**ABSTRACT**

Strong and vibrant social institutions are crucial for the harmonious existence and development of any society. Their multifaceted nature, as well as the multiplicity and variety of the functions they fulfill for society makes institutions the indispensable cornerstones of social structure.

One of the critical weaknesses confronting Ethiopian society today is the lack of adequate institutions with which it could undertake its important activities. Hence, it is absolutely necessary to realize and nurture sufficient numbers of genuine, functional, and practical institutions to operate in all sectors of the society and for all walks of life if our society is to register speedy growth that can extricate it from the state of abject poverty in which it currently finds itself within the lifespan of a generation.

Moreover, a society that is characterized by strong institutions can be realized only if the rule of law and the equality of all—including government bodies—before the law are ensured, and if the legislative branch of the government is legitimate enough and the judiciary is capable of functioning with total independence.

In a country like Ethiopia, which is quite sizable in terms of population and land area, which is characterized by diversity, and one that faces many complex problems, the supremacy of the rule of law and the equality of all before the law cannot be ensured except under an environment in which political freedom prevails.

1. Introduction

While the focus of this article is the overall issue of our country's institutions, it has as its primary aim the demonstration of the interrelation these institutions have with socioeconomic development and the enhancement of political freedom as well as to indicate the kind of benefits that accrue from the emergence and safeguarding of institutions.

As regards institutions, I, the author of this paper, share the views of the proponents of the new-institutional economics and sociologist advocates of the actor-system dynamics theory, as well as those of political scientists and historians who maintain similar positions, with respect to the definitions they offer and the important function they attach to institutions. I was led into adopting this position by my standing as a student of the actor-system dynamics theory and because I have come to believe that the overall findings of researches on Ethiopia's under-development make better sense only in terms of this framework.

Furthermore, the view that places...
importance on institutions appears to be gaining currency among our country's intellectuals as well. Among the events that are indicative of this development, one finds the 1999 Annual Conference of the Ethiopian Economics Association, whose theme was "Institutions, Resources and Development in Ethiopia."

No one, to be sure, is in the dark about the multiplicity of the problems Ethiopia's development faces. While physical/geographical problems, technological backwardness, cumulative poverty, absence of peace, and political instability and unjust governance that have endured for centuries constitute the main ones, there are, according to some writers, also factors such as disdain for work and excesses in holidays and fasting days to which they generically refer to as "cultural phenomena" that hamper Ethiopia's development endeavors.

The main thesis of this article, and the first one at that, is that "one of the crucial limitations of Ethiopian society is its lack of institutions that are adequate for the accomplishment of its activities," a point that does not run at cross-purposes with the recognition of the existence of other problems. What this thesis attempts to do is highlight the magnitude of the problem of the inadequacy of the institutions necessary for the country's development. As it shall be articulated at some later point in the paper, the recognition of the problem in terms of this thesis has the advantage of linking the problem of Ethiopia's development to a clearly visible, concrete, and by that virtue, surmountable phenomenon rather than attributing all the problems to some such hazy notions as "backward culture," which only ultimately proves completely intangible. Consequently, the recognition of the problem in the suggested terms, rather than leading to despair, invites initiative for action; and precisely for that reason, it constitutes a positive view.

2. The Nature of Institutions

The term 'institution' is open to different definitions and ramifications thereof. We shall, therefore, first deal with the rather uncommon definition of the term as used among social scientists.

Economists who happen to be proponents of the new institutional economics themselves attach different meanings to the term 'institution', however minimal the differences may be. Yet, the majority of those economists who are adherents of this approach (North, 1990, 1991; Bromley, 1991; Dejene Aredo, 1999) and the actor-system dynamics theoreticians from the discipline of sociology (Burns et al., 1985; Yeraswork Admassie, 2000 [1995]), all share the definition forwarded by Nobel laureate Douglas North, which runs as follows:

Institutions are humanly devised constraints that structure political, economic and social interaction, and consist of internal rules such as taboos, customs, traditions, codes of conduct, as well as formal rules, including constitutions, laws and property rights (1991: 97).

Allan Johnson's The Blackwell Dictionary of Sociology (1995) gives a much broader definition of the term 'institution' as follows: "An institution is an enduring set of ideas about how to accomplish goals generally recognized as important in society."

Other writers, however, strongly argue that, rather than referring to rules and norms that structure, regulate and give pattern to social interactions themselves, 'institution' relates to the enduring regulated pattern of behavior that is resultant of rules and norms (Berry, 1989; Leach et al., 1999; Peters, 2000).

There are, moreover, many scholars who maintain that the term 'institution' refers not only social arrangements embracing rules and norms that regulate social interaction in such social spheres as marriage, markets, money or education, but also to the formal and informal 'organizations' themselves, and who insist on using the term in a dual sense. As a result, the term 'institution' is at present widely used to indicate 'organization', which is an entity that is made up of human beings, rather than the social regime that embraces rules and norms. In my view, the use of the term 'institution' to refer to two overlapping concepts has proved to more harmful than beneficial. The dual sense in which the term has come to be used has resulted in wide-spread confusion by leading people to take the term 'institution' to mean more than anything else: 'organization', 'institute', or 'structure'.

According to the explanation provided by Douglas North, institutions are the "rules of the game," whereas organizations are the collectivities of the "players" in the game (North, 1990: 5). Although, obviously, organizations themselves are subject to internal
codes of conduct, the term 'organization' mainly refers to the aggregate of individuals that are linked by common missions in the attainment of shared goals. Thus, although this concept to which the term 'organization' refers to is related to the concept denoted by the term 'institution', the two are nonetheless distinct and different.

Likewise, the actor-system theory holds that institutions such as the family, marriage, market, money, traffic, education and health care have no single and definitive organizational manifestation. In fact, organizations such as family arbitration councils, marriage documentation offices, shops, banks, traffic police departments, traffic courts, schools, hospitals and laboratories owe their emergence and continued existence to social rule regimes that we call the institution of the family, marriage, market, money, traffic, education and health-care. While the traffic is a social institution embracing all the traffic rules and regulations, traffic police, traffic courts and driving schools, on the other hand, constitute social organizations. While the market, the press, and marriage constitute social institutions, on the other hand EDDC, MEGA, The Reporter, Addis Zemen and the marriage of Mr. X to Mrs. Y, specific market, press, and marriage offices are organizations—respectively.12

Based on the foregoing discussion, the term 'institution' is understood and used in this paper in the following sense: An institution is any social arrangement that is constituted and regulated by formal and informal rules that are socially constructed and shared, specifying to a large extent who may or should participate and who is excluded, and who should do what, when, how, in relation to whom, to which one can add the patterned behavior it thus engenders.

We have already pointed out that the widespread use of the term 'institution' to refer to all such concepts as 'institute', 'organization' and 'structure' has resulted in the muddling of meaning and confusion of thought. Unfortunately, this problem has found its way into the Amharic language due to the fact that the originators and users of Amharic technical terms of the last fifty to sixty years mostly think in English and, therefore, the uses of many of their terms follow and replicate various aspects of the English terms. Hence, the English term 'institution' was translated into Amharic as referring to all the Amharic equivalents of 'institute', 'organization', and 'structure',13 thereby effectively passing on to Amharic the characteristic fuzziness of the term. Consequently, Amharic terms that were in previous times widely employed to properly convey the concepts of 'institution', 'rules regime', and 'norms'14 started to fall into disuse.

As shown up above, the term 'institution' is used to refer to any social arrangement that is constituted and regulated by socially constructed and shared body of laws, rules, or customs specifying who may or should participate and who is excluded, and who should do what, when, how, in relation to whom and to what extent. Accordingly, then, the term covers not only the major social arrangements of society, such as the family, marriage, religion, state, education, law (yes, law itself) but also all those that are encountered at various societal levels in all social sectors. For this reason, it could be useful to look at institutions at least under two categories: 'society-wide institutions' and 'sectorial institutions'. (1) The category of 'society-wide institutions' includes those major rule regimes that operate throughout society and concern any individual member of the society (for example, marriage, family, religion, state, law, education, and health-care). (2) In the category of 'sectorial institutions' fall rule regimes that relate to specific economic, social and political/administrative sectors (for example, a commercial or production sector, a transportation or communications sector, information technology, environmental protection, and entertainment sector).

3. The Benefits and Importance of Institutions

We have already pointed out that institutions give pattern to human behavior by indicating and determining to a large extent who should do what, when, how, in relation to whom, with regard to what and to what extent.

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12 The actor-system dynamics theory makes this distinction as follows: “A social institution is a rule regime which applies to a particular sphere of activity or class of settings and governs the social action and interaction of agents engaged in the sphere. Labor and commodity markets, capitalist enterprises, government agencies, . . . A social organization—a particular market enterprise, agency or family—is a specific instance of a social institution, a system of rules applied in a concrete setting with particular blood and flesh actors engaged” (Burns et al., 1985:263-4).

13 The Amharic equivalents of these three terms are tewqam, dirigit and mewaqir, respectively.

14 The appropriate Amharic equivalents for these ones are sere’at, denb and weg, respectively.
Accordingly they have the following benefits.15

First, institutions help reduce transaction costs by defining and determining the nature of the relationship among actors, be they individuals, groups, organizations, or government agencies. Consequently, they help create and sustain favorable working conditions that both speed up and facilitate activities.

Second, institutions help people predict or anticipate with a level of certainty what definite outcomes are likely to follow from certain actions or inactions by providing the rules of the game. They therefore minimize uncertainty and anxiety by making future directions knowable and reliable. Consequently, they enable people to predict each other's steps from the outset, thereby creating confidence and a sense of mutual trust among actors.

After all, trust among people comes following the belief that everybody will play by the rules. For example, had it not been for the existence of the institution of the traffic and its ability to regulate and pattern the behavior of drivers, any two individuals that are unacquainted to and probably unlike each other in many respects, would not have trusted each other with their lives and dared to drive pass by each other at speeds of a hundred kilometers per hour with the certainty that both of them will keep to their right side of the road.

Similarly, had there been no institution that governed the formation, operation, and orderly dissolution of share companies, thereby regulating and patterning the behavior of would-be investors, none of the thousands of small investors would have trusted the founders and managers of such companies and venture capitalists that are total strangers to them, to the extent of entrusting them with their lifecarens by purchasing shares in their companies. In such a manner, then, institutions create wide opportunities for people to engage in gainful activities by minimizing the risks involved and creating mutual trust among the concerned parties. Consequently, institutions help the emergence of conditions that rouse people to action.

Third, by helping people to foresee to a certain extent what benefits or harms their action or inaction could yield, institutions allow people to proceed with a greater sense of responsibility in whatever they do.

Fourth, by channeling back the outcomes of people's actions, in the main, to those responsible for the action rather than to others or to society in general (thereby preventing them from remaining as what economists call externalities); and thus by making the individual or collective actors who take the action-decisions themselves to be the ones to reap the benefits or to incur the losses due their actions or inaction; institutions help curb people's natural tendency of free-riding, while, conversely, they encourage the propensity for honest and hard work.

Fifth, in those instances where individual users are engaged in the utilization of a common resource, people tend to indulge in acts of unrestrained self-enrichment, which only lead to mutual ruin. This, they do, not because such people fail to realize that actions taken collectively result in mutual benefits to all, but because they believe in the inevitability of the destruction of the common resources that form the very basis of their mutual benefits through the greedy actions of other individuals constituting their entrepreneurial communities, consequently holding on to the idea that, unless they, too, engage in the avid pursuit of their own individual interests, they would gain nothing except being beaten to the race by others. It is in this manner that decisions separately made by individuals, whose thinking is otherwise legitimate in respect of serving their individual interests, give birth to the paradox of a collective loss with respect to the society or the particular community taken together. In situations of this kind, institutions come into the picture to provide the community of beneficiaries with the forum whereby they can arrive at some kind of collective decision through the rules that they themselves set down in the service of their common interests and which they collectively abide by and protect. Such a forum will bring together those individuals that once were used to making individual decisions and, consequently, enable them to take collective actions by means of which they would be able to enhance their common benefits rather than risk their destruction as of old.

Sixth, institutions pave the way for the development of social capital. The capacity of individuals in a

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15 It ought to be noted at this point that we are referring to institutions in general; and the benefits enumerated in this section also relate to institutions in general rather than any one specific institution. In other words, this means that at any given time, any specific institution can be found to have by and large benefits, no benefits, or disbenefits.
given society to create a bond with a view to supporting each other and mobilizing what limited material resources they have, along with such resources as mutual trust, knowledge, and skills, and putting them to practical use for mutual benefit is what we call social capital. What constitutes social capital is not the resources themselves but the social capacity the aggregate or group of individuals has to mobilize the resource at any given point in time. Thus social capital, unlike other resources, neither suffers any wear and tear every time it is put to use, nor does it run out. On the contrary, it grows, increases and gains more vigor the more it is put to use (Long, 2001:132-4). Institutions play a significant role in creating this social capital, which, as with economic capital and human capital, plays a crucial role in the development process especially of such backward countries as ours. The road followed by the Gurage community, which has managed to maintain its internal traditional institutions to be a proprietor of social capital of considerable significance, which in turn it has used towards the development of its members and the country as a whole, is a concrete demonstration of the nature of this phenomenon as a force that issues forth from the existence of institutions.

Seventh, because the rules that are inherent in institutions clearly point out to people both the legal rights they enjoy and the limitations the laws impose on them, they help them properly recognize what is due to them and what is off-limits without any additional prodding. As a result, institutions help prevent the creation of those conditions that specifically encourage corruption and political opportunism in the service of promoting selfish interests. In this manner, they additionally contribute to the realization of political freedom.

Eighth, because institutions comprise not just the rules and customs considered in their substance but also because they clearly define the limits and boundaries of those rules and custom, they also serve as mechanisms to prevent the blurring of the distinction between the three branches of government—the legislative, the judiciary and the executive—which serve as the basis for democracy¹⁶ and political freedom.

Ninth, institutions help prevent the dangers that could ensue if political parties competing in a democratic process were to be left to their own devices in selecting the measures they take. Hence institutions ensure the sustenance of the democratic system as well as the society's peaceful existence (for further elaboration of this point, please refer to footnote 12 and the contents of the text on the same page).

Institutions serve the realization of the above-mentioned benefits, not if they are left as some hollow rhetoric or as some lip-service device, but when they are concretely realized as living social phenomena. In other words, they should fulfill the following conditions.

In the first place, institutions must equally serve or cater—with no discrimination whatsoever—to all individuals, groups, organizations or government and non-governmental bodies in accordance with the rules they prescribe. That they should cater equally to all means that the rules prescribed by the institutions must apply to all, without making any distinction between parties. It means that all parties ought to be exactly served according to what the institutions decree, regardless of whether they decree to provide equitably or non-equitably. For example, the institution of feudalism decrees what is due to the landowner and what accrues to the peasant, very much the same way the Bible declares: "Render unto Caesar the things which be Caesar's and to God the things that be God's." The peasants in Haddis Alemayehu's Fiqir Iske Megabir successfully thwarted Fitawrari Mesheha's attempt to extort more dues from them by arguing in the following terms, that the rules of the institution are equally binding on all: "Although you be our overlord, you cannot arbitrarily demand of us additional tribute over and above the dues for which we have been traditionally assessed according to the rules and customs of our forefathers."

Second, the nature, mode of operation, and functions of institutions and what they allow or deny, etc. should all be clearly known to the society as a whole. A good and, one may say, rare, positive example in this respect is the Acts and Civil Status Documents Service, which constitutes part of our country's legal system.

Third, institutions must be set up after careful and serious deliberations so as to render them relatively stable and sustainable.

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¹⁶ Briefly considered, 'democracy' is used here to refer to the political institution by means of which government officials assume political power through free elections and citizens participate in the decision-making process.
This is to say that, if they are subjected to constant alterations and overthrowing, all in the name of change, to a point where one would be at a loss to tell their heads from their tails, they would lose their identity as institutions. An appropriate negative instance of this situation is the following: the frequency with which the car-import regulations—if they are worthy of the name—have been changing over the last 30 years was faster, one could say, than the speeds of the cars themselves. On the other hand, however, to argue for the relative stability and sustainability of institutions does not mean they shouldn't ever change, or that they should only serve to maintain the status-quo. In fact, may even serve as occasions and targets for those actors, who do not happen to benefit from the existing system, in their struggle for change. As things have been witnessed throughout history, struggles conducted around such slogans as "land to the tiller," "freedom for workers to organize freely," "the eight-hour workday," "family law guaranteeing equality for women" and similar other causes demonstrate this point.\footnote{Institutions can have certain loopholes that can come in useful to both parties in the struggle waged between those who are for maintaining the status-quo and those who advocate change. The struggle between the two sides could involve the issue of interpretation or implementation of the rules or the wholesale change of the rules themselves. There are also moments when those actors who find the tug-of-war unprofitable could drop out of the game and resort to other forms of struggle. This includes rebelling against the system.}

Fourth, one requisite aspect of institutions is speedy delivery, while they allow no room for delay or procrastination. In this respect a typical example on the negative side is our country's justice system, in which cases are left pending for years and which stands as a concrete demonstration of the adage that "justice delayed is justice denied."

It goes without saying that institutions, precisely because they provide important services to society, are indispensable. Consequently, it is in their nature to exist anywhere and under all circumstances, though not in the expected form and at the expected level in all instances. It would suffice to cite but the institution that we call "marriage," one of the forms through which our day-to-day livelihood is given shape and pattern. Marriage is that institution by means of which two members of the opposite sexes establish socially recognized sexual relationship, parent-offspring relationship is endowed with social recognition, children are provided with social or legal protection and nurtured with love and care, and the foundation of the "family," another related institution, is laid. For all these reasons the institution of marriage has remained irreplaceable to this day. All societies inhabiting our planet, with no single exception, have marriage and family institutions, granted that they differ in kind.

Just for the purpose of demonstrating the universality of institutions, let us allow ourselves the benefit of some extreme examples. Revolutions, we know, constitute a process of total change. We perceive revolutions as storms that wipe out every condition and institution that they find in their path. Even then, however, any given revolution does so while at the same time generating its own rules and customs and creating its own institutions, however budding they may be. Such institutions as a revolution creates in its course go by names like 'revolutionary ethics', 'revolutionary justice', etc.

Our other extreme example concerns such illegal institutions as the Mafia. Such criminal orders begin to sprout and take root in situations where society fails to establish the institutions appropriate to the running of its day-to-day activities and, as a result, a [social] vacuum ensues, or, alternatively, when the institutions it has created for that purpose prove to be so dysfunctional that they could be considered as virtually non-existent. Second, these illegal groups institute not only their own system of responsibilities and power sharing mechanisms and the internal codes of conduct by which these mechanisms are implemented and enforced but they also set down and implement the rules in accordance with which the communities in which they operate are governed. These rules and the manner of their implementation are relatively durable and gain recognition, while at the same time they are forcefully sanctioned. Hence they operate and function much the same way as those legally recognized institutions when it comes to regulating and giving pattern to people's behavior and actions.

4. Institutions in Ethiopia: Previous Situations

One of the main factors behind the foundation, development and current conditions of Ethiopian institutions is the fact that the country was no beneficiary of institutions bequeathed to her by the developed countries, who were acting as
potentates elsewhere, due to the fact that it was never colonized. Because of this, its institutions are in the main home-grown, while some are borrowed and still others were founded through trial and error. The problems characterizing them are also the result of this same process of institution-building.

It is undeniable that, in earlier historical periods, different state and traditional, as well as formal and informal institutions had come into being and served their purposes appropriate to the conditions of their times in different geographical areas and cultural environments. Forms of institutions such as monarchy, feudalism, gada, yajoka-qitch'a, gordana-sera and sera can be cited as examples (Bahru Zewde, 2002; Jacob Arsano, 2002). Even then, however, there were bound to be institutional problems. For instance, because of lack of a strong monarchy based on the principle of primogeniture, every time one or another king died, the monarchical state used to go into turmoil with a lot of blood-letting and destruction of property. The practice was such that, instead of creating a strong monarchy that the situation demanded/required, all those young people considered as contenders to the throne were detained on securely guarded mountain fortresses. If anything positive ever came out of such practice, it was only the lesson that what after all is effective by way of constraining in a sustainable way the claims of individuals would be the creation of some form of institution or a system of rules rather than relying on brute corporeal removal of such people from the political scene.

And when we look at the period since the second half of the nineteenth Century, namely, since the ascendance to the throne of Emperor Tewodros II, we will not run short of evidences to show that one of the main stumbling blocks confronting all the efforts made to put the country on the road to development and progress in the last 150 years was the lack of appropriate institutions.

It has been repeatedly pointed out that the measures Emperor Tewodros took and the attempts he made to reunite and modernize Ethiopia had for the most part failed in their infancy. Some of the Emperor's attempts focused on erecting\textsuperscript{18} new institutions or rejuvenating those that were already in existence. The end of his reign as well as that of his life was brought about, in Tewodros's own words, his people's refusal to abide by the king's injunction to "be in accord with institution," and in contrast with this, the fact that victorious English forces were subject to the laws embodied by their institutions (Gebreheiwoy Bykedagyn, 1912; Bahru Zewde, 2000).

Among those who from the outset recognized and understood our country's poverty of institutions, and how this lacuna contributed to its backwardness, one finds Negadras Gebreheiwot Baykedagyn, the pioneering scholar and writer. It would be no exaggeration to say that Gebreheiwoy's clear grasp of the issue has no equal even in our own day, let alone at so early a date as when he expressed his ideas (i.e. 1912 Gregorian Calendar). The core of his ideas has been articulated in his "Atse [Emperor] Menelik and Ethiopia" as follows:

A people with no intellect has no institutions [are all about]. A people without solid/stable institutions has no power. The source of power are institutions, not a multitude of armies. A small town managed and administered by law achieves much more than a big state without institutions. . . . Our state secured the respect it has in the last 23 years only due to Menelik's charisma, and not through the solidity/stability of our institutions (p 9).

A couple of pages earlier in the same essay he has the following to say:

. . . but, as it is believed that a house without a healthy [solid] foundation has but a short life, so also is it believed that our government will not endure until such time as it equips itself with institutions with solid foundations (p 7).

There are many kernels of ideas in the above two quotations. To try to elaborate these ideas will only prove to be an exercise in unnecessary repetition. The writer has articulated everything eloquently.

Beside discoursing on the then-existing lack of institutions, Gebreheiwot has forwarded ten

\textsuperscript{18} Translator's note: The word used in the Amharic version is \textit{maqom} from \textit{aqoma}—freely rendered here as 'erect', which corresponds to the English words 'establish', 'create', or 'institute'. The author explains the etymology, better yet the historical use, of the Amharic word as follows: 'There is, in writings in Amharic that narrate the historical situation of the past to the effect that "some king or prince erected such and such institution [\textit{sir'a't aqoma}]'. From the context, we understand that the measure expressed by the phrase \textit{sir'a't aqoma} could not possibly mean anything other than promulgating through proclamation a given rule or law. And this \textit{institution} is "a body of laws, rules or customs," which goes to confirm that the society had from early on understood and used the concept expressed by the term.'
suggestions by which to improve the situation, which read as follows: (1) To separate state property from the personal effects of the king; (2) Effect a mechanism by which the people are made to know their dues in state tax in accordance with the level of income they earn; (3) Bring an end to the system of taxation-in-kind and replace it with taxation in currency; (4) Prepare a book of grammar for the Amharic language and open schools; (5) Issue a legal code corresponding to the European systems of government; (6) Open up military schools and institute a disciplined military force immediately; (7) Institute a uniform monetary system in the whole country; (8) Institute a system of commerce and taxation that is operational throughout the country as a whole; (9) Appoint mobile administrative monitoring personnel and inculcate in the people the idea that they are all administered under one and the same government; (10) Proclaim freedom of religion.

For people like us living in the present these recommendations for reform may sound rather sort of moderate, but we should keep in mind that for the times in which they were articulated they were considered quite radical, even extremist.

In addition to this, the fact that Negadras Gebreheiwot's call for the building of institutions was meant for the central government's attention in itself constituted a significant point of departure in the annals of history. As if in recognition of this call of Gebreheiwot, Ethiopia entered into the era of strong central government beginning in the last years of Menelik II's reign. Accordingly, beginning with that period, the central government became the sole legitimate fount of institutional order. Regional and traditional institutions in the main withered out, became ineffective, or became subsidiary to the institutions created by the central government. Since institutions required by the situation or demanded by the people could not be created unless the central government found it or considered it necessary, or did not put them in place simply because it was not capable of doing so, such gaps as could not be bridged by the already ineffective traditional institutions or by the building of the as yet incomplete institutions of the central government began emerging.

Not long after Negadras Gebreheiwot wrote his "Atse Menelik and Ethiopia," his fears came true and the Ethiopia that for long proved incapable of instituting a viable primogeniture once again found itself in a state of political crisis that lasted for three years with internecine warfare for a consequence. Even after that, because of the problems that emerged in the process of power allocation and the political and armed strife carried out in order to bring the different regional and local rulers under the full control of the central government and the resulting instability, Negadras Gebreheiwot's recommendations only started being implemented beginning from around 1925 Gregorian Calendar, when Ras Teferi/Haile Selassie became supreme.

In the ten years between 1925 and 1935, the year in which a national call to arms was declared against the invasion of Italy, Ethiopia registered hitherto un-witnessed progress in terms of institution building. In this respect, successful attempts, far-reaching even beyond the vision of Negadras Gebreheiwot, were made.

After the invading forces of Italy were driven out of the country, the project of institution building was resumed at an even much faster pace under the restored monarchy. To mention some examples in this respect: a new monetary, banking and taxation system was implemented; the gebbar-gult/maderiya system was replaced by a monetary system of land-tax; a modern bureaucratic system was laid down. A modern judiciary applicable to the country as a whole, which operated on the basis of a set of criminal, civil and commercial codes and their corresponding procedures was established; and together with it courts and offices of state prosecutors were organized. Although not free from quite a few glaring shortcomings, a legislative body in which representatives elected by the people presided in a consultative capacity was established for the first time in the country's history in accordance with the revised constitution. Since the list of examples is too long to exhaust, we might as well stop here.

Although there is no question that the years between liberation and the 1974 revolution constitute a period in which important steps were taken in terms of institution building, it does not, however mean that all the attempts were fully successful or just. For example, the introduction of monetary system of land tax replacing the gebbar-gult/maderiya system was not a measure that only freed the peasant communities from taxation in kind and labor form and the abuse of the landlords. It
represented a comprehensive alteration of the tenure system that rendered the peasants evictable tenants while transforming the former landlords into urban-dwelling land owners, eventually giving birth to the slogan of "land to the tiller," which led to the nationalization of rural land.

The steps taken to create an orderly and efficient judiciary were successful by many standards and the extent of their success reached a stage whereby, for the first time, government agencies and officials could be held accountable in a court of law. Yet, because such judiciary could not, as with all justice systems, be free from the very political system and environment in which it operated, it was inevitably curtailed by the workings of the autocratic system prevailing at the time. Neither was the fate of the legislative branch any different from that of the judiciary.

The Dergue regime that was established in the wake of the 1974 revolution only succeeded in taking the country backward in terms of institution building. Although, considering the revolutionary agenda that the Dergue took upon itself, the steps it took to dismantle the institutions created by the previous regime were undeniably necessary, there was nevertheless no viable excuse for not replacing the dismantled institutions with new ones. Whether due to the radical change taking place, the internecine war, the war to defend the country against foreign incursion, the regime's own agenda to consolidate its dictatorial rule, or due to all of these taken together, the fact remains that the regime simply did not replace the institutions it dismantled with new ones. What it did instead was to grope its way in an attempt to rule the country by means of fragmented and often contradictory decrees, proclamations and directives, the origins of some of which were unknown, and which were soon enough replaced by such similar decrees, proclamations and directives. The exercise of elaborating organizational structures and designing organigrams was adopted as the main indulgence of the day: and net result of all of these was to render the country devoid of institutions.

The dictatorial nature of the regime couldn't have allowed the Dergue to do things otherwise, since the existence of institutions, more than anything else, militates against the power and authority of dictators, militarists and the affluent alike. Since at the time the very survival and authority of the Dergue was subject to the mercy of the Dergue's Chairman, the wishes, decisions and every single word of the Chairman had become law unto themselves. In a situation where the unbridled dominance of one individual reigned, where everything was subjected to the demands of the revolution and the ongoing war, and where opposing this type of conduct meant severe punishment, including death, it shouldn't come as a surprise that even thinking about institutions was impossible, let alone attempting building them.

In this manner, then, the few institutions that were created by the Dergue and managed to survive were all there to serve the interests of the Dergue and its hegemony, either since the very moment of their inception or in the process of their gradual development. While the most important of these institutions were the rural peasant associations and the urban qebele [urban dwellers'] associations, such institutions as the grain quota delivery undertaken by the Grain Marketing Corporation and the permanent contributions in labor, kind and cash can be cited as examples, the latter of which were on their way to assuming the status of institutions.

After the fall of the Dergue and the subsequent takeover of power by EPRDF, institution building resumed, though on a limited scale. Relatively speaking, our country was once again set on the road to institutionalized order. Could it be said that the institutional issues raised since then, as well as the institutions already created and those in the process of being built, are sufficient? Aren't there gaps that still cry out for more institutions? Do the existing institutions meet the criteria that make them worthy of the name? Are the institutions of justice, which in the final analysis give the ultimate guarantee to the survival of other institutions, themselves functioning holistically, efficiently, equitably and freely? Are the rule of law, the equality of all before the law, accountability of government agencies and officials all concretely implemented? etc. are some of the questions that still await answers.

At any rate, there is one important point that we can garner from the preceding account: no matter how far our society has progressed in the last one century, no matter, moreover, how much the gruesome lack of institutions that prevailed during the times of such people as Gebrehiwot Bykedagn has been mitigated, the fact remains that the
issue of institutions still confronts us with no less urgency than in the past. Put in a different way, what all this means is that, as long as society exists, the question of institution building is something that proceeds on a continuous basis in close correspondence with society's progress, rather than being viewed as an activity that has been completed once and for all and, therefore, allowing us to relax in blissful repose.

5. Some of Ethiopia's Current Institutional Problems & their Solutions

In this section, we shall, by way of examples, look into some of our society's sectors with prominent institutional problems. Since, because of limitation both of space and time, it would be difficult to raise all the issues pertaining to all the sectors with the said institutional problems, we shall only mention those that are relevant or appropriate to the subject under consideration. The areas to be considered are: (1) Skill standard control and work permit; (2) Product quality and standards control; (3) Information technology; (4) Issues of archives and libraries; (5) Traffic issues; (6) Land-tenure; (7) Issues of bureaucracy; (8) Mass-media and the press.

Of the encouraging achievements that we witness today is the increase in number of both government and private skills training institutes. While admitting their shortcomings, there is no doubt that the establishment of these institutes in increasing numbers will prove to be of potential benefit to the future technical professionals, to employers, to the society at large, as well as to the government itself. But for this to be fruitful this potential has to be transformed into actual, concrete application. Training professionals surely cannot be limited to training them and setting them free to fend for themselves alone. For the trained professionals to be usefully deployed, there ought to be an institution responsible for setting professional standard and issuing recognition and work permits to the professionals so that potential employers could get the professional or skilled worker properly trained in the desired field and at the desired level without worry and expending too much of their time; an institution that allows professionals and skilled workers secure the job their level of training permits without having to undergo undue hardship, guaranteeing at the same time protection against competition from untrained individuals; an institution that prepares favorable ground for the burgeoning of technical professionals' associations, while at the same time expanding the operations of the institutions should be so organized as to ensure the participation of the professional associations while at the same time endowing them with concrete power and role. It is true that if our vision has as its focus our own ephemeral individual interests only, the creations of such an institution could appear to us as an unnecessary extra burden. As time goes by, however, all the participants of the transaction and the society as a whole will begin to understand that they will end up being big beneficiaries of the reduced cost, both in terms of resources and time, accruing from the creation of such an institution.

Let us raise another related issue. We see today in our cities a boom in humble establishments engaged in the small-scale production of household furniture and construction items. If such small-scale production establishments are to improve the quality of their products and expand their operations, there must be put in place an institution that sees to it that their products as well as those similar products produced at the factory level, including imports, are classified and their qualities inspected according to a given set of standard control. Quality products must be sorted from the run-of-the-mill products and be made readily available to consumers; there is no reason for consumers to take it upon themselves to go the extra length in search of the right product, picking one only to drop it in favor of another, engage in all sorts of bargain and end up being subjected to unnecessary expenses to get what they need, if at all. If the kind of institution we have in mind is said to exist, then its reach must be expanded and come alive in the area of concrete practice. There is no society that we know of that has managed to industrialize and develop without at the same time having put in place a standards and quality control institution. There is no other alternative open to us but to follow such a course.

Let us now turn to the question of information technology, which we always talk about perforce and which we, too, hope would open the door to our development after the example of India and similar other places. Training and capacity building are now hailed as the
prominent inputs necessary to infuse information technology into the bloodstream of our country's development. While these two inputs are indeed necessary for the wide dissemination and use of information technology to benefit our society, they alone are not sufficient to guarantee either its dissemination or its use (Daniel Admassie, 2000:36).

The innovation of information technology, as with all other technological innovations, requires the existence and consolidation of an institution of its own. In order for technological protocols and standards to be entrenched in our society and boost the collective use of information, we need to have in place an information technology institution with its own rules that determine, among other things, who has the right to document information, what kind of information is to be documented, how the documented information is to be disseminated and made available upon request, who can or should use the available information, how and under what circumstances the information so procured could be used. Because such an institution incorporates within itself regulations relating to intellectual property, confidentiality and privacy of data, improper use of computers, electronic bank transactions, software protection, etc. it creates a "working environment" (Daniel Admassie, 2000). In the absence of such an institution, the mere placing of line after line of new computers in front of trained personnel comes to no avail whatsoever. It may be true that in some places, through the personal efforts of some diligent managers, computers may be used for the purpose they were procured for to begin with. What we would like to draw attention to, however, is that such important social issues as the dissemination of information technology should not be left to the good will of individuals and depend for their sustenance on such individual good will alone.

Before turning our gaze toward the rather sophisticated high level information technology, we are forced by the existing tragic situation to turn out attention to the state of our country's maintenance of written documents and stock of information. The glaring fact that Ethiopia which prides itself as one of the countries of the world with a long history of government, orthography and literature is in no possession of a national archive has become a source of amazement among intellectuals who have given serious thought to the situation (Bahruzewde, 2000b:98). Because many a historical and national documents from the palaces, courts, the ministries of interior, land tenure, etc. have not been given proper care and protection, they have been scattered all over the place, suffered damages, or simply disappeared without any trace.

As for our libraries, all we know is that they are there, but the condition of their existence does not warrant anything much by way of eliciting a positive response. The manner in which they collect information/documents, their maintenance of what has been collected, as well as the services they provide to users are all full of problems. The problems that figure prominent are shortage of books and documents, lack of storage and reading space, as well as lack of rules and regulations governing their operations, all of which have rendered them virtually dysfunctional (Yeraswork Admassie, 2000:78-92).

Much the same way that a national archive should be established and operate within the appropriate legal framework, so also do libraries need an institution incorporating the rules that determine the maintenance, exchange and use of information and the manner of their management. The fulfillment of such a condition will facilitate the process of reading, writing, research and, in general the accumulation of knowledge, thereby contributing to the development of the country. At this juncture, it is worth recalling the case of Slovenia, which thirty years ago laid down a broad and all inclusive library service system, thereby making its citizens proprietors of a high level of creative capacity while at the same time enabling it to earn every year a sizeable amount of foreign currency income from patent-right royalties.

It can be said that of the infrastructure development activities undertaken in our country over the past ten years, the building of highways in general and the paving of gravel roads with tarmac in particular figure prominent. Unfortunately, to the same extent, however, the increase in the number of traffic accidents that came in the wake of this otherwise commendable development project, with its toll on life and property, has earned the country’s the infamy of being world leader in traffic accidents. According to the World Health Organization (WHO) regarding the death toll due to traffic accidents. According to the World Health Organization (WHO) regarding the death toll due to traffic accidents (relative to the number of vehicles available) in the world, Ethiopia is in the lead (SafeCarGuide.com, Inc., 2003-2004). And it is reported that most
of the gruesome accidents that occur take place on those highways that have either been newly surfaced or redesigned in order to facilitate traffic flow. In Addis Ababa, too, the wide avenues and roads, including the network of ring roads, have not spared them the fate of being "rings of accident."

The lesson to be drawn from this situation is that, if one desires to make of highways and ring roads accommodating facilities for speedy commuting, the effort to do so should go beyond just building the highways so as to take care of the other remaining tasks related to the proper functioning of the roadways. There is, consequently, a need for putting in place a traffic institution that is capable of putting in order the messed up system of issuing driving licenses, vehicle inspections and the posting of traffic signs. Our traffic institution should also be so organized as to be able to function and operate on highways running between cities and towns. To cite but one concrete example, traffic flow should be monitored by deploying traffic-patrols along the highways and be brought to order. Animal-drawn vehicles should be made to operate outside of those highways meant for motor vehicles, so on, and so forth. If, however, we fail to do this and, in the process, our highways and roads, on the construction of which we spent resources amounting in the billions, render us vulnerable to unnecessary expenditure that could be saved and impede our movement as a result of traffic accidents, our aim of attaining development, for which in the first place we set out to construct all the highways and roads, will have misfired.

The Ethiopian revolution nationalized land and brought it under state control as the "people's property" instead of allotting the land on which the peasants worked as their private property. What it did was limit their rights to that of usufruct alone. The government then had one reason to go ahead with this option. There was no alternative to bringing land under state control if, in accordance with the socialist ideology, rural development based on state and collective farms were to be effected. However, in addition to this, it could be surmised that the potential for strong government control, which comes as a corollary of such measure, must have lured the Dergue regime.

The EPRDF government that replaced the Dergue gradually declared its adoption of the capitalist market system, which it labeled "the [free] market system," in the process revising the previous command or socialist economic policies and dismantling the corresponding structures. This was done throughout with one important exception; namely, state control of land.

The rationale behind EPRDF's retention of the land policy it bequeathed from the Dergue regime is that, if the farmers were allowed full ownership right, they would inevitably be forced to sell their holdings and be evicted from their holdings and domiciles being thereby exposed to even worse problems. The opponents of this position for their part put forward a number of arguments, concluding in the process that such position could not justify the present regime's land policy. They argue, for instance, that, even when Ethiopian farmers are pressed by starvation, they have been known to exhibit a tendency not to choose to sell their oxen as a major alternative to meet their needs. In addition to this, they argue, by way of countering the government's position, that, even when the practice exists of selling land "illicitly," farmers do not follow this practice as widely as it might be supposed. Some even push their arguments further to point out that the situation in which holdings of farmers have, over time, been so fragmented as to be below the minimum size to sustain any meaningful productive activity, the government's policy of "keeping land under its control and distributing it among the peasantry" that is given constitutional is proving itself meaningless. Furthermore, they cite the proclamations of some of the Regional States ending the redistribution of land, as it is impossible to do so within their respective jurisdiction, as evidence corroborating their position (Zikre-Hig, 2000). They maintain that the government itself has begun recognizing the problem inherent in the policy, sometimes through the actions it takes, and at other times through its declarations.

Land tenure, as conventionally understood, is a bundle of rights that incorporates people's rights to hold, use and transfer land. Accordingly, it is reasonable to say that land tenure is the institution of property rights relating to land. Property rights, for their part, concern, not the relationship between something (material or intellectual product) and the person as proprietor of the said object, but the relationship between the proprietor and other people as it relates to the object in question. The existence, consequently, of the
institution of property rights means that the grantee of those rights, rather than standing guard over his property to protect it against contenders, has full rights to call upon and receive protection from the society against possible contenders (Bromley, 1991:15). In the same vein, land tenure constitutes a major institution relating to the relationship between people with regard to land as well as the one that clarifies the social recognition and support they get concerning their land rights (Burns et al., 1985:274; Yeraswork, 2000 (1995):12-16). As land tenure constitutes a major social institution incorporating the features mentioned above, it provides all the institutional benefits discussed in the previous section of the paper, with the sole exception of one—namely, the ninth mentioned benefit. Similarly, in order for any land tenure to be concretely operative, rather than in the abstract, it needs to fulfill all the necessary institutional conditions cited above. When considered, therefore, from this vantage point, the existing land policy obviously cannot be considered a land tenure system.

It has been repeatedly mentioned that the present land policy has proved a source to many of the country’s problems. It has been pointed out by many studies that the policy is responsible, among other things, for the following problems: it is one of the major problems posing a challenge to the survival of the country’s forest resources; it has made of the peasantry a land user who is neglectful of soil conservation and land fertility; it has resulted in the fragmentation of land holdings, which in turn has caused the peasants to make ends meet on land plots insufficient even to support a family, forcing them to survive on what may be termed hunger plots, only thanks to food aids; it has stunted the rights of peasants and turned them into virtual tenants; and it has opened the door for using land distribution as a weapon of political revenge and political reward (Melaku Berkeley 2003; Yeraswork Admassie, 2000 (1995); Tekie Alemu, 2000; Atakilte Beyene, 2003; Dessalegn Rahmato, 1997; Hobben, 2001; Teketel Abebe, 1998; Yigremew Adal, 2000; Ege, 1997; Teferi Abate, 2000; Tena Shitarek et al., 2001).

Our attempt to demonstrate the extent of the problems of the institution of property rights in our country has so far focused on the question of rural land. However, we would like to point out that no less a problem pervades the issue of urban land and nationalized houses. We may, for the moment, skip the fact that, at a time when the government presently leases out land to investors for building houses for purposes of renting them out, the same government adamantly refuses to return to their owners the houses that were formerly built for the same purpose and simply wonder about the justice in that. Let us instead bear in mind the fact of the government’s insistence on its role of issuing or denying government land and holding key economic power on top of its political power and, by so doing, impeding the fulfillment and realization of citizens’ political rights. This situation, just as in the case of rural land distribution, has resulted in confusing politics and economics, thereby closing the door to the creation of “a level ground” whereupon free competition could be played out in the fields both of business and politics. Because of such doings, the government has created an environment unfavorable both to the strengthening of economic growth and political freedom.

The gist of all this is that both rural and urban land must be held, used and transferred in accordance with land tenure systems that are beneficial to the smooth running of the society’s economic development and political freedom. However, let us realize at this point that we are talking about the land tenure systems that must exist in the plural rather than in the singular. There has never ever been a single land tenure system in the whole of Ethiopia. The 1975 G.C land proclamation, too, had tried to accommodate existing differences in this respect. In addition, the steps it took in terms of effecting land distribution and prohibition of land to those whose official domicile was not in the rural areas has fallen short of implementation in some Gurage areas that happened not to have altogether dropped their customary ways of solving their own internal problems (Yeraswork Admassie and Fantu Guta, 2003). It is therefore necessary to develop, test, select and proclaim and implement different land tenures that are suitable to different areas and environments, while at the same time taking into account Ethiopia’s geographical, cultural and historical differences, on the one hand, and the evolving patterns and trends common to all the people, on the other. If it is our desire to realize an Ethiopia marching along the road of development, based on the economic and political freedom and equality of its citizens, there is certainly no alternative to developing, with new
impetus and initiative, viable systems of land tenure.

It behooves us at this point to raise some issues concerning government administration or bureaucracy. First of all, then, an efficient bureaucratic institution that is capable of determining which government posts/positions should be filled up by appointed officials and which should be left to professional civil servants and which ensures the implementation of the rules should be established. The concrete realization of such a bureaucracy helps the full attainment of what is known as "good governance." Because, first of all, it will ensure that people that are not professionally equipped will not impede the work process by being allowed to occupy positions for which they are not fit. Second, by transferring such people to jobs which they can handle, it creates opportunities for the meeting of the right kind of work and the right person for that work. Third, the bureaucracy will get a chance to function independently of politics, which by its very nature is both fluid and partisan, thereby ensuring its own sustainability. Fourth, in connection with the aforementioned merits, it will make sure that political convictions and political partisanship are not matters of winning one’s bread, thereby creating an environment whereby the political freedom of citizens can be genuinely guaranteed.

And as a very last point, let us have a look at the issue of the mass-media and the press, which has a very close link with all the other social institutions and provides healthy support to all of them. In the past fifteen years Ethiopia's free/private press has come into being from the nonentity that it was in previous years—notwithstanding the problems it faces and its restricted freedom. On the other hand, however, free/private radio and television services are still nonexistent. The place accorded to the private sector by the proclamation that is supposed to allow the existence of private radio stations is rather narrow or limited and is said not to practically recognize the sector's right in this respect much as it emphasize the responsibilities and duties that the private sector is supposed to attend to. This is favorable neither to the country's socio-economic development nor the building of a democratic system. As free mass-media and press are supposed to stand guard over justice, citizen's rights and democracy, the strengthening of this sector is of great strategic importance.

It is obvious that Ethiopia's free press has weak points, as also does the Ethiopian government. One does not set out to declare that there should be no government simply because governments have their weak sides. Similarly, as it is our wish for government structures to conduct themselves institutionally, so also do we wish that the mass-media and free press operate on the basis of a full-fledged institution and carry out their activities both with freedom and sense of responsibility, ever blossoming and carrying out their custodian role, which we have mentioned earlier, both extensively and intensively. Accordingly they need a mass-media and free press institution that confers on them as much freedom as it holds them responsible.

Let us now sum up what we have so far raised in this section. Looking back at the benefits of institutions, which we discussed in part four of this paper in combination with the institutional problems of our society and their possible solutions, we can see clearly that, alongside of the challenges that the situation placed in our path, it also provides us the opportunity for finding solutions for the problems in the different social sectors and fields of activity. The promise of such an opportunity would in turn help us focus on taking meaningful measures of change by establishing new institutions as well as overhauling and resuscitating the existing ones.

It has now been long since the erroneousness of the outmoded thinking that a country's chance of developing or otherwise is determined by its culture, which was bequeathed to us by Europe, has been proven (Zakaria, 2004:51-55). But precisely because Ethiopian intellectuals, on our part, have long been used to flirting with this view of cultural determinism, the belief

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19 The generation that was molded by the European educational system imbued this view first from European missionaries and, later, from such reputed social scientists as Donald Levine; the influence of Levine's thinking in particular, far from being limited to us, has taken root among well-known intellectuals [elsewhere], so much so that, even such prominent political scientist as Robert Dahl, citing Levine, ventured the following lopsided analysis: '...the extreme distrust prevailing among the Ethiopian helps explain the "lack of organization for the articulation and aggregation of interests in Ethiopia"' (Dahl, 1978:151).

Regarding one of the related conclusions that this generation has accepted without questioning, which repeats the tired theory that "the Ethiopian Orthodox Religion is responsible for the backwardness of Ethiopia," the historian David Chapple (1986:25-39) has demonstrated once and for all how and why this idea was conceived, disseminated and took root through the efforts of missionaries who came into the country in
has gone beyond us to spread within the society at large. Because of this, we have reached a point where, at the present moment, such casuistries as: "our backward culture has turned us into skeptics," "it has rendered us insensitive to punctuality," "it has become a stumbling block to our democratic aspirations," "it has clothed us in pride not matching our poverty," etc. have come to be viewed as sighs of learnedness and modernity.

Most saddening of all is the rather tiresome so-called solutions to "our cultural impediments" paraded left and right all around us. From the expert to the layman, from the interviewee to the reporter, from the guest of honor presenting the opening speech at a conference to the person delivering the closing remark at a workshop, all invariably suggest as solutions to our problems is the hollow cure-for-all that goes by the sonorous name of "bringing about attitudinal and behavioral changes." But this bogus, intellectual-sounding way of speaking, which is only based on a circular reasoning that confuses "cause" and "effect" is immediately debunked by the question "what shall we do in order to bring about the desired change?" It would have for an answer nothing more than "the best thing to do to bring about change, of course, is bring about change," and in the process might only succeed in mesmerizing the naïve listener into "sawed silence," without helping move things even a cubit's length forward in terms of bringing about development. Therefore, as regards "our cultural impediments," instead of repeating ever and anon these vague lamentations and chasing after intangible smokescreens, we might do better in carrying out fruitful activities if we could only aim our focus on the very institutional issues that would help us change and give order to these different behavioral patterns about which we lament lumping all together under the convenient rubric of "culture."

6. Summary Conclusions: The Relationship and Link between Institutions, Development and Freedom; and Our Vision of 2020 Based on the Present

In the foregoing pages, we have looked into how our institutional problems existed in close link with the inception of modern Ethiopia, that the problems still exist, and that they should be done away with as urgently as possible. We also think we have explored sufficiently enough that removing the existing problems would mean creating conditions favorable for development. If there is anything that needs to be added, it is the issue of the conditions that should be fulfilled in order to solve these institutional problems and what the future holds in store for them.

We have attempted to show earlier on that dynamic as well as beneficial institutions must be such that they necessarily cater to all equally, that they clearly set down what they permit and deny, and that they should be possessed of relative stability. We also believe that we have gained sufficient insight into the fact of the inadequacy of institutions in our country and, also, that, if our country is to step onto the road of development and its citizens' political freedom is to be realized, viable institutions should be created throughout all social domains and sectors of activity.

Moreover, as the themes touched upon in this paper indicate, institutions that equally cater to all, function in a transparent manner and are possessed of relative stability can be a reality only where the rule of law prevails and all are treated equally before the law. If none of this happens and, as a result, if legal institutions, which constitute the basis for all other modern social institutions continue to exist as subsidiary to the political system, if, moreover, government agencies and officials that function and operate in disregard to and above the law are allowed to exist, the existing institutions as well as those to be created in the future will fail to meet the criteria mentioned above, which means their existence will only be in name rather than in deed.

Any vigorous and promising market economy requires, more than any other economic system, the existence of legal institutions and that it be hinged on them. In order for the acceptance of the institutions that are created to be smooth, the executive branch of the government, which has the responsibility to prepare the ground for such acceptance, must distance itself from any business enterprise and adopt a neutral position. It must limit itself to creating a favorable condition for the legislative and judiciary branches to be able to play their designated roles, refrain from any form of interference in their functions, and simply shoulder its executive responsibilities.
Moreover, since institutions are in the final analysis composites of rules [and laws], it is very important that the legislative body, which is responsible for setting down these rules has the backing of legitimacy. Accordingly, therefore, the responsibility of legally establishing the important institutions must be that of the legislative assembly consisting of people's representatives, or similar other bodies as have been given the power of delegation by the same legislative assembly in accordance with the procedures embodied in the constitution.

When it comes to socioeconomic development and democracy, there are certain questions that cannot be overlooked, such as the following. Is it not a fact that, at different times and in different parts of the world, such countries as Singapore, South Korea and Taiwan managed to build dependable institutions and steered their way to development, not on the back of houses of people's representatives, but rather through the efforts of dictatorial regimes that were nevertheless possessed of visionary and benevolent outlooks? Is it not after they have done all this that they eventually managed to achieve political freedom and democratic governance? (Zakaria, 2004:55-58). However, although the example cited may have the theoretical and conceptual merit of being viable, it nevertheless does not constitute a realizable alternative for a country such as Ethiopia, which is extensive in both its land area and its population, a country that is known more for its heterogeneity, rather than homogeneity, of attributes, a country that is vulnerable to a myriad of both natural and social problems. In order to solve Ethiopia's socio-economic and political problems, we need a political system with broad legal acceptance and legitimacy, as well as broad and far-reaching legitimate and acceptable solutions. And it appears to us as impossible to even dream of these in the absence, or outside of, complete and genuine democratic governance.

Since democracy, by its very nature, concerns a confrontation among forces each vying for political power, care must be taken to ensure that the competition would not exceed its limits and endanger the very existence of the democratic governance that it aims to achieve. If the steps or measures to be taken by contesting parties in a democratic competition should be left so open as to be completely left to the good will of the competing parties (i.e. if the procedure assumes a voluntaristic dimension), it serves no positive purpose for democracy. Conversely, the more the decision choices to be made and the measures to be taken by the contending forces are regulated by institutional procedures and guided by restraint (normative manner), the more the chances for democracy to succeed (VonDoep and Villalón, 2005:15-16).

In addition to this, these same writers have included the following useful citation from another political scientist by the name of Mozzar:

To produce democracy is to craft institutions. To craft institutions is to design rules that, in the first instance, authorize the restrained exercise of power in public life by both the governors and the governed. And to the extent these rules also encourage accommodation, compromise, and tolerance of diverse opinions, protracted functioning democracies produce rather than reflect a civic “political” culture . . . in which emancipatory projects might evolve (quoted in VonDoep and Villalón, 2005:10).

There is an additional point that we need to consider with regard to the issue of democracy. One of the conditions that must be met in order to concretely realize democracy, or a system of governance in which the rule of the people is ensured, is genuine nationhood-statehood (alias 'stateness'), and this concerns, on the one hand, clarity on who the "people" that is to govern is, while, on the other hand, it requires the proper organization of the state. In other words, democracy requires the foundation of the state on a capable network of institutions. This means that, in order for a state to be in possession of democratic governance, it also has to be, of necessity, in possession of institutions.

It has now been quite some time since such countries as Malawi have completely discarded dictatorial rule and started administering themselves through legitimately elected democratic systems of governance. Even then, however, instead of achieving development and prosperity, as was expected, their peoples have been exposed to hunger and destitution due to the gradual plummeting of their economies (Hammer, 2005). This rather controversial situation indicates to us that, as much necessary as democracy may be, its realization alone is no guarantee for the achievement of socioeconomic development.

When we wrap up all that has been said so far, we find that it in no way leads us to the conclusion that democracy will necessarily and always bring about socioeconomic development in its wake. What has been desired to point out rather is that, although democracy in itself
One of the aims/objectives of the social sciences is to investigate the current situation and understand the trends the situation follows, and on this basis, to make projections or predictions about the future, but in the most calculated manner and with all the reservations due to the process. When one suggests that predictions must be handled with caution, it means that one should take into account the fact that social progress does not always move only forward, in a linear fashion or with a consistent pace, but that it does move at times backward and at others forward, and, even then, somewhat haphazardly.

One of the many prerequisites for a political system ensuring the sovereignty of the people is the emergence of, at least, a modestly comfortable livelihood for the people (or, making sure that the livelihood of the people is at least above the poverty level), according to some scholars (VonDoep and Villalon, 2005:4). What this indicates is that the causal relationship between development and democracy is a two-way traffic, i.e. that it is dialectical.

What all this, in turn, suggests to us is that there is a two-way, three-pronged causal relationship between, first, institutions and development, again, between institutions and political freedom/democracy, and still more, between development and political freedom/democracy, for which reason the relationship among the three components is a complex one. We must also realize that within this conceptual framework of three-dimensional causal relationship is implicitly included the highly crucial role of individuals and organizations.21

Today, when we attempt, on this 1998 Ethiopian Christmas Eve, to envision the steps Ethiopia will have taken after one generation in terms of institution building, development, and political freedom/democracy, we have to accept that our vision would be rather gloomy (whatever our political convictions may be). However, if we give due recognition to the irregular or uneven nature of social progress, we will realize that the present political haze will dissipate bringing to light an opening of hope through which to behold a luminous era of democracy and development shortly or sometime in the near future. Holding this to be a possibility, it is our hope that the Ethiopian society will become one characterized by multiplicity and solidity of institutions, in which the rule of law, political freedom and good governance prevail and one that will register rapid development. We therefore reiterate as an important point that in order to actualize this hope we need to focus on the task of institution building and those issues necessary for the accomplishment of that task.

While we are at it, we would like to point out that it is expected of those scholars in the social sciences and related fields that they undertake extensive inter-disciplinary research and come up with useful ideas, at the same time pointing the way to practical alternatives to be adopted. Since recognizing institutions as aggregates of social rules will provide them with the common grammar by which to communicate across disciplines and understand each other, it will help the successful outcome of their institution-focused interdisciplinary research undertakings.

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21 The relationship between agency-structure is something that numerous sociologists have broadly written about and debated. The views of these sociologists differ in two main respects. The first difference relates to the question of whether agency performs a given thing deliberately and consciously instigated. Regarding this issue, while some theorists accept the capacity of the agency to “to take the steps it does deliberately and freely,” others view this capacity in a rather narrow sense, while still others dismiss the whole idea (Ritzer, 2000:413-4).

The second difference involves the response offered to the question of whether what we call agency is an individual actor or a collectivity that brings together many individuals as an entity. While scholars such as Anthony Giddens and Boarder are inclined to considering the actor as one individual alone, those like the “actionalist-sociologist,” Tourier, accept the idea of the actor as unequivocally an organization, nothing less or more. There is yet a third, middle-ground position espoused by such “actor-system dynamics” theoreticians as Tom Burns that asserts both, that is, the individual actor and the collectivity, can play the role of agency. In connection with this, we also accept the proposition that both the individual and collective actors are capable of taking its steps intentionally and freely. In contradistinction to this, however, it is our understanding that the agency or actor chooses and takes the steps it does, not in a vacuum, but in a determined/given natural-material-social environment, including institutions. In the light of this thinking, those entities we call organizations which are organized collectivities of individual actors, are agencies that are capable of taking any given step of theirs intentionally and freely. Because they are such, we understand their relationship with institutions, political freedom/democracy, and development, as actors/agencies that play a crucial role in bringing about new patterns and changes toward improvement. Consequently, because both individuals and organizations are present and make themselves felt extensively in this three-way link of “institutions-political freedom/democracy-development,” the framework does not minimize the role either of the individual or the organization. (This corresponds to the thinking that, when one talks about the circulation of blood in the body, not considering blood as one of the circulatory organs, such as the heart, the blood vessels and lungs, does not mean neglecting or forgetting the role of blood in the circulatory process.)
In addition to this, the business community, as well as civil society groups, must understand that struggling for the building and fine-tuning of institutions means providing a solid foundation for the protection and invigoration of their rights and, accordingly turn their attention to this task as well. They must also realize that focusing on this task will make the effort of informing and urging civil society as well as carrying out advocacy work more fruitful, leading to the realization that doing so will only facilitate the task of organization rather than going against the interests of organizational work. To this end they must act with full enthusiasm.

Let us now sum up. The mere existence of fully developed institutions may not be sufficient for the realization of democracy, but it is nevertheless a necessary component. And if all sectors as well as members of society, including governmental and non-governmental agencies, act in unison and in a consorted manner the task is one that can be accomplished. All we need is good will, resolve and industry.