

Power to the People? Political Economy of the Hydroelectric Sector in Ethiopia

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Since its coming to power in 1991, the Ethiopian ruling elite has officially adopted the development state as the economic model to implement its “revolutionary” project of radical transformation of the country and to negotiate its integration to the neo-liberal global economy. Within this framework, the traditional Abyssinian project of state building and *encadrement* of the society has been renovated and hybridized with the political repertoire of the revolutionary front as well as practices and discourses introduced by the international development apparatus. The “capacity building” of the state machinery in order to ensure its active and prominent role in key strategic socio-economic sectors has been instrumental in allowing the Ethiopian developmental state to play a “vanguard” role in capturing and leading the masses towards the transformation of the country into a mature capitalist economy. In the last decade, the hydroelectric sector has gained in importance both in the rhetoric and in the practice of this project. However, and despite its relevance for the delicate equilibrium of the management of the Nile basin waters, it remains a largely unexplored topic. The paper proposes an analysis of the political economy of the hydroelectric sector to contribute to a deeper understanding of the main features of the Ethiopian developmental state: (i) the consolidation and reproduction of the ruling class through the predation of public resources and economic accumulation by the means of the straddling between positions in the political and economic sphere, as well as the rhetoric of the needs for long terms political stability to achieve the developmental goals; (ii) the extraversion of international aid, also through a smart exploitation of the competition between traditional western donors and rising developmental powers like India and China; (iii) the legitimization of a new political model combining sustained economic growth and poverty reduction with increasing authoritarian rule and curtailment of civil and political rights.