. Whereas the data collection sites are selected to represent the respective level of administration they are located in.

### **Data Sources and Collection Methods**

As a mixed method approach is applied primary and secondary sources of data are used for achieving the objectives of the research. Primary data was collected through structured questionnaires, key informant interviews, and focus group discussions that were held to collect data from individuals affiliated with institutions with relevant information for the paper. Data about the reform, its contents, and implementation progress are gathered through document analysis as a secondary source. 22 focus group discussions were held; 4 with employees of the Civil Service Commission, 3 with employees of the Leadership Academy, 4 with employees of

Public Service Human Resource and Reform Department, 2 with university scholars, 2 with Federal and Regional people's representative, 3 with employees of ministry of finance and economic cooperation, 2 with employees of investment commission, and one FGD was held with employees of justice office as well as mayor office each. 30 key informant interviews were conducted with individuals from the following offices at regional, federal and Addis Ababa city administration offices.

Table 1: List of Key Informant Interviews Conducted

Institution	Number of KII
General attorney Office	2
Civil Service Commission	3
Police Commission	1
Ministry Peace	1
Investment Commission	1
Ministry of Finance and Economic Cooperation	8
Public Service Human Resource and Reform Department	3
Justice Office	2
Good Governance officers	1
Party Office	1
Oromia Security Office	1
Federal and Regional people's representative	5
Attorney General Office	1

The structured questionnaires were administered to randomly selected employees of federal and regional government as well as Addis Ababa city administration offices to the Ministry of Finance, Civil Service Commission, General Attorney offices, Police Commission offices, Investment Commission offices, and Political party office in Addis Ababa, Adama, Bahir Dar, Hawassa, Jigjiga and Mekele and Addis Ababa.

### **Method of Data Analysis**

Combinations of qualitative and quantitative methods were used. The qualitative part of the study was examined using content and discourse analysis. Content analysis is a systematic, relatively objective method for quantitative analysis of texts (Berelson,1952, Kerlinger 1986). Again, discourse analysis is applied to give meaning to the results produced by content analysis. Furthermore, the application of these two methods together increases the reliability of the findings and enables us to show the existing relationship.

The quantitative analysis employed Chi-square to identify the issues related to the institutionalization of the national reform using SPSS version 23. Finally, the research findings are compared with existing empirical evidence about the topic at hand.

A chi-square statistic is used as an indicator of the reform's institutionalization and other variables related to the implementation of the reform. The chi-squared statistic is a single number that tells how much difference exists between your observed counts and the counts you would expect if there were no relationship at all in the population.

The mathematical relationship is presented as follows:

$$x_{df}^2 = \sum_{E_i} \frac{(O_i - E_i)^2}{E_i}$$

To further avoid the chances of committing type one erronone and identifying which of the associations are significated using SPSS 23.

Where: df are the degrees of freedom  $O_i$  is your observed value for  $i^{th respondent}$   $E_i$  is your expected value for  $i^{th respondent}$ 

# Data Analysis and Discussion

# Scrutinizing the Political and Economic Context of the National Reform

In countries that are emerging from dictatorship, the authoritarian past and its ideology leave open space between the new and the old institutions (Salih, 2019). Thus, in this situation where the new institutions are not effective, or the old ones are not trusted, many developments which carry great significance for institutionalization happen outside institutions. In this circumstance, institutions cannot be understood fully unless one looks at developments before their institutionalization. This acknowledgment enables institutionalism to engage with emerging democracies and institutionalization processes.

Hence, a clear understanding of these situations helps policymakers to get a better grasp of the processes, factors, and actors conducive to institutionalization in post-authoritarian settings in Ethiopia. It is further important to provide a clear picture of the ills, and possible cures of the malfunctioning institutions that often intrude into their lives and infringe upon their freedoms.

Thus, understanding the socio-economic and political situations or initial conditions that have been the source of public discontent and drivers for the reform aligning with the reform model set by Sukharev (2015) is the main preoccupation of this section. The changing context of the global economic and political reform experience implies the circumstances that gave rise to policy reforms in each state and the need for considering the internal context. Besides, it provides a lesson about the need to reject the notion of "one size fits all". As elaborated by Sukharev (2015:12) "reforms are carried out at various historical periods at different levels of development of productive forces and production relations, at different state of technology, institutions, people's mentality and culture, attitude to the governance and public style, level of knowledge and psychological adaptability."

The fusion of the state and government apparatus, the stifling of the fundamental liberties, party and societal fragmentation and polarization, overarching democratic centralism in every aspect of the ruling party and the state, rampant corruptive practices, and protracted popular discontent spearheaded by unorganized youths were the defining features of the Ethiopian context ahead of the reform.

Hence, not only that reforms differ for the specific socio-economic and political characteristics of the countries where they are implemented, but there are also variations in terms of their essence. As per the discussions from Sukharev (2015), the focus could be either on a radical change of the basic institutions and development trajectory or preserving the basic elements of the institutions aiming at correction inside and outside the system to carry out adjustment to the basic institutions without a radical change Sukharev (2015). This entails that the two types of reforms produce two different types of social outcomes as shown in Sukharey's (2015) typification adapted by the authors to this study.

Table 2: Reform Typification of Systemacy

Type of	Social System	Markets and Welfare	Institutions	Changes of	Expenses o
Reform	Туре			J	Efficiency o
					Reform
Intra-system		the markets due to the change of technologies and separate institutions. Reforms take place within the	The basic features of the old regime prevail in a subtle manner- "path dependence"		Average
·	Changes capitalism to	Basic change of the markets, production, and welfare structures	institutions,  Development trajectory does not	forces changes	Very high: Strong resistance of counter- ideology to the current reform
Exogenous	•	Change of consumption	Reception of institutions	•	Low
(Out-of-			and, technologies from the		_
system)	evolutionary			· ·	adsorption o
	transformation			•	technologies
				institutional	
				backwardness	

Source: Adopted from Sukharev (2015:24)

However, although the elements of the generic reform typology offered by Sukharey (2015) are common to most countries, it goes through various redefinitions as per the prevailing socio-economic and political context in each country. Thus, the examination of the context in which the national reform in Ethiopia has gone through in light of the above-mentioned typology enables us to highlight the nature of the reform, the congruity between the reform and the national context, the direction, and the potential for success.

The reform was introduced in response to the popular demands for change and EPRDF's internal party renewal program. However, the critical analysis of the popular demands set ahead of the reform was meant to end EPRDF's authoritarian rule. Hence, a reformist agenda was not on the table rather a radical revolutionary change that could swiftly replace EPRDF with a democratically elected people's government. However, as part of the internal party deep renewal process, the factions from EPRDF which had been then labeled as 'Team Lemma' have tamed the revolutionary fervent that calls for uprooting all vestiges of EPRDF through reformist promise espousing the danger of radical turn (Melaku et al 2020).

In the economic arena, the debate either to flow clear radical departure or to be gradualist has been unfolding in the academic debate for centuries. For instance, Jefferson and Rawsk (1992:1), argued that 'socialist economic reform' focuses on two policy alternatives of emphasizing either gradual or rapid transition to a market economy. Ericson (1991: 25) concluded that "partial reforms will not suffice" to change the Soviet-type economy to succeed rather reforms must be disruptive on a historically unprecedented scale."

In the case of Africa, the radical manner in which the Structural Adjustment Policies were introduced during the 1980s without due respect to internal context and the role of institutions has ended in exacerbating the economic ills. The core areas of reform such as fiscal adjustment that were regarded as necessary to offset, budget and resource constraints as well as political constraints were bargained between rival groups over the sharing of the costs from reforms. This implies that whether economic reforms are evolutionary or radical hinges on a specific reform definition.

According to Jefferson and Rawsk (1992:2) where "reform-minded governments choose policy designed to maximize the expected present value of social welfare subject to constraints arising from reform production relations, the financial and social costs of reform, and uncertainty about reform outcomes and the policies best suited for attaining reform objectives". The emphasis on "maximizing social welfare", is not synonymous with growth that is not pro-poor where reform aims to deliver both growth and quick job gains in post crises (OECD 2011:12).

The second important issue that seeks in-depth analysis is clarification is the pace and the depth of the reform itself in light of the context. The reformist group adheres to a gradualist strategy without any precise sequencing neglecting the Big Bang approach that calls for fast and compressive implementation of major reforms (Roland, 2002).

Hence, the reform is neither sequenced for having an opportunity for experimentation which in turn serves for demonstrating success to build upon it and create constituencies for further reform or for indicating early reversal. The adoption of the gradualist and sequential reform implies that the perpetuation of the past which has resulted in a cyclical evolution of policy regime in Ethiopia (Geda and Berhanu, 2007) is not factored in the reform agenda setting.

At least, the application of fast and irreversible reform measures was possible harnessing the window of opportunity or the honeymoon period of exceptional politics of mass support. Hence, both the revolutionary option and radical or at least sequenced reform were not in place. This has reinforced the hesitation about the extent of the determination to address the popular demands in the national reform. In short, the current gradualist reform measure would bring about both authoritarian relapse and economic collapse as is discussed next section.

# The Current National Reform in Ethiopia: Focus on Economic and Political Reforms

This section analyses mainly the economic and political reform with the intent of delivering policy recommendations rather than trying to understand the reform as an academic exercise. In this regard what is presented in the reform as a homegrown economic reform initiative and a move for building vibrant democratic governance are examined concurrently with the lessons extracted from reform models and international experiences. For such end, the primary data collected through interviews and FDG is synergistically analyzed closely with review literature for unearthing the theoretical and empirical foundation of the nature, pace, and future fate of the national reform agenda. Therefore, this section attempts to indicate whether the recent political and economic reforms escape the tests of the past in addressing the present demands and the future challenges of society.

#### **Home Grown Economic Reform**

This section identifies the content and the imperatives of the latest economic reform in Ethiopia which is dubbed as 'homegrown.' The reform aimed to ensure sustainable economic growth, modernize the economy, and increase efficiency, productivity, and competitiveness to be better prepared for integration into the global market. As it is indicated in the preceding discussions Ethiopia has scored a GDP growth averaging around 10% over the last decade compared to a regional average of 5.4%. (Robel., 2014). The government is implementing the second phase of its Growth and Transformation Plan which will end in 2020 with the aspiration of transforming Ethiopia into a manufacturing hub (FDRE, 2016). As in the past, IMF (2018) forecasts that the growth would remain high in 2018 around 8.5%, supported by continued recovery from droughts and strong exports following the finalization of new manufacturing facilities.

According to the UNDP (2018) Report, Ethiopia has shown optimistic figures for human development as it purported that "among the 40 countries in UNDP's low human development category the available data show that Ethiopia has sustained relatively strong progress in the last 15 years. The evolution of Ethiopia's HDI is mainly driven by health outcomes, with life expectancy contributing more than the Education Sub-Index and the Income Index. When ranked by the value of the Health Sub-Index, Ethiopia is among the top seven countries with low HDI values. In contrast, adult illiteracy is a factor holding back Ethiopia's human development within the Education Sub-Index (UNDP 2018; AFREXIMBANK 2018). According to official statistics, during the ten fiscal years ending June 2016, Ethiopia's GDP averaged 10.3% mainly driven by government consumption and private investment. The sixth edition of the Ethiopian Economic Update finds that last year's drought, which affected about 8.5 million people in Southeastern Ethiopia, had minimal impact on the economy. Bezawagaw and his associates stated that the government expects Ethiopia's economy to remain stable in 2018 and the country continues to implement the macroeconomic policies and manage risks related to external debt, foreign exchange shortages, any future droughts or social unrest that could impact foreign direct investments and tourism" (Bezawagaw et.al 2018).

However, according to the 2018 report of the Planning and Development Commission (PDC) of Ethiopia, in 2015/16, 23.5% of people were living under the national absolute poverty line, the inflation rate reached about 15.8% and the budget deficit was become 42% (PDC, 2018). The GDP growth rate praise masks other important macroeconomic determinants such as inflation (which has a direct impact on prices and therefore on the poor), balance of trade, current account, reserves, and government debt as a percentage of GDP. Table 2, shows the other side of the Ethiopian economy. In its update of the Ethiopian economy outlook which tallies with the figures presented in Table 2, five observations which give some signs of worry deemed necessary, as observed by the World Bank (2018): "1) Inflation in 2017 remained in single digits, although end of year inflation increased by 1.3 percentage points as compared to 2016. The relaxation of monetary policy, measured by the growth of reserve money before the devaluation of the Birr in October 2017, has triggered inflationary pressures that have been repressed under allegedly consumer protection measures. 2) Annual inflation as measured by the Consumer Price Index (CPI) increased by 13.4 percent in January 2018 (as compared to January 2017). The monthly CPI decreased by 0.4 percent between December 2017 and January 2018. 3) The federal government's fiscal policy embarked on a moderately expansionary stance in 2017.

The increase in fiscal revenue, mainly from nontax sources, is unlikely to compensate for the increase in total expenditure. The federal government's fiscal deficit is estimated to have increased to 2.9 percent of GDP in 2017. 4) Total goods and services exports do not exceed 10 percent of GDP, significantly below the 24 percent expected from a country the size of Ethiopia at its level of development. The improvement in the trade balance was driven by a slowdown in imports rather than an acceleration in exports. This export underperformance is mainly due to structural and competitiveness issues, including an overvalued exchange rate. 5) Given increased vulnerabilities due to export weaknesses and faster-than-anticipated disbursements of non-concessional loans, Ethiopia's external debt situation will become difficult in the medium term. Ethiopia's risk of debt distress was downgraded from "moderate" to "high" in the 2017 DSA following the significant and protracted breach of two external debt burden thresholds. The deterioration in debt indicators was mainly due to poor export performance, but there was a significant improvement in debt policy over the year.

Table 3: Economic Profile of Ethiopia

Indicators		2014/15	2015/16	2016/17	2017/18(f)	2018/19(f)	2019/20(f)	2020/21(f)
Real GDP, %		10.4	8	9	8.5	8.3	8.1	8.0
Inflation, Annual average	%,	10.4	7.5	8.8	12.0	8.0	8.0	8.0

Exports of Goods	-2.6	-3.5	2.9	12.9	13.4	13.9	14.2
and Services % y/y							
Current Account	-5.4	-8.1	-11	-11.1	-10.2	-10.2	-9.9
(% of GDP)							
Gross Reserves	1.9	2.1	1.9	2.0	2.2	2.3	2.4
(months of imports)							
Total	54.0	55.4	56.9	59.0	58.1	55.5	53.1
Government Debt,							
% GDP							

Source: World Bank and the IMF, 2018

Hence, homegrown economic reform policy reform which is based on macro, structural, and sectoral interventions aiming at job creation, inclusive growth, poverty reduction, and promoting prosperity is critiqued both in terms of its inspiration and problematization (Geda, 2019). The macro-economic reforms are designed to correct foreign exchange imbalances, control inflation, improve access to finance, and ensure debt sustainability while structural reforms are expected to ease business making in the country. The last one is the sectorial reform that is expected to address sector-specific institutional and market failures. Some of the successes and achievements are explained using time series data from 2004 to 2018 indicating rapid economic growth and significant poverty reduction, improvement in human capital, and expansion of basic services.

According to Geda (2019), this reform initiative is not home-growing but rather a replica of the British Woods institutions' principle of liberalization without anchoring it to the real contextual problem at home. He further argued that the source of growth indicated in the reform that attributed to capital accumulation, the exaggeration of the GDP growth based on wrong forecast of government revenue collection ability and debt carrying capacity along with understating of poverty.

Though the reform highlights the foundations of the macro-economic problems Geda (2019) critiqued that there is a partial understanding of the structural bottlenecks. However, the economic reform agenda aspires to leverage the achievements of the past by enhancing its quality, overcoming emerging challenges, and responding to the quest for policy reform imperatives addressing the gaps in the areas of education and health, structural and institutional bottlenecks, macro-economic imbalances, and the need for structural transformation.

The gradual inflation hike, weak revenue base, high debt relative to GDP, acute balance of trade deficit, and other deficits, if anything, make a compelling case for the economic reforms' imperative. Without urgent economic reforms, Ethiopia could fall into two inseparable crises: Economic and political. Economic crisis can be precipitated by the continuation of the status quo where one day the government finds itself under debt stress, unable to finance imports important for citizens' survival and the operations of the economy, or high inflation and price hikes. The current macro-economic profile makes Ethiopia vulnerable to external economic shocks where it does not have sufficient reserves to continue the import of essential goods and services, not to borrow to offset its low revenue base or service its high debt service.

Whether the envisaged economic policy reforms are partial or complete and comprehensive, what is attempted here is to draw attention to two basic concerns: First, the need for a legal and administrative framework to legitimize the economic reforms because of their unprecedented impact on the lives of citizens. Second, there is a need to galvanize public and political support and conduct knowledge-based economic reform policies that can benefit from Ethiopia's post-1991 reforms.

In short, the suitability of the reform is believed to be challenged by external debt burden and the risk of debt distress, inefficient, corruptive mismanagement of public investment projects, weak capacity to generate foreign currency due to low competitiveness and productivity in key sectors of the economy, poor job creation capacity of the economy in the context of rapid demographic transition and policy bias derived from the legacy of the authoritarian past (Melaku et al., 2020).

#### **Political Reform**

This subsection analyzes the recent political reform in Ethiopia to contribute to the improvement of the democratic process and progress in civic engagement and national dialogue for expanding the democratic space and dealing with the reform toward sustainable democratic order. As indicated by Salih (2019), the choices accessible to the Ethiopian public and government to guide the fate of the nation to a better future are going to be determined by aspirations, opportunities, and the socioeconomic and political conditions that are meant for working towards the attainment of the fruition of the current reform.

Many of the public concerns espoused among the elites ahead of the reform were to understand why political institutions are fragile and ways to fix them. Again, as it is indicated in the FDGs citizens were often exasperated with institutions and institutionalization flaws or lacuna of preceding reforms including the recent one. In the political arena, the existence of informal practices which are more resilient than written rules and limits of institutionalization of formal rules has added the heat on the critiques. This feeling of disconnect and alienation from the institutional architecture is more pronounced in emerging democracies whose citizens are surrounded by old de-legitimated institutions or new ineffective ones (Bruk, 2016).

After the collapse of the TPLF-dominated EPRDF with protracted popular protest, a political reform agenda was in place for the pro-democracy reformist groups who had immediately faced the daunting task of rebuilding the country. Besides the two major reforms that are the focus of this study, the other major areas of reform to be dealt with include security sector reform, judiciary reform, civil society, and media reform for these institutions had been instrumental to the authoritarian regime to stifle popular discontent and suppress opposition and provide a façade of legitimacy. However, the security and judicial reform which are believed to be an integral part of the democratization process were started simultaneously under similar conditions and implemented by almost the same political class.

As stated by Mokkadem (2019) since April 2018, Ethiopia has embarked on an ambitious and transformative project that heralds the historic moment of great potential for political, economic, and social change. The reform which is rooted in the concept of Medemer is focused on building a vibrant consociation democracy through elite bargaining and transformation (Melaku et al 2020).

For such end revision of the electoral law, party building by rebranding EPRDF to Prosperity Party and reconstituting the electoral board is worth mentioning inference to the move towards the promise of vibrant democracy. However, the fundamental foundations for addressing the elusive quest for democracy need structural measures linked to the constitution.

The reformist element has lifted the state of emergency, released prominent opposition leaders and journalists; closed Maekelaw detention center, permitted exiled dissidents and resurgent groups, to enter back home granted amnesty for individuals and organizations charged with terrorism, unlocked over 264 banned websites and blogs and normalized the relation with Eritrea. However, the quest for electoral democracy continues as all-times mantra of Ethiopian political elites even after the accession of Abiy to power.

In the common public discourse, this measure is erroneously dubbed as transition whereas transition is the space between one political regime and another characterized by the dissolution of an authoritarian regime and installation of some form of democracy competed with the return to some form of authoritarian rule or the emergence of a revolutionary alternative (Schmitter 1986:6). Political liberalization implies an easing of repression and extension of civil liberties within an authoritarian regime by embracing pro-liberalization faction. liberalization begins with schisms within the authoritarian coalition (Kaufman 1986). In the Ethiopian context, the EPRDF reformist element is acclaimed as a harbinger of the process. This tendency ignores the fact that internal schisms are necessary for an authoritarian regime to liberalize itself. The splits within authoritarian coalitions as a starting point for liberalization do not mean the role of opposition actors or mass protest is void.

Some actors within an authoritarian coalition may begin liberalization primarily in response to actors outside the coalition and may co-opt with moderate ones. Again, liberalization begins because reformist actors in the authoritarian coalition want to minimize losses or retain power by deterring radical change. In this sense, the political reform after grand popular protests, though its unfinished business, has brought optimism and grand confusion in Ethiopia. The seismic political opening and the web of legal reforms created unprecedented opportunities for disciplining the heavy-handed authoritarianism. The reform was also expected to ensure a peaceful resolution of the fundamental contradictions defining the state and the form of government structure by ensuring the separation of the state and the government, and the independence of the judiciary.

However, the top-down approach of the reforming process which was expected to go far toward transitional arrangement being supported from below with civic engagement has made the opening process elitist. Grassroots participation was important in shaping the path toward democracy and addressing the fundamental question of how the democratic space could become more open and integrated to strengthen social cohesion in the country. The heightened popular expectations towards a peaceful and democratic future and the practical manifestations of internal displacement, social and political polarization, separatist tendencies in interstate relations, and continuation of ungoverned spaces in the hands of armed insurgencies have shadowed the optimism with uncertainty. Despite the warm applause for the reform at its onset, now the process is twisting between optimism and suspicion.

The aspiration to move from authoritarian rule to the gestation of democracy has been the question for generations and the grand promise of the 'reformist groups' is ensuring electoral democracy at any cost. The

message from the high politics who are believed to be in the making of the Ethiopian transition speaks of democracy, equality, prosperity, justice, and fraternity but the reality as lived by the majority is very different, and the optimism that the old order would give away to transition adversely felt and produces frustration, dissent and pressure from below. The onset of the general quest for structural political change in the country with the intent of preventing such sentiments from turning into radical impulses rested on the belief of gradualist and comprehensive change with the inclusion of the old order which was the grand architect of the problem in the country.

Had it not been for the discrepancy between the hegemonic optimistic message flooded by millions as it was verified in the mammoth demonstrations in support of the move towards a democratic transition in the country and the lived reality, there would not be necessary to take much account of critiques as the work of isolated individuals who could be dismissed as eccentrics, and who would have no hope of achieving a serious vision. The discrepancy between rhetoric, even when backed by reality as it is lived, does provide a very large terrain for frustration.

Since the onset of the reformist discourse, cautious scholars had been warning about the dangers of gradualist structural political change associating it with the parable of an old win in a new bottle. Thus, the stalemate has reappeared in the aspiration for peace full democratic transition that would end the centuries-old bloodshed caused by political conflict. The expectation was the reformist leaders would chart out the road map toward transition to be preceded by all engaging political processes. The only grand promise waiting for the conclusion that the reformist promise is a grand betrayal or genuine move toward democracy is the upcoming election. However, electoral democracy in its minimalistic feature in the context of societal and party fragmentation, unprecedented militarization, and elite polarization is unlikely. The unpredictability of the future of the state given the high degree of indeterminacy embedded in situations where unexpected events burst everywhere with insufficient information, hurried and audacious choices, confused motives and interests, and even in the definition of political identities have elevated the confusion.

In summary, the general hope in the region was based on a belief that the eradication of authoritarianism and a move towards building vibrant democracy would herald the dawn of a new era. This demand emanates from the first-day promise of the prime minister to ensure stable order as promised, addressing the political fragmentation and polarization observed in Ethiopia today. The work on the electoral system hadn't gone much further than the proclamation of the new electoral law and restructuring and the appointment of a new chairperson of the electoral board.

Ignoring all these bottlenecks, the legacy of the authoritarian past such as the cult of personality not programs, zero-sum politics, the military contestants for political power, ethnicization of politics, weak state capacity and civil society, mix-up of domestic and foreign politics, lack of collective goals, party and social fragmentation are the possible stumbling blocks for the success of the promised transition through electoral democracy.

# **Probing the Reform Agenda Setting and its Clarity**

The genesis of the reform agenda setting was monopolized by the executive branch of the government. This made the reform to take it or leave it prescription. The other most important concern that seeks vivid elaboration is the clarity of the reform agenda. In this regard, one of the important messages which was extracted from the consultative workshop held at Intercontinental Hotel for enriching the field data collected for analyzing this study was the preoccupation of addressing the question that seeks to identify what's wrong with reform initiatives, the role of the government in the reform and identification of the major bottlenecks.

One of the justifications that is commonly espoused even among the interviews and FDG participants is linked to the lack of participation, awareness, and synergy between the popular demand and the elites who engineered the reform. In this case, the popular discontent or grievances of the society on the socio-political and economic woes of the country which is often manifested through the fundamental public institutions. Hence, the reform measure demanded empirically grounded scientific investigation for corroborating the wide variety of perceptions ranging from complete dissatisfaction to idolization of the existing order for designing sustainable intervention strategies.

The opinion of respondent employees shows this lack of commonly shared and understood policy issues and interventions. While 44.4% of them claim the reform isn't very clear, 20.3% of them said they are not clear at all; with only 35.3% of them saying they are very clear as indicated in the following table.

Table 4: Respondent's opinion about the clarity of the reform

	Frequency	Percent	Cumulative Percent
They are very clear.	748	35.3	35.3

They are not very clear	939	44.4	79.7
They are not clear at all	429	20.3	100.0
Total	2116	100.0	

The data extracted from the FGDs and interviews highlights that the reform agenda is understood differently. The most common patterned responses that equate the reform to ensuring prosperity, a struggle to end authoritarianism, quest for peace, development, and democracy are typical indicators of how the reform agenda of the past such as ensuring peace, development, and democracy is still intact in the mind horizon of the leaders of some of the public institution while few others are interpreting the agenda as per subjective expectations instead of the national reform principles. Hence, this confusion is further witnessed in the responses which regard the reform agenda as the perpetuation of the status quo with no significant change from the order of the past, as consolidation of the Amhara hegemony, or as replacement of the old tyrant with a new one (the Oromo) with no significant change both in the substantive and practical manifestations.

Hence, the critical examination of the fundamentals of the reform discussed here above against the qualitative data collected from interviews and in-depth analysis of the FDGs marks that there is a clear departure between the understanding of the informants and what's stipulated in the reform package. One of the critical factors that has resulted in such a gap between the reform principle and the understanding of leaders of the public institutions is the absence of popular participation in the making of the reform itself. As per the issues reflected during the data gathering workshop, the current reform was critiqued by the participants for lack of future orientation and further commented that it was not well thought out and planned rather an individual incentive with no clear direction in valuing public dialogue.

#### **Government/State Capacity in Executing the Reform**

This subsection is used for alerting policy-makers as to whether the state has developed the capacity to implement reforms and respond to their consequences. Here state capacity is meant that the ability of a state to formulate and carry out policies and enact and enforce laws. (Fukuyama, 2005). It denotes the fiscal capacity (building of broad-based tax systems and the ability to collect revenue), legal capacity to protect property rights, and the collective capacity of service delivery, social security provisions, infrastructure building, and supporting innovations (Sherani, 2017). Fukuyama, (2014) argued that for democracy to be consolidated and successful over time and consequently to have economic development a high-capacity state is critical while Bandiera et al. (2019) argued that both capacity and accountability are essential ingredients for sustained economic and political development and as well for the success of reform initiatives.

The study conducted by Hanson and Sigman (2019) on state capacity using data from 1960-2015 to assess the significance of different types of institutions on the success of over 10,000 World Bank projects indicates that development projects were most likely to be successful where state capacity was relatively high, regardless of regime type. In the Ethiopian context, Tesfaye has explained that while there had been improvements in terms of bureaucratic capacity to implement policy with pockets of efficiency compared to past regimes, reform implementation has continued to be haunted by recurring capacity limits and associated corruptive practices (Tesfaye, 2017). He emphasized the need for instituting soft infrastructures such as the legal system and property rights, rules, and regulations governing the financial system, the creation and operation of the civil service together with building and maintaining a viable nation-state (Tesfaye, 2017).

In the economic sector, government capacity is manifested in the provision and nurturing of institutions mainly laws regulating property rights, contracts, the operation of corporations, a judicial system capable of enforcing those laws impartially and efficiently, and a system of sagacious supervision of financial institutions that are central to the operation of the market (Williamson 1999).

Though it is difficult to measure the state or government capacity as per the information provided by the informants and FGD discussants, the commonly referred capacity goes to the mentioning of the availability or the absence of budget in each institution for executing the reform. In this sense, the respondents complained that there is a jarring scarcity of financial resources. However, the simplistic and reductionist view of state capacity as it is reflected in the data set limits the wider and comprehensive picture that demands whether the Ethiopian state can formulate and carry out policies and enact and enforce laws.

Further, the data collected from the structured questionnaire revealed there is no separate financial and or human resource budget allocated for implementation of the reform. As indicated in the following tables, only 30.6% of respondents said there is an allocated budget for the implementation of the reform while the rest 69.4% said there isn't. The other point raised here was employee's perception of the government's ability to implement the reform and bring about change. Even though the majority of them said there are no separate resources

allocated for implementing the reform in their institutions, 51.6% of them said the government can implement the reform and bring about change. On the other hand, 36% of them showed doubts and 12.4% of them said the government implement the reform and bring about change. This shows the constrained capacity of the government in terms of resources whilst ambitious expectations exist on the side of the employees.

Table 5: Respondent's opinion about resource allocation and the ability of the government

	Responses about resources allocated for reform implementation							
		Frequency	Percent	Cumulative Percent				
Yes, the	re is	647	30.6	30.6				
No, there isn't		1469	69.4	100.0				
Total		2116	100.0					
	Responses abou	ut the government	s's ability to imp	plement the reform and bring about change				
		Frequency	Percent	Cumulative Percent				
Valid	Yes	1091	51.6	51.6				
	I doubt it	762	36.0	87.6				
	No	263	12.4	100.0				
	Total	2116	100.0					

# The Legacy of Authoritarianism and Anti-Reformist Resistance

Ethiopia has been engulfed by the continuation of the institutional legacy of centuries of internal conflict, militarization, and external threat which are identified as the major internal constraints on growth and development (Geda, and Berhanu, 2007). For instance, the political process that brought Derg and EPRDF to power in 1974 and 1991 respectively was violent and unpredictable resulting in economic insecurity. The EPRDF adopted the structural adjustment policies of market liberalization, with the support of the Bretton Woods institutions reforms that fall into the regulatory syndrome characteristic of the Derg and display the "redistributive" syndrome with power, policymaking, and resources controlled. It has also charted out a paradigm shift in the configuration of the state (Geda, and Berhanu, 2007). As indicated in the work of Geda and Berhanu, (2007) economic performance in Ethiopia is linked to and shaped by political violence. These historical incidents indicate that there was an unbridled continuation of authoritarian vestiges on one hand and the demolishing of institutions of each regime on the other hand. In the latter case, the institutions that were established by the Imperial regime to support economic reform were interrupted by revolution and Dergue (discontinuity) and then EPRDF made efforts to promote the institutions that are compatible with revolutionary democracy.

The lesson from the global experience of post-authoritarian reforms indicates that the decision-making power of the reformist is subject to political and economic constraints. (Roland, 1994). Hence, the two major political constraints that could challenge reformist leaders and the reform include the feasibility (ex-ante) and reversal constraints (ex-post). (Roland, 1994). The former denotes situations that could block decision-making at the onset of the reform. This has to do with the prevailing socio-economic and political context which is discussed here above. In this sense, the reformist elements from EPRDF were challenged by TPLF in framing the nature, the scope the destination of the reform agenda as it was publicly explained in the statements released by the leaders of the constituting parties of the front.

However, the focus of this subsection is on the second political constrain related to backlash or policy reversal after the reform is implemented and outcomes observed (Roland, 1994). The onset of the anti-reformist furry and the relation of the mammoth pubic support to the reform promise after its experimentation in the last three years falls in this category. As it could be inferred from the FDGs, there is still a continuing discontent and claims that the reform has not produced the expected outcome.

Both the functioning personnel and the institutions are believed to be the continuations of the authoritarian past. Even in some cases, there are claims of reversal that pose uncertainty. The uncertainty leads to opposition and ultimately to reversal even in conditions whereby the substance of the reform could end up biting the majority (Fernandez and Rodrik 1991).

The continuation of massive internal displacement, ethnic animosity, and party polarization was attributed to the anti-reformist elements mainly the TPLF clique on the government side, and as a marker of broken promises from the public. The reformist and gradualist nature of the reform failed to have clear departure from the authoritarian past in terms of leadership and institutional structure. It's rather fermenting embracing both the old and the new together in all areas of the reform focus.

Even disregarding the revolutionary option, the radical reformist measure has the propensity to overcome the political and economic constraints of the authoritarian past (Boycko et al., 1995) as well as the concomitant anti-reformist resistance. Worst, incentive packages for law enforcement or creating compliance by attracting the resistance section were hardly available. Thus, a general assessment of the extent of the ex-post constraints on the reform process is impossible for it's in its formative stage.

### **Factors Associated with Institutionalization of the National Reform**

Institutionalization is typically assessed superficially-if at all (Colbeck, 1999). Consequently, important questions of the determinants of variations in levels of institutionalization, and of how such variation might affect the degree of similarity among sets of organizations, have been largely neglected (Tolbert & Zucker, 1996). Hence measuring the level of institutionalization of reform in Ethiopia was challenging partly due to the lack of well-developed measurement mechanisms and tools at hand. Also, institutionalization is both a process and a property variable (Colbeck, 1999). But it is as important to institutionalize the national reform as it is to have it in the first place. Institutionalization is not an all-or-nothing concept but reflects degrees of persistence in a change (Cummings & Worley, 2008). For this paper, the following indicators and associated factors were considered.

The first issue taken as an indicator of institutionalization is the perception of employees about the validity and accuracy of the contents of the reform. According to Husain any reform initiative that comes as a shock therapy that is not owned by the bureaucracy is either bound to fail get modified and diffused (Husain, 2018). As discussed in the previous parts the current national reform in Ethiopia more or less fits such "shock therapy" characteristics, so how employees selected as respondents perceive it in terms of its content and validity is an important indicator and predictor of its institutionalization. Colbeck claimed individuals may acknowledge the existence and even the validity of institutionalized rule systems without necessarily believing the rules are fair, right, or appropriate (Colbeck, 1999). Cummings & Worley defined this as normative consensus focuses on the extent to which people agree about the appropriateness of the organizational changes. This indicator of institutionalization reflects how fully changes have become part of the normative structure of the organization. Changes persist to the degree that members feel that they should support them (Cummings & Worley, 2008).

Cognitive processes involve widespread acceptance of the value of an activity. Institutionalization occurs as individuals take it for granted that a certain way of doing an activity is the best way (Colbeck, 1999). For this to happen such an activity, a reform in this context, needs to be clear among the people responsible for implementing it. The attitude of employees about the clarity of the reform amongst employees is taken as a variable here. Colyvas & Powell pointed out that the institutionalization of principles and practices initially requires the mindful engagement of individuals in organizations (Colyvas & Powell, 2006).

The institutionalization of any policy unit depends heavily on the political will of both the state and donors, as this can lead to concrete commitments to stable sources of funding, adequate allocation of human resources, and investment in infrastructure and equipment (Zida, Lavis, Sewankambo, Kouyate, & Moat, 2017). Equally important is the trust those to implement it have in the commitment of major actors, the government in our case. People should see beyond the immediate horizon and take into account likely future changes. Concerns, criticism, and skepticism should be addressed. (Husain, 2018) The trust employees have in the ability of the government to bring about change after implementation of the reform can be taken as an important indicator of reform institutionalization as they are more likely to take on their share.

The sustainability of reforms requires broad consultation, consensus-building, and communication to articulate the long-term vision (Husain, 2018). The difference between attending discussions or trainings on national reform policy issues is a precondition for understanding the reform hence contributing to its institutionalization. Formal institutions may be suddenly altered by revolution, invasion, or crisis, but unless beliefs and norms also change the new status quo will be overturned after the revolution ends, the invaders leave, or the crisis subsides (Shirley, 2008). The scope, phasing, timing, implementation strategies, and mitigation measures for the losers of the reforms should be widely discussed and debated (Husain, 2018). Not only training but also familiarity with the status quo is also important for employees to have for the institutionalization of the reform. Because the more familiar employees are the easier it is for them to identify what's is new and implement the new accordingly besides the fact that they tend to have accumulated experiences of implementing reform previously. The number of years of experience the respondent has at the institution as a categorical variable is included here.

A study on institutionalization health sector reform suggested policymakers should ensure that the policy unit has sufficient human resources to fulfill its purpose effectively (Zida, Lavis, Sewankambo, Kouyate, & Moat, 2017). Hence the allocation of budget in terms of whether or not there is set aside financial and human resources allocated for the implementation of the reform is taken. The level of education employees achieved, age and

whether their job includes a managerial position are also additional variables taken to be associated with institutionalization as socio-economic variables.

To put it in a nut shell to identify the factors associated with the institutionalization of the current reform in Ethiopia; chi-square test of association between categorical variables of respondents' opinion about the validity and accuracy of the reform, clarity of the reform, trust in government's ability in implementing the reform to bring about change, the degree of institutional cooperation in implementing the reform on the one hand and whether the respondents hold a management position, respondents experience at the institutions, training for reform implementation, if resources were allocated to implement the reform on the other hand. Bonferroni Chi-Square Residual Analysis was conducted to identify which associations are significant as most of the variables include categories that are more than two.

Table 6: Variables for Factors Associated with Institutionalization

Name of the variable	Categories
Respondents' opinions about the validity and accuracy of the reform	It is highly valid and accurate It is mostly valid and accurate It is mostly not valid and accurate It is neither valid nor accurate at all
Respondents' opinions about the clarity of the reform	They are very clear. They are not very clear They are not clear at all.
Respondents trust in the government's ability to implement the reform and bring about change	Yes I doubt it No
Respondents' opinion about the degree of institutional cooperation in implementing the reform	There is more than enough coordination There is enough coordination There is not enough coordination There is no coordination
Whether or not respondents attended training for reform implementation	Yes No
If the respondents' job includes a management position  Respondent's response if there is resource	Yes No Yes, there is
allocated to implement the reform  Respondents' experience at the institutions (Categorized based on the age distribution of respondents)	No there is not  Up to 4 years of experience 4 to 10 years of experience  More than 10 years of experience
Educational status of employees	High school and below Diploma and certificate Bachelor Degree Master's Degree PhD and above

# **Factors Associated with Reform Accuracy and Validity**

The chi-square test of association between age categories of respondents and their perception of the reform's accuracy and validity among employees shows there is an association with ( $\chi$ 2= 39.303, degree of freedom=6, p < 0.0001). Most of the respondents said the reform content is mostly valid and accurate; the least number of respondents said it is neither accurate nor valid. Among the age categories, the oldest group 39 and older associated the most with a higher level of reform's content accuracy and validity, while the youngest group 31 years and younger associated the less with higher accuracy and validity.

The post hoc Bonferroni Chi-Square Residual Analysis also confirmed the difference between the youngest and oldest group about the highest level of reform content accuracy and validity that the oldest group associated the most (32.7%) with the reform content and validity while only the youngest group (20%) associate with the highest level of reform content validity and accuracy.

Table 7: Association between Age of Respondents and Reform Content and Validity

	27.7.10000	Reform Content Validity and Accuracy							
					STICE II	It is	riccaracy		
			It is		t is	mostly not	It is nei	ther	
			highly valid			valid and	valid no		
			and accurate			accurate	accurate a		Total
	up to		13		317	156		55	660
uts	31 years	Expected Count	170.	9	313.2	123.2		52.7	660.0
Categorized values of ages respondents	old	% within Categorized values of age respondents	20.09	6	48.0%	23.6%		8.3%	100.0%
res		Adjusted Residual	-4.	2	.4	3.9		.4	
Ses	32 up	Count	18	4	363	136		64	747
fаg	to 38	Expected Count	193.	5	354.4	139.4		59.7	747.0
es o	years old	% within Categorized	24.69	6	48.6%	18.2%		8.6%	100.0%
aln		values of age respondents	-1.		0	4		7	
<u> </u>	39	Adjusted Residual Count	23	_	.8 324	4 103		.7 50	709
rize	and	Expected Count	183.		336.4			56.6	709.0
080	older	% within Categorized			330.4	132.4		30.0	703.0
Cate		values of age respondents	32.7%	6	45.7%	14.5%		7.1%	100.0%
		Adjusted Residual	5.	1	-1.1	-3.5		-1.1	
			Chi-Squ	are Tes	ts				
					Asv	ymptotic Sign	ificance		
			Value	df		(2-sided)			
		Pearson Chi-Square	39.303ª	6			.000		
		Likelihood Ratio	38.965	6			.000		
		Linear-by-Linear Association	26.995	1			.000		
		N of Valid Cases	2116						
		a. 0 cells (0.0%) have expected count is 52.71	•	d count o	of less	than 5. The m	inimum		

According to the chi-square test holding a management position associated with higher levels of reform content is valid and accurate with ( $\chi$ 2= 40.62, degree of freedom=3, p < 0.0001). Respondents with no management position associated with lower categories of reform content accuracy and validity. The post hoc test also shows that 33.3% of respondents with a management position said the reform content is highly valid and accurate while from respondents with no management position 22.2% said the reform content is highly valid and accurate. Both categories of respondents associate more or less similarly under the "mostly valid and accurate" and "neither valid nor accurate" categories. For the "Mostly not valid and accurate" category respondents with no management position associated with it (21.3% of them) were more than those in a management position (13.5% of them). Overall, all holding a management position is associated with higher levels of reform content validity and accuracy.

Table 8: Association between Employees Management Position and Reform Content Validity and Accuracy

	· ,		, , , , , , , , , , , , , , , , , , ,			
		Re	form Conten	t Validity and	Accuracy	
		It is	It is	It is		
		highly valid	mostly valid	mostly not	It is neither	
		and	and	valid and	valid nor	
		accurate	accurate	accurate	accurate at all	Total
<b>± ℃</b> Yes	Count	236	331	96	46	709
res	Expected Count	183.6	336.4	132.4	56.6	709.0

(F								
	% MEDIAN(IfMgmtPosition,	within ALL)	33.3%	46.7%	13.5%	6.5	5%	100.0%
	Adjusted Residual		5.5	5	-4.3	-1	1.8	
No	Count		312	673	299	1	23	1407
	Expected Count		364.4	667.6	262.6	112	2.4	1407.0
	% MEDIAN(IfMgmtPosition,	within ALL)	22.2%	47.8%	21.3%	8.	7%	100.0%
	Adjusted Residual		-5.5	.5	4.3		1.8	
		Chi-Square Tests						
		Valu	ie df	Asympto	Asymptotic Significance (2-sided)			
	Pearson Chi-Square	40.62	20 <sup>a</sup>	3		.000		
	Likelihood Ratio	40.7	'17	3		.000		
	Linear-by-Linear Association	33.8	860	1		.000		
	N of Valid Cases	21	.16					
	a 0 cells (0 0%) have	expecte	d count les	sthan 5 The	minimum exn	ected count		

The association between whether a respondent has attended discussions or training on national reform policy issues the government is implementing and the clarity of the reform is similar to whether a respondent holds a management position with ( $\chi$ 2= 188.456, degree of freedom=6, p < 0.0001). Respondents who have attended training associated more with higher levels of reform content accuracy and validity while those who didn't associate with lower levels of reform content validity and accuracy. This is true across all categories except for the mostly valid and accurate category where 43.4% and 48.8% of those who attended training and those who didn't attend training associate with it respectively, this difference isn't significant with the post hoc test.

As shown in the following table and the post hoc test 46.7% of those who attended training on the reform and only 19.2% of those who didn't attend training associate with highly valid and accurate category. Similarly, among those who attended raining 6.8% and 3.1% associated with "mostly not valid and accurate" and "neither valid nor accurate at all" categories; 22.5% and 9.6% of those who didn't attend training associated with "mostly not valid and accurate" and "neither valid nor accurate at all" categories respectively.

Table 9: Association between Attending Training or Discussion on Reform and Reform Content Validity and Accuracy

Accuracy							
			Refe	orm Conten	t Validity an	d Accuracy	
			It is	It is	It is	It is	
			highly	mostly	mostly not	neither valid	
			valid and	valid and	valid and	nor accurate	
			accurate	accurate	accurate	at all	Total
attended on the	Yes	Count	241	224	35	16	516
ten on		Expected Count	133.6	244.8	96.3	41.2	516.0
ou		% within MEDIAN(TrainingForRef,ALL)	46 /%	43.4%	6.8%	3.1%	100.0%
cus		Adjusted Residual	12.4	-2.1	-8.0	-4.7	
respondents or discussi	No	Count	307	780	360	153	1600
or		Expected Count	414.4	759.2	298.7	127.8	1600.0
If re training reform		% within WEDIAN(TrainingForRef,ALL)	19 2%	48.8%	22.5%	9.6%	100.0%
trai refo		Adjusted Residual	-12.4	2.1	8.0	4.7	

	Chi-Square Tests							
	Value	df	Asymptotic Significance (2-sided)					
Pearson Chi-Square	188.456ª	3	.000					
Likelihood Ratio	190.897	3	.000					
Linear-by-Linear Association	162.371	1	.000					
N of Valid Cases	2116							
a. 0 cells (0.0%) hav expected count is 41.21	•	ed count o	of less than 5. The minimum					

# **Factors Associated with Reform Clarity**

The following table shows there is an association between management position and clarity of the reform among employees with ( $\chi$ 2= 21.89, degree of freedom=2, p < 0.0001). Respondents with managerial positions perceived the reform to have clarity. This can relate to better exposure to information about the reform.

The Bonferroni Chi-Square Residual Analysis also confirmed that among the respondents who are in management positions (41.7%) associated with clarity of the reform while among those with no management position (32.1%) associated with clarity. At the same time not holding a management position is associate with lower levels of reform clarity as 22.2% of respondents said the reform is not clear at all while 16.4% of those in management positions did the same. But for the rest category, there is no significant difference between the respondent's opinions about the clarity of the reform.

Table 10: Association between Employees Management Position and Reform Clarity

			ciation between Employee				Reform Clarity		
								They are	
					The	y are	They are	not clear at	
					very cl	ear.	not very clear	all	Total
hold		Yes	Count			296	297	116	709
٦			Expected Count			250.6	314.6	143.7	709.0
respondents	sition		% MEDIAN(IfMgmtPosition,A	within LL)		41.7%	41.9%	16.4%	100.0%
ge	od		Adjusted Residual			4.4	-1.6	-3.2	
por	ent	No	Count			452	642	313	1407
res	% %					497.4	624.4	285.3	1407.0
<b>±</b>				within LL)	32.1%		45.6%	22.2%	100.0%
	a ⊒		Adjusted Residual			-4.4	1.6	3.2	
				Chi-Sq	uare Tes	sts			
							Asymptotic		
				Value	df	Sign	ificance (2-sideo	d) (k	
			Pearson Chi- Square	21.890ª	2			000	
			Likelihood Ratio	21.880	2			.000	
			Linear-by-Linear Association	21.244	1			000	
			N of Valid Cases	2116					
a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 143.74.								The	

The chi-square test on whether a respondent has attended discussions or training on national reform policy issues the government is implementing and the clarity of the reform shows there.

The difference in the association between respondents who attended training and those who didn't in terms of their perception of clarity of the national reform issues is significant both in the chi-square test of association

and post hoc test with ( $\chi$ 2= 206.042, degree of freedom=2, p < 0.0001). 60.9% of respondents who attended training associated with the reform are very clear while 27.1% of those who didn't attend training associate with the same category. For they are not very clear category those who didn't attend training (48.4%) associate more than those who did (31.8%). For the last category, they are not clear at all, only 7.4% of those who attended training associate with it, and 24.4% of those who attended training associate with it.

Table 11: Association between Training and Reform Clarity

Tabic 11.	A3300	lation between Tra	allilling allu Ne	elolili Ci	arit	у				1
							Reform Clarit	ty		
								The	ey are	
						They are	They are	not cle	ear at	
						very clear.	not very clear	al	l	Total
Respondents Training or n the Reform	Yes	Count				314	164		38	516
If Responder Attended Training discussion on the Refo		Expected Cour	it			182.4	229.0		104.6	516.0
Respond Training In the Ref		% within MEDI	AN(Training	ForRef, <i>P</i>	ALL)	60.9%	31.8%		7.4%	100.0%
Res Tra n th		Adjusted Resid	lual			13.9	-6.6		-8.4	
7 0	No	Count				434	775		391	1600
dec		Expected Cour	it			565.6	710.0		324.4	1600.0
If Attended discussion		% within MEDI		ForRef,A	ALL)	27.1%	48.4%		24.4%	100.0%
Ati		Adjusted Resid	lual			-13.9	6.6		8.4	
				Chi-Squ	ıare	Tests				
			Value	df		Asymptotic Significance (2-sided)				
	So	Pearson Chi- quare	206.042ª	2				.000		
		Likelihood Ratio	206.583	2		.000				
	А	Linear-by-Linear ssociation	188.646	1				.000		
		N of Valid Cases	2116							
a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 104.61.										

The other variable presumed to be associated with the clarity of the reform is the allocation of resources for the implementation of the reform. Those respondents who said there are resources allocated for implementing the reform associated with better clarity of the reform ( $\chi$ 2= 124.404, degree of freedom=2, p < 0.0001). Both the chi-square test and post hoc tests confirm that respondents working in institutions with allocated budgets for implementing the reform associate more with better clarity. 52.1% of respondents who said there is an allocated budget for implementing the reform associated with the reform issues are very clear category while just 28% of the respondents who said there is no separate budget associated with this category. On the other category of reform clarity, 36.8% of respondents who said there is a separate budget and 47.7% of those who said there isn't a separate budget associated with the reform issues are not very clear categories. Further 11.1% of respondents with a separate budget allocated for reform implementation and 24.3% of those with no separate budget allocated for reform implementation associated with the reform issues are not clear in all categories.

Table 12: Association between Resource Allocation for Reform Implementation and Reform Clarity

table 1217 issociation settled interest in coation for heromatical and heromit clarity									
							Reform Clari	ity	
							They are	They are	
						They are	not very	not clear at	
						very clear.	clear	all	Total
is	and	rces	orm	Yes,	Count	337	238	72	647
		Б	ref.	there is	Expected Count	228.7	287.1	131.2	647.0
there	finance	resor	for		% within MEDIAN(Ref_ResourcesAllocation,ALL)		36.8%	11.1%	100.0%
	æ	_	ted						
Ŧ	para	man	cate		Adjusted Residual	10.7	-4.7	-6.9	
	Sep	μ	allo		Count	411	701	357	1469

	No	Expected Count			519.3	651.9	297	.8 1469.0	
	there	% MEDIAN(Ref_Resourc	% within MEDIAN(Ref_ResourcesAllocation,ALL)				24.3	% 100.0%	
	ISII L	Adjusted Residual		-10.7	4.7	6	.9		
			Chi-So	quare Te	ests				
			Value	df		otic Significa -sided)	ince		
		Pearson Chi- Square	124.404ª	2	2		.000		
		Likelihood Ratio	124.569	2	2		.000		
		Linear-by-Linear Association	116.968	<u>-</u>	1		.000		
		N of Valid Cases	2116						
	a. 0 cells (0.0%) have an expected count of less than 5. The minimum expected count is 131.17.								

### Factors Associated with Trust in government capacity to implement the reform

To analyze factors associated with trust in the government's ability among employees' chi-square tests were done between employees' perception of the government's ability to implement the reform and bring about change with categorized values of respondent's experience in the institution, whether employees hold a management position at the institution and if respondents attended training on the issues of the reform and its implementation.

The chi-square test confirms the existence of an association between trust in the government's ability to implement the reform and categorized values of experience respondents have at the institution with ( $\chi$ 2= 46.087, degree of freedom=4, p < 0.0001). Under the chi-square test, those respondents with more years of experience tend to associate highly with governments' ability to implement the reform.

The post hoc test also confirmed more than 10 years of experience at the institution is associated with higher levels of trust in the government's ability, 62.1% of them said the government can implement the reform and bring about change whereas among those with 4 years and less experience at the institution, 44.8% of them said they think government can implement and bring about change. The reverse was true for the second category of government's ability to implement the reform 42.9% of those with 4 years and less experience were associated with doubt while among those with 10 years and more experience 28.5% associated with doubt about the government's ability to implement the reform and bring about change.

Table 13: Association between Respondents Experience at the Institution and Trust in Government Capacity to Implement the Reform

			-	ty to Implement bout change	
			I doubt		
		Yes	it	No	Total
the	up to 4 years of Count	365	349	100	814
	experience at the Expected Count	419.7	293.1	101.2	814.0
at	institution % within Categorized experience at the institution	44.8%	42.9%	12.3%	100.0%
S	Adjusted Residual	-4.9	5.2	2	
experience	Above 4 up to10 Count	393	260	113	766
per	years of experience Expected Count	394.9	275.8	95.2	766.0
e	at the institution % within Categorized experience at the institution	51.3%	33.9%	14.8%	100.0%
Sed	Adjusted Residual	2	-1.5	2.4	
oriż	More than 10 Count	333	153	50	536
Categorized	years of experience Expected Count	276.4	193.0	66.6	536.0
_	at the institution % within Categorized experience at the institution	62.1%	28.5%	9.3%	100.0%

Adjusted	Residual		5.7	-4.2	-2.5					
Chi-Square Tests										
	Value	df	Asympt	Asymptotic Significance (2-sided)						
Pearson Chi- Square	46.087ª	4			.000					
Likelihood Ratio	45.945	4			.000					
Linear-by-Linear Association	25.129	1			.000					
N of Valid Cases	2116									
a. 0 cells (0.0%) hav count is 66.62.	e an expecte	d count	of less than	5. The mini	mum expected					

Holding a management position is associated with higher levels of opinion about the government's ability to implement the reform and bring about change as 60.9% of those in a management position and 46.8% of those with no management position associate with the government can implement the reform and bring about change with ( $\chi$ 2= 38.594, degree of freedom=2, p < 0.0001). Even after the post hoc test, there was no difference between employees with or without management positions when it comes to the no government can't implement the reform category. However, respondents with no management position associate more with doubts about the government's ability (40%) unlike those in management positions (28.1%).

Table 14: Association between Respondent's Management Position and Trust in Government capacity to implement the Reform

					Trust	in Government's	Capacity to			
					Ir	mplement the Ref	orm			
					Yes	I doubt it	No	Total		
hold tion	Yes	Count			432	199	78	709		
siti		Expected Count			365.6	255.3	88.3	709.0		
nts po		% within MEDIAN(IfMg	% within MEDIAN(IfMgmtPosition,ALL)			28.1%	11.0%	100.0%		
respondents agement pos		Adjusted Residual			6.1	-5.4	-1.4	1		
po Em	No	Count			659	563	18!	1407		
res		Expected Count			725.4	506.7	174.9	1407.0		
If respondents hold management position	% within MEDIAN(IfMgmtPosition,ALL)				46.8%	40.0%	13.19	100.0%		
ап		Adjusted Residual			-6.1	5.4	1.4	1		
			Chi	-Square	Tests					
					Asy	mptotic Significan	ce (2-			
			Value	df		sided)				
		Pearson Chi-Square	38.594°		2		.000			
		Likelihood Ratio	38.964		2		.000			
		Linear-by-Linear	25.534		1		.000			
		Association	23.334		1		.000			
		N of Valid Cases	2116							
		a. 0 cells (0.0%) hav	a. 0 cells (0.0%) have an expected count of less than 5. The minimum							
	expected count is 88.12.									

Training and discussion about the reform issues weren't famous among the respondents that only 516 of them said they had attended, even more, interesting is of 1600 respondents who didn't attend training and discussion 43.5% of them associated with the government's ability to implement the reform and bring about change. Still, comparatively those who attended training and discussions 76.6% associated positively with the government's capacity to implement the reform and bring about change while from those who didn't' 43.5% associated with the same category of government's ability ( $\chi$ 2= 171.098, degree of freedom=2, p < 0.0001). Respondents with no training and discussion about the reform associate more with doubt about government capacity (41.8%) and 18.2% of those who attended training and discussion do so. For the last category of government capacity those who didn't attend training associated more with it (14.8%) while only 5.2% of those who attended training associated with it. These relationships are significant for the post hoc test as well.

Table 15: Association between Training and Trust in Government's Capacity to Implement the Reform

					capacity to	I doubt	t the reform	
פ פ	Yes	Count			Yes	it 94	No 27	Total
를 <mark>‡</mark>	res	Expected Count			395 266.0	185.8	64.1	516 516.0
ndents attended discussion on the		% MEDIAN(TrainingFor	Ref,ALL)	within	76.6%	18.2%	5.2%	100.0%
sus		Adjusted Residua	l		13.1	-9.7	-5.7	
respondents g or discussi	No	Count			696	668	236	1600
spo or o		Expected Count			825.0	576.2	198.9	1600.0
If res training ( reform		% MEDIAN(TrainingFor	Ref,ALL)	within	43.5%	41.8%	14.8%	100.0%
trai		Adjusted Residua	ı		-13.1	9.7	5.7	
			Chi	i-Square	Tests			
					Asymptotic Significance (2-			
			Value	df		sided)		
	Sc	Pearson Chi- quare	171.098ª	:	2		.000	
		Likelihood Ratio	179.131		2		.000	
	As	Linear-by-Linear ssociation	145.174		1		.000	
		N of Valid Cases	2116					
	a. 0 cells (0.0%) have an expected cou expected count is 64.13.					than 5. Th	e minimum	

# Implementation Challenges and Strategy for Preventing the Reversal of the National Reform

The lack of organizational structure and clear intervention point of either changing the workforce or the organizational structure or the system and the perpetuation of the authoritarian past is radiantly mentioned as a basic bottleneck which is challenging many of the public institutions that were the target of the study. In this sense, interference and capacity limits especially in terms of human resources are also stated as additional indicators of the limits of the reform transplantation.

However, the preexisting national philosophy or the authoritarian legacy which was driven by the containment approach of assigning workers with low payment is believed to be the principal determining factor besides to lack of capacity building and failure to use the existing capacity, and the suitability of reform itself to the institutional context.

The lack of institutionalization, professionalization, absence of rule of law, and simple transplantation with the absence of a permanent secretary and knowledge management system in leading and coordinating the reform (leadership capacity deficit] is also indicated as a decisive factor. Though the level of decentralization and agency of respective institutions is not mentioned the hybrid approach between the center and the individual institution is recommended for addressing the deceptive signal and transactional cost for addressing it as policy reform could not be immune from political context.

Hence, the major challenges that have been stunting the institutional development in the country for many of the reforms were linked to the externally driven and top-down imposition which were relegated to dustbins following a resistance. Hence, as was highlighted by one of the presenters in the data-gathering workshop, the examination of the stage of the reform process indicates that the old state going through the transition has not yet reached the point of producing a new state.

For instance, the institutionalization of political reforms is often wrongly believed to pass through three basic stages liberalization, democratization, and consolidation or institutionalization. However, this approach is criticized with the neglect of the structural determinants (Semir 2020) and its one-size-fits-all prescription. Hence, structural factors such as the rule of law and institutions matter in the success of reform. As per the issues reflected during the data gathering workshop, the current reform is critiqued by the participants for lack of future orientation, technological friendlessness, the lack of understanding of the national and institutional context, and lack of comprehensive or holistic ness in terms of breaking the public-private divide. It is further commented that the reform was not well thought out and planned but rather individualist with no public dialogue. The absence of readiness assessment and prioritization or experimentation was also mentioned as one of the technical bottlenecks that contained the ease of diffusing the reform to the various public institutions.

The recommendation in the workshop regarding the hybridization of formal and informal institutions is worthwhile in many respects. It is indicated that the balanced synthesis of 'slow-moving institutions with fast-moving institutions' is significant for effectively institutionalizing national reform in Ethiopia. The common belief that favors fast-moving institutions as signs of modernity with complete disregard for slow-moving institutions has been believed to cause a vacuum between the context and the institutionalization process.

Generally, the review of the experiments of reform initiatives indicates the sidling of the institutional and national context, and lack of coordination and participation of citizens though there is a common pronunciation about the role of the people in the making of the reform itself. There is still rampant fusion of the civil service with the political system which caused institutional stunting which in turn leads to failure both in the civil service and political system. The politicization of the reform tools is another bottleneck. The management of information and data sets, corruption, and lack of incentive packages challenge the continuity of the reform process as mentioned by high-level government officials from the civil service office. Furthermore, the existing studies hardly indicate the mechanisms of bridging the popular demands and elite interest in articulating the reform and setting the implementation. According to the data, the factors affecting the successful implementation of reforms include the nature of the implementing institutions, knowledge, culture, nature of regime, and power (degree of centralization). It was recommended gradualist and experimental reform approach on the condition that it provides a chance for reversal.

However, the absence of clear guidelines that show the role of existing institutions for institutionalizing the reform in other institutions, the nature of the reform implementing institution, failure of institutional transplantation/structural dependency, lack of knowledge and cultural accumulation for institutionalizing the reform, dependency on preexisting structures of the institutions are added to the complexity of the reform process. However, the strategy of designing incentive/compensation packages, making the reform sequential to reduce opposition, creating credible institutions for managing the reform, and waiting for the complete deterioration of the status quo in areas of complex concerns helps to buy the acceptance of the resistant elements or secure political acceptance.

#### Conclusion

In the wake of the reform, the country was characterized by a fusion of state and government apparatus, stifling of basic liberties, party, and societal fragmentation, overarching democratic centralism, and protracted popular discontent. The critical examination of the reform agenda setting indicates that the reform marginality considers the level of productive forces, production relations, nature of the institutions, and the cultural setting of the country. Moreover, the reform adopted the gradualist strategy without any precise sequencing that would provide an opportunity for experimentation and early reversal. Hence, it is not immune from ex-post or reversal constraints that produce a cyclic policy regime. It was also dominated by the executive branch of the government which manifests the perpetuation of elitist control of power and policymaking. This has also led to the failure of aggregating interest and creating synergy between the elites and the people through active popular participation. This situation is exacerbated by the fact that the reform agenda is understood differently as a struggle to end authoritarianism, the process for ensuring peace and democracy, the way towards prosperity, resort towards old hegemony, or perpetuation of the status quo.

Specifically, the economic reform is found to be bereft of considering the context and practical utility for it analyzed the past performance merely focusing on the quality package. Thus, it is reductionist to be called a homegrown and pragmatic. Again, the sustainability of the reform is vulnerable to challenges coming from external debt burden, mismanagement and inefficacy, weak capacity to generate foreign currency, and meager job creation capacity. However, without urgent inclusive economic reform, the propensity to face both economic and political crisis tendencies is high. Similarly, the political reform failed to address the structural bottlenecks embedded in the constitution simply sticking to liberalization and bridging political horizons through a centrist approach. The window of opportunity for exceptional politics and mass support outpouring is squandered in terms of taking fast and irreversible reform measures except liberalization. Thus, the attainment of the current political reform and even the promise of ensuring electoral democracy seeks constitutional reform. The study shows the state's capacity to manage development efficiently is weak, and there is evidence to suggest that there is a glaring mismatch between the state's ambition and its capacity to develop an autonomous service-friendly bureaucracy.

Generally, the gradualist nature of the reform made it a victim of the institutional and administrative legacy of the authoritarian past. Hence the implementation of the reform is challenged by the lack of new organizational structure, capacity limits, leadership capacity deficit, politicization, and lack of preparedness.

Holding a management position, having attended training or discussions about the reform associated with higher levels of reform content validity and accuracy, reform clarity, and trust in the government's capacity. Implying having more information about the reform either by attending training or discussions regarding the reform or having exposure to better information by holding a management position contributes to the institutionalization of the reform.

Age was found to be significantly associated with reform content validity and accuracy positively; which can relate to familiarity with and experience in reform implementation and institutional policies. More years of experience at the institution was associated with higher levels of trust in the government's capacity to implement the reform and bring about change. This is related to exposure to previous experience in reform implementation, and better exposure to training and discussions over the years. Budget allocation for implementing the reform is found to be related to better clarity of the reform that, resources allocation for implementing reform can contribute to institutionalization of reform.

### **Policy Recommendations**

Failure of the reform to address the popular demand and lack of traceable routes of development and implementation show the reform can relapse to an authoritarian system which in turn can lead to economic collapse if not managed properly. Hence the approach should be clearly defined and communicated for institutionalization with the maximum possible involvement of civil servants at respective institutional levels and citizens at all levels.

To address setbacks related to the economic reform, modifications are relevant to consider both realistic assumptions about the current context of the country and the impact of Covid-19. When it comes to political reforms adopted, institutionalization of what has been promised and enacted can pull the trigger and put the country on the right track.

Clearly defined and articulated reform issues and policies will contribute to proper implementation of the reform with due attention given to addressing urgent issues of reconstructing trust in government, addressing systemic institutional issues and social exclusions, and fostering democratic processes directed towards producing meaningful outcomes in response to popular discontent throughout the country.

From the findings of this paper, the reform is pinned down by accumulated past burdens, present incapacities, and possible future risk of reversal. To alleviate these issues adopting a participatory approach at every stage of developing and improving reform packages, designing genuine incentive packages for stakeholders and institutionalization of those issues accepted going about it every step of the way can be recommended.

When it comes to institutionalization of the reform, it is important to communicate and cascade reform issues and interventions as important as it is to introduce it. The more informed employees are of the reform issues, the higher will be its institutionalization as they learn to take their share of responsibilities and contribute to its success. This is true for the general public as well, especially for addressing the wider gap between how much government can improve and the expectations of citizens to reduce friction resistance and further advance reform agendas through participatory approaches.

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