

Review of Ethiopia's Growth and Transformation Plan (2010/11-2014/15) Development Theories Origin and its strength and Limitations: Volume I

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ABSTRACT

Growth and Transformation Plan (2010/11-2014/15) of Ethiopia is reviewed for its ambiguity and clarity in GTP strategies in line with theoretical assumption and empirical evidences. Strategically the plan targeted achieving a broad based, accelerated and sustained economic growth to eradicate poverty; establishing a coordinated development sectors and system for preparation and implementation of development plan thereby eradicate poverty remarkably for the betterment and change in the country's image. Good qualities of GTP are for its clear statement on the program objectives and the expected outputs in numerical targets; puts more emphasis on the expansion and productivity of small scale irrigation than PASDEP, and offers opportunities and land to attract commercial farming investors interested in large scale and high value agricultural products. The plan seems too ambitious to meet pro-poor targets stem from heavy dependence on smallholder farmers and scaling-up of best practices too tough to reverse within the plan period. The nexus between land registration and tenure security especially for severely disadvantaged in economic, social and political terms. GTP's theoretical assumption is mix of different theories such as dependency theory; linear-stages Harrod-Domar Growth theory; Neo-liberalists Keynesian approach and Human Development paradigm.

INTRODUCTION AND BACKGROUND

Planning process according to Todaro and Smith (2009) is "an exercise in which a government first chooses social objectives, then sets various targets, and finally organizes a framework for implementing, coordinating, and monitoring a development plan." However the existence of implementation problems may arise from disparities in theory versus practice. Institutional weaknesses, unanticipated economic disturbances (external and internal), and deficiencies in plans and their implementation, insufficient and unreliable data and lack of political will, thus, be causes for failure or successful in implementation of plans (Dent, Dubois *et al.* 2013).

Much of imperial's government effort was directed towards encouraging commercial farming system in liberal investment climate, expansion of transportation and communication technology. This had facilitated the use of improved technology and new farming techniques; and expansion of commercialization across different parts of the country and continuous product expansion in sugar cane, cotton and coffee to large varieties of crops for domestic and foreign market (Spielman, Kelemwork *et al.* 2012).

This policy option, however, has brought large-scale evictions of peasants, limited technological attention to peasant agriculture and the deprivation of rural producers' to access resources and rights traditionally enjoyed such as water, grazing land and transit points that lead to agricultural stagnation (Demeke, Guta *et al.* 2004). In contrary, this has created short and long term employment opportunities for thousands of peasants moving across cultural, language and ecological barriers that has created widening in their social and mental outlook (Dessalegn 2009).

During the transition in to the Derg regime, the plan was to assess and explain primarily for failure in loss of opportunities to achieve self-sufficiency in food production; transforming property tenure relations and cultural determinants of production (Devereux and Sussex 2000). However, agricultural productivity remained largely unchanged, low and declined all through the period stem from undemocratic centralizations-close relationship of party and government structural duality in administrative decentralization and strong system of political transition of instruction from above (Teshome 2006).

Poor participation in development committee's resulted from poor access in clear justice system; intervention of different government agencies in land matters distorted rules like misplacing priorities and misinterpreting

the discourse; application of class market based crops as a predominant planned agricultural production to steps forward and reservation in processing land reform legislation, too, hamper agricultural sector (Ethiopia 2002).

Agricultural productivity is constrained by lack of innovative technology in peasant farm, and poor management of land; land use right focused rather than property right; restrictive and inadequacy of legalist approach property law prohibiting disadvantaged populations the freedom and opportunity that dampen peasants' assets values over their plots for initiative and entrepreneurship (Croppenstedt, Demeke et al. 2003).

The paternalist approach of the Derg regime state officials blocked public participations and dialogue on land issues with "radical populism" motive of launching for collectivization, villagization, resettlement; abolition of private ownership in the land and transformation of all rights of peasants holdings of cultivators in to use rights (Harrison 2002).

Recently, Sustainable Development and Poverty Reduction Program (SDPRP) deep-seated in the requirements of multilateral agencies such as the World Bank and the International Monetary Fund was planned as a remedy to the failures of the Structural Adjustment Program (SAP) in the year between 2002/03–2004/05 (Kassahun 2007). Subsequently, Ethiopia has prepared a comprehensive medium term Growth GTP for the period that extends five years from 2010/2011. It was directed to achieve country's long term economic vision, and transferred into the middle income level economy through setting and implementing strategic pillars and programs.

The established research strongly suggests that Ethiopian policy formulation and implementation have always been top-down with slight trial of the current government in encouraging wider debate around policy issues with the various stakeholders, the emerging civil society political parties, professional associations (intellectual/academic community), and local NGOs in policy formulation (Tegenu 2010).

The key objective of Growth and Transformation Plan (GTP) is to achieve a broad based, accelerated and sustained economic growth, thereby eradicate poverty remarkably for the betterment and changes in the country's image (Gella 2013; Rizzo and Petit 2015). This was expected to be established through coordinated development sector (economic, social, crosscutting) and system for preparation and implementation of the development plan. In doing so, strategies and policies were set to manage and guide the plan's formulation and implementation.

Its medium term strategic framework for the five-year period (2010/11–2014/15) considers the previous PASDEP of 2004/05–2009/10 achievements and challenges as a point of reference (Authority 2012). Strategies built to accomplish GTP overall objectives are building all-inclusive implementation capacity; a massive push to accelerate growth; creating the balance between economic development and population growth; unleashing the potentials of Ethiopia's women; strengthening the infrastructure backbone of the country; strengthening human resource development; managing risk and volatility; and creating employment opportunities (Ferede and Kebede 2015). Along the process, agriculture is designed as a major driver of economic growth, appeared to continue with its experiences and style of the green revolution to promote the country's smallholder agriculture as an engine for economic growth (Collier and Dercon 2014; Byerlee, Diao et al. 2005).

Improvement in natural resource development and utilization, land rehabilitation by water and soil conservation and small irrigation system progresses for improvement in status of food security thought to be realized through applying agricultural research market development (Reij and Smaling 2008). Water harvesting is set as a food security program in moisture deficit areas. This was achieved in PASDEP through building household asset component on voluntary basis, encouraging young women and youth having very small plots and

landless to engage in non-farm income generating activities with adequate support of skills in package and business management training, creating access to credit and markets, and enhancing purchasing power of the household (Tegegne 2015).

Trade registration and licensing were set as a policy options in the GTP period for competitive trade to protect consumers and create new market opportunities (Assefa, Bienen et al. 2013). Strengthening, upgrading, constructing road development; and conducting feasibility studies for construction of rail network; increment in gross enrolment ratio of female in primary as well as secondary school education and remarkable performance of health sector; good governance and democratization, adoption of strategies, were reported as successes in the plan period (Jalata 2014).

Low capacity among leaders and public servants in implementation, low mobilization of domestic financial resources and saving; a significant increase in inflation causing macro-economic instability, inadequate managerial and technical skills; shortage of foreign exchange to import raw materials, power disturbance and constraints to access efficient and credit services, were major challenges during GTP period (Gandhi, Gray et al. 1997).

GTP basically designed to strengthen high growth trajectory and sustained growth momentum such as ensuring infrastructural development and social services (Levy 2014). Lowering high inflation pressure and improve balance of payment; recover inadequate levels and limitations in official development assistance and improve domestic revenue collection are motives of GTP (Alderman 2008; Levy 2014). Build up of modern and productive agricultural sector and sustainable economic development and increasing citizen's per capita income were intended to be realized through acting against the growth and external shocks guided by democratic rule, good governance and social justice (Cypher 2014).

GTP took two alternative economic growth scenarios, a base case (maintaining PASDEP's average annual GDP growth rate) and high case scenario(doubling GDP and Agricultural value added) to transform agricultural economy with strong intention of improving the quality of public services via investment in infrastructure, in the social as well as human development sectors (Bass, Wang et al. 2013). Critical issues considered during the plan period were mobilizing domestic financial and human resources as well as improving domestic saving (Levy 2014).

Macroeconomic objectives, policies, goals and sectorial targets of GTP targeted financing the plan of government revenue, expenditure, off-budget financing of infrastructure and industrial programs; economic and social sectors development plan; building capacity and good governance and cross-cutting sector development plan (Engida, Tamru et al. 2011).

Keeping in view of the importance of reviewing the strategic plan document, the author tried look at the strengths and limitations of GTP strategic pillars with respect to the growth development theories and assess ambiguity and clarity in GTP strategies in line with theoretical assumption, empirical evidences (GTP implementation) and previous assumptions to GTP.

REVIEW OF GROWTH AND TRANSFORMATION PLAN

Development Theories Origin

Training strategies according to GTP are expected to be implemented in line with industry and employers needs. Such strategies according to dependency theorists' are argued as the need to provide more diversified

employment opportunities to eradicate poverty, and to reduce income inequalities. Social policies in the form of active state support for health and education services, training, employment programmes and housing, as one area of emphasis for dependency theorists, is getting much attention to overcome underdevelopment despite a considerable debate with the role of the state (Johnson 1981).

The principle of import substitution strategy is the right direction to raise domestic production and increase the national saving and narrowing resource gap between saving and investment along with protecting the country from external pressure that would create possibilities to increase accessibility of financial sectors and diversifying their services (Zerihun 2008).

GTP's intention towards stabilizing macro economy via supporting import substitution industries together with increasing accessibility of financial sectors and promoting growth and diversification of exports, were designed to ease the pressure on balance of payments, shortage of foreign exchange, and increase the share of imports of goods and services to GDP at the current market prices (Lane and Milesi-Ferretti 2006). In line with such strategies, dependency theorists argue that the need to substitute import stemming from prevailed and continual of mass poverty in many countries while other countries have grown rich, and about a general approach to eliminate poverty. To change the situation, the low-income countries (the South) must alter their structure through industrialization (Barrett and Whyte 1982).

Therefore, state should intervene in the economy to protect their economies from imports from the North and concentrate on putting place in new activities. This will produce an array of manufactured products currently imported and reduce their connectedness with the world market to pursue a growth path more in keeping with their own needs, dictated less by external pressures (Gasparetto and BALASSA 1980).

Import substitution get implemented in the GTP period as an industrial strategy choice, however, limited predominantly to scale up previously predefined industrial sectors including garment/textiles production, leather products, agro-processing and construction or to consumer goods (Gebreeyesus 2013). These industries have less economic value to raise domestic production and move towards saving foreign currency as compared to chemical/fertilizer industries, iron and steel industries in raising domestic production of consumption and capital goods; and creating productive employment as the other extreme objectives and focus of industrialization (Cole 2004).

Having all these limitations in import substitution strategy, improving financial system performance such as allocative efficiency and resource mobilisation, promote industrialisation broadly competitive in the economy, to boost efficiencies, reduce transaction costs and increase productivity, is too difficult. Moreover, higher dependence on import of raw material, semi-finished and capital goods in the country have brought complications in trade deficit (Thisen 2003).

Import substitution industries principle in GTP are reflections of linear-stages theory, classic theories of economic development as such principle assumed a series of successive stages of economic growth attained through mixes of saving, investment, and foreign aid as necessary ingredients for capital accumulation in economic development (Goulet 2003). Such strategies reflect model of Harrod-Domar Growth which advocates mobilizing saving as driving force for investment that would ultimately accelerate industrialisation and growth (Obi, Obida Wafure et al. 2012). However, investment and rate of growth in the country is constrained by decreased rate of physical capital accumulation to achieve a certain level of

growth and determine the amount of investment (McDonald and Roberts 2002). Therefore, saving and investment are expected to be causes for an increase in resource transfers in the net finance contribution from agriculture to industry to accelerate economic growth rate of gross GDP as the principal strategy for development (Obi, Obida Wafure et al. 2012). Thus the role of agriculture in economic development in this regard is

theorized at the footsteps of Harrod-Domar Growth Model (Trigg 2002).

In the GTP period, agricultural investment is constrained by complaints related to land transactions. According to Makombe, Namara *et al.* (2011), the proponent of investor, claim that there were numbers of contradictions among the investment policies, the encouragements in the media and the practices in the implementing offices. The available literature shows that Ethiopia's recent productivity gains is affected by individual smallholders land holdings or changes in factor ratios other than low technology adoption expansion (Salami, Kamara *et al.* 2010). Overall productivity is largely influenced by the role of economic incentives and high returns on technological adoption and agricultural innovation (Dercon and Zeitlin 2009).

According to Jayne, Mather *et al.* (2010) on 'The Principal challenges confronting smallholder agriculture in sub-Saharan Africa,' Sub-Saharan Africa's agriculture is grossly undercapitalized with capital per person working in agriculture much less than other developing regions. This reflects the presence of insufficient investments. The necessity of sustaining environmental resources as part of sustainable development in GTP seems blurred as international multilaterals (such as the World Bank), activists for environment and sustainable development such as Cotula (2009) and 'The Global Land Project' acting as a research institutes have witnessed in Ethiopia since 2004, as "land grab" deals limit sustainability of development 'The Global Land Project' acting as a research institutes have witnessed in Ethiopia since 2004, as "land grab" deals limit sustainability of development (Cotula 2009). This implies that GTP's implementation is constrained by contradictions.

Reducing rent seeking alternative for a shift to value creation, job creation & entrepreneurship activities; expanding modern system and attitudes are set as implementing strategies of large and medium scale industries (Fischer 2007). Such GTP strategy reflects an element of Harrod-Domar (or AK) growth model. This would enable to create an employment opportunity as an industrial development strategy to facilitate technology transfer in to medium and large scale industries and overcome the serious urban unemployment problem in the country (Rahmato 2011).

Ethiopian governments' intension to maintain productivity and create employment opportunity has Harrod-Domar Growth Model's reflection for its components of economic growth, labour force growth and technological progress including investment (Trigg 2002). Such growth model, however, in the country, as in most developing countries, faces low level of new capital formation (Todaro and Smith 2012).

Employment strategies as an option to transform the agriculture economy can be seen in association with dual sector development model of Lewis (1954) which assumes dual economies with a traditional agricultural sector and a modern industrial sector assuming agrarian societies to have zero marginal product of labour, or close to zero, with average product close to the subsistence minimum consisting of large amounts of surplus labor originate from fixed nature of land and technology.

This would urge the development of modern industrial sector and urbanized industrial sector which can absorb the surplus labour and promote industrialization to stimulate for sustained development (McMichael 2012). The surplus-labour developing nations from this point of general theory of the development process would thus largely reflect the Lewis theory of development (Lewis, 1954).

Ethiopia policy investments direction consider private sector as an engine to economic growth and it seems from the very beginning a neoliberalists' approach. Despite basic arguments are violated by absence of law that characterize strong private property rights; state joint act of trading activities with private; and established investment laws for private as legal framework neoliberalists claim impediments to capital mobility (Teshome, 2006).

According to Lavoie (1992) as cited in Keynes (2016), Ethiopia investment strategic direction is a reflection of Keynesian economist who advocates active government intervention in the market economy and application of coordinated monetary and fiscal policy tools and Civil Society Organizations (CSO) and labor unions involvement to reduce instability in the economy to fight inflation and unemployment and alleviate abject poverty (Keynes 1936).

The author remained in confusion with the current result of increased rate of inflation of 18 percent though inflation expected to decrease in to single digit percent and slight attachment of CSOs and labour unions with government to make appropriate improvement in policy formulation and advocating human rights. This has adverse implication in the implementation of GTP to generate employment opportunity.

GTP in its development agenda set strategies to attaining Human Development (HD). According to UNDP (2011), Ethiopia is in a low human development category (at 174 out of 187 countries and territories). In the GTP period, human development were expected to be realized through increasing female enrolment in schools education, better access to health sector and facilitate technology transfer in to medium and large scale industries to overcome the serious urban unemployment problem in the country.

A major cause for low human development in the country are largely attributed to the influence of top-down development approach that initiate planning at ministerial and technical team levels and deny proper space for use of indigenous knowledge (Dercon and Zeitlin 2009); inadequate attention to process aspect of development regardless of emphasizing an opportunity; expansion of social service infrastructure at infant level of democracy noticeable by suspicions and antagonism (Gill 2010).

Strengths and Limitations of the Plan

Good quality of GTP was its clear statement on the program objectives and the expected outputs in numerical targets. Its comprehensive and multidimensional nature may have its own significance to different outcomes. The plan puts emphasis on the expansion and productivity of small scale irrigation more than the previous PASDEP, heavily dependent on rain-fed agriculture. It offers opportunities and land to attract commercial farming investors interested in large scale and high value agricultural products. Labor intensive as main strategic directions produced and built up attitudes and skill of entrepreneurship through organizing, supporting and expansion of micro and small enterprise (SMEs), has created wide market service generating employment opportunities and transfer technology. (Newland and Tanaka 2010). Something, however, vague and left us in doubt, is the inadequacy of existing resources to properly implement the plan or challenges in possibilities of attaining GTP implementation to a great headway to Ethiopia rural transformation.

The major weakness of the plan was heavy dependence on smallholder farmers and scaling-up of best practices to sustainably maintain agricultural growth and transform agriculture (Amsalu 2015). The experiences obtained so far are not adequate enough to transform agriculture into a high growth path. Farmlands are not only becoming too small as clearly indicated in Rashid *et al.* (2010) where arable area has expanded highly in recent years despite population growth has outpaced this expansion that dropped average landholding per household to below 1ha fragmented over three plots. Average yields remain at only 2.1 ton/ha for maize, 1.7 t/ha for wheat, 1.4 t/ha for teff and 1.25 t/ha for barley (Alemu, Yirga *et al.* 2014). Small-scale farms are rain-fed and subsistence oriented where 95 percent of the total area under crops and more than 90 percent of total agricultural output are used for small-scale subsistence farming characterized by less productive (Zewdu and Malek 2010).

On top of that, there are insufficient conditions for the smallholders to use improved technology and commercialize agriculture (Asfaw, Shiferaw *et al.* 2011). It was also characterized by low inputs and outputs. Therefore, one can estimate that tackling all these problems for smallholder and bringing in to an engine to agricultural growth for fast and intense structural transformation is, too, difficult (Barrett, Carter *et al.* 2010).

Farmers use of modern inputs, in particular, fertilizer, are comparably low at an average cost of 81 kg/ha (Larson, Dinar *et al.* 2011). Pastoralists are characterized by range land degradation, cyclical drought, and historic under investment. Therefore, thrusting smallholder production/productive level and resource management, and their produce for the market for commercialization beyond satisfying their basic consumption is, too tough. Having all these constraint, pushing smallholder farmers to intensify agriculture may plug them into debt or sale of asset that may enforce them to migrate to urban areas rather than bringing them in to market-driven migration (Skinner 2010). The problems indicated have resulted in low production per capita, and a lower degree of urbanization to bring agricultural growth as an engine in rural areas (Bloom, Canning *et al.* 2008). Intensification measure that push smallholder agriculture in to commercialized farming may further aggravate lowering their saving capacity and exposed to fertilizer debt charging high prices and lack of appropriate technologies and sale of assets in an expanding informal land market (Ahmed, Preckel *et al.* 2006; Gabre-Madhin 2009). Such problems are already noticeable in the highlands of Ethiopia for peasant to migrate in to towns. The fear is there would be push factors for increased influence on rural-urban migration in late GTP period that may contradicts the expected market-driven labor migration for sever food shortage to the grown and growing urban and rural population.

The nexus between land registration and tenure security is in question. Land rights go beyond the legal construct and extent into the political and governance sphere. The formalization of land rights in the form of registration and title, however, can't guarantee healthier security, especially for severely disadvantaged in economic, social and political terms, and assure negotiating power independently (Dessalegn, 2009). This has adverse effect in decision making rights of peasants to manage land on the long term land sustainability and the land system basis and investments on the land or experiments in new methods of production (Alemayehu, Data *et al.* 2001). This may eventually increase rural-urban migration. The absence of migration policy framework in GTP may also increase barriers to tackle the expected migration in bringing solutions to the problem in the country in the future years (Council 2006).

Agricultural plan as an instrument for growing economies also faced challenges of high dependence on inputs and physical outputs; and less attention on the market value of the outputs and model farmers to create actual access to irrigation and finance and market signals which may constrains smallholder farmers maximize their agricultural output (Poulton, Dorward *et al.* 2010).

According to CSA (2008), people under 15 years of age represent 45% while the working group age (15-64) constitutes 51.9%. This age structure has negative consequence on labour productivity, asset accumulation, save and adopt the technology. This implies a possibility for absence of sufficient conditions of drivers of improved technology use and commercialization, a low per capita production, and reduce their average of landholdings size more than by half (Zewdu and Malek 2010).

According to Angus (1992), high proportion of households in low income countries are multi-generational, life cycle and permanent income models are likely less relevant. Adults expect their children to support them in their old age, as they themselves are supporting their parents implying little need for retirement savings as a vehicle for transferring income between high and low productivity phases of the life cycle (Birdsall, Pinckney *et al.* 1996).

Having all these dilemmas, GTP's expectation to decrease consumption from 95.4 per cent to 85 per cent and leave room for growth in savings invokes key questions as to whether consumption had been evaluated against the previous problem smallholder are facing together with population growth rate and had been over consumption in the first place. Over 38 per cent of the populations in the country are living below the poverty line (Adams Jr 2004). Empirical evidences show that agricultural production in Ethiopia is below the desired level even to achieve food self-sufficiency despite recently increase (Teshome 2006). Given all those conditions, it will be too much for the smallholders or even the average farm couldn't produce enough food for a family

of five and transform agriculture and the economy as a whole. This looks impossible to transform agriculture through smallholder farmers even if productivity were expected to increase by a factor of three (Gebreselassie 2006).

The move to transform agriculture through smallholder farmers in action in the GTP period through investing and improving agricultural marketing that involves farmer's cooperatives, the private sectors and establishment of modern market centres, is so negligible (Abebaw and Haile 2013). It is obvious that giving more emphasis and efforts to road infrastructure by the government and capacity building have multiplier effects to allow all inclusive and sustainable effect to development (Admassie and Abebaw 2014). However, the author have doubt for completion of infrastructure development and capacity building as it may be too late to access adequate capital in the plan period facilitating success in agricultural marketing for the development of urban centres and industries.

The existing evidence on smallholder farmers in India in 1980s comprises 80 percent of the country's farmers who own only 33 percent of the total cultivated land. Of these, farmers own less than 2.0 ha of farmland produce 41 percent of the country's food-grains with increased marketable surpluses increased at a rate of 3.5 percent a year throughout the 1980s (Salami, Kamara *et al.* 2010). In the country, 1970s smallholders' meagre production surpluses record was somehow higher than that of medium and large-size farms (Salami, Kamara *et al.* 2010). The secret behind improvement in smallholders' production helping to reduce poverty is attributed to public expenditure on agricultural development (with subsidies on fertilizers and credit) and rural infrastructure and generating a higher marketable surplus (Fan, Gulati *et al.* 2008).

China's smallholder improvements follow economic reform in 1978 in the agricultural sector. It is because "perception at the top that stagnate agricultural productivity was a bottleneck hindering development of the overall economy" targeted eliminating communal property rights; introducing household contract farming; price and market liberalization; and legal reforms (McKinnon 1994). Such reforms initiated to make public interventions, particularly land policies, grain marketing, support services, and agricultural research and development to benefit commercially oriented small farms (Guo, Jolly *et al.* 2007).

Issues of natural resources management is inadequately addressed with sufficient investment on the natural resource base such as soil, water, and vegetation an integrated watershed management approach though it serves as a basis for agricultural growth. Such problem was further aggravated by absence of strategy in forestry development where and how could be implemented to preserve underground water level in a distant future (Rockström, Karlberg *et al.* 2010).

In the GTP period, giving due attention to environment and climate change are so impressive to establish a 'green economy' and a just demand of the day. Green revolution as a policy options other than industrial decentralization implemented predominantly and primarily through introducing agricultural technology in rural areas and promoting smallholder agriculture encouraging farmers to follow model farms with best practices (Horlings and Marsden 2011).

The GTP does not state how the government intends to achieve price stability in the coming five years. There is no doubt that inflation affects the performance of the agriculture sector either directly or indi

rectly implying the need to look it seriously and set measures to bring about low inflation, sound public finance and well-managed exchange rate for sustained growth. In the Plan for Accelerated and Sustained to End Poverty (PASDEP) document, high inflation and balance of payment problems were considered as challenges (MoFED, 2010). In the GTP, however, methodology of overcoming this challenge was not outlined in the plan document.

Although attention is offered to small scale irrigation, land under irrigation is still very low. Currently, it is less than 5% of the 3.7 million ha of potentially irrigable land (Van Den Berg and Ruben 2006). This perhaps is an opportunity to think about large scale irrigation schemes particularly in the lowland parts of the country. Unlike SDPRP report, agriculture performance in productivity improvements was argued as growth rates that remain below those needed to reach Ethiopia's development goals, and below potential (Schmidt and Dorosh 2009).

In view of Rostov's stage model, the country's a broad based and sustained agricultural productivity or overall economy is in difficulty to reach in to take-off (Rostow 1990). Indeed, it was possible to construct gloomy scenarios for peasant agriculture since the agricultural output per capita evidences long-run decline (Rahmato 2005).

The significance of NGOs and Community Based Organizations (CBOs) involvement in transforming Ethiopian economy via financing and implementing the plan is outlined in GTP (MoFED, 2010). However, proclamation drawn barred their engagement in advocating any social interest or rights issues, or development priority and activism may possibly reduce agencies' commitment in GTP implementation.

A structural transformation in its essence referred to as a process by which countries change its production and moves from low-productivity, low-wage activities to high-productivity, high-wage activities. However, GTP scale up process which gave attention to bring fast and intense quantitative change in labor productivity has little importance to introduce technology to considerably change the output and employment structures (Tegenu 2010).

POLICY CONCLUSION

This review makes pertinent and important insight about GTP in line with Development theories. Strengths and limitations of strategic pillars to transform agrarian economy in to industrialization are assessed and evaluated. The Agricultural and rural development sector plan program's objectives and the respective outputs targeted maintaining smallholder agriculture as a major source of economic growth. As the majority of the Ethiopian population is rural (83%), agriculture still represents the dominant economic sector (41% of the GDP) and a right focus. It is intended to be strengthened through agricultural marketing system to promote the intensification of marketable farm products.

GTP's strong sides can be seen not only for its numerical targets and clear statement on the program, objectives and the expected outputs but also for having comprehensive and multidimensional significance to different outcomes. The plan, however, seems too ambitious to meet pro-poor targets. Our generalization stems from GTP speculation to use smallholder agriculture as an engine to agricultural growth and transform in to industrial economy. Such strategy contemplate on consumer goods as an import substitution strategy and direction to raise domestic production and increase the national saving and narrowing resource gap between saving and investment. The high inflation rate and little or no involvement of CSO and labour union to build appropriate corrections, policy changes and advocating human rights, too, is in question to reduce rate of unemployment.

As clearly understood in the early days of plan implementation, it was too tough to reverse the contextual realities of the smallholder farmers within the plan period such as too small and fragmented farmlands and less productive high consumption of agricultural output following high population pressure; insufficient conditions for the smallholders to use improved technology and commercialize agriculture; low per capita production and a lower degree of urbanization as necessary requirements to bring agricultural growth and transform agriculture.

Limitations of moving smallholders agriculture to economic growth or make sure agricultural and rural

growth goes hand in hand with poverty reduction has little or no connection to markets and less productive, risk and vulnerability, especially to extreme weather events and price swing, and low access to assets and skills. The presence of land registration and title in the country is meaningless to safeguard land rights and guarantee decision making rights for long term land sustainability, the land system and freedom to manage and invest to promote smallholder agriculture.

Despite GTP's employment strategies and objectives focused on industrialization as a vital means to facilitate technology transfer, the need to change employment structures by a scale up process considerably criticized for not bringing qualitative change in labor productivity and introducing technology to bring about fast and intense quantitative change in labor productivity.

GTP formulation and implementation to transform country's economy in to industrial economy towards creating employment opportunities as a policy option in GTP has reflection of dual sector development model of Lewis and Harrod-Domar Growth Model (Seid, Taffesse et al. 2015; Kabeta 2017). It is directed towards promoting saving that governs investment as a principal strategy for the development of industrial sector to facilitate technology transfer in to medium and large scale industries to overcome the serious urban unemployment problem.

GTP assumption is based up on a mix of development theory. Import substitution strategy has dependency theorists' and linear-stages theory perspective, to protect countries' economy from external political, economic, and cultural influences on national development policies and the process of development. Import substitution specifically as a tool is assumed to reverse challenges of saving, more foreign currency, asset accumulation, and foreign exchange earnings, and adopt the technology for sufficient conditions of drivers of improved technology.

Ethiopia investment strategic direction can be placed in the context to Keynesian economist perspectives who advocates active government intervention in the market economy and application of coordinated monetary and fiscal policy tools to reduce instability in the economy and fight inflation and unemployment; and alleviate horrible poverty.

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