

Persistent Stasis in a Tributary Mode of Production: The Peasant Economy of Ethiopia

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The paradox of Ethiopia's agrarian economy is that, despite underwriting a world civilization, the transition to an industrial economy has eluded it. Using a model of Afro-Asiatic tributarism, we attribute this outcome to endemic extractive contests between a predominantly landed peasantry and a titled, prebendary overlord class. The latter's strategy of political accumulation inevitably engendered immiserization of overlord and peasant alike by privileging diversion over production. The surplus was then dissipated on unproductive consumption, national defence and internecine strife. Lacking a strong state to mitigate predation and political instability, the Ethiopian peasant rationally 'chose' to be efficiently, albeit self-sufficiently, poor.

Keywords: Ethiopia, feudalism, tributarism, overlordship, landlordship, *gebbar* system, poverty trap

INTRODUCTION

An edict of Emperor ZeDingil (1603–5) of Ethiopia boldly states:¹ 'Man is free; land is tributary'. This fanciful maxim neatly captures the paradox of Ethiopian underdevelopment in the age of capital – the uneasy conflation of landed peasantry, prebendary overlordship and lacklustre economic performance. One cannot help but wonder how it is that a once innovative agrarian system that produced enough surplus to support relatively sophisticated institutions such as the Church and the State nonetheless failed so miserably to develop in the age of industry.

While the country shares with other non-industrial societies the centrality of land as a source of wealth and power, its peasantry historically enjoyed greater access to land, its polity more de facto autonomy from the state, and its diverse communities more inter-communal peace than nearly all of its peers at a similar stage of development. And yet, Ethiopia's agrarian system failed to

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I am grateful to Alemante G. Selassie, Shumet Sishagne, two anonymous referees and the editors for very helpful comments and suggestions. Any remaining errors are mine.

¹ Cited and discussed in Crummey (2000, ch. 2). Compare this to the Islamic motto based on the principle of the right of conquest: 'The land and the peasant belong to the Sultan' (Inalcik and Quataert 1994, 105).

ensure subsistence requirements, much less complete the transition to an industrial economy; its cellular political system has not produced self-governing localities; and its social peace has become increasingly fragile.

During the modern period under consideration, 1855–1974,² Ethiopian agriculture experienced little change in productivity per acre or per person despite the numerous changes that the country underwent. The political system, for example, alternated among a centralized monarchy, a brief colonial occupation and a unitary socialist state. Agrarian relations experienced such momentous changes as the replacement of tribute by taxes, intensive demographic pressure that produced growing landlessness, introduction of freehold tenure in some regions and, finally, socialist nationalization of land with usufruct rights. The territorial and ethnic configurations of the country also changed as a result of a southward territorial expansion, and intermittent control of the Red Sea coast.

The question addressed here is, therefore, a basic one: What features of Ethiopia's peasant economy explain why it failed to support a viable industrialization drive? This inquiry into the roots of backwardness of Africa's least studied, and arguably most intriguing, non-colonial agrarian system entails a two-fold challenge. The first task is to explain the factors that gave rise to the landed peasantry which accounted for some two-thirds of the population. We pay only passing attention to this important question of great historical interest by treating landedness parametrically. The second task, our main concern here, is to explain the political and economic institutions that enabled the peasant economy to accommodate demographic pressure (Boserup 1965), but failed to underwrite a successful transition into a vibrant commercial, if not an industrial, economy.

What is sorely lacking, besides good data, is a coherent analytical framework for explaining such an interesting case study of reversal of fortune. Given the paucity of models of political economy that fully capture the specificity of Ethiopian conditions, we draw on institutionalist (rules and incentives) and Marxian (modes of production) traditions in a manner that exploits their complementarities. While an eclectic mixing of concepts from competing, essentially Eurocentric, theoretical traditions has its limitations, the litmus test is the explanatory power of this approach relative to the alternatives.

This paper aims to demonstrate the pivotal role played by an unusual conflation of political and land institutions which, by decoupling security of income

² This paper focuses on agrarian relations in the central highlands of 'modern' Ethiopia in a period between the restoration of the authority of monarchy in 1855 (following extremely destructive Jihad wars on the Christian state on whose heel came a massive northward migration of pastoralists, especially the Oromo) and its demise in the 1974 revolution. The period saw the doubling of the empire with a southward expansion and the establishment of a more secure fiscal basis for national military and administrative structures. The lack of internal economic and political dynamism is evidenced by the short-lived efforts at modernization that followed external shocks occasioned by Italy's two attempts to colonize the country (one in the 1890s and the other in the 1930s). Parenthetically, the historical evidence shows that more than 90 per cent of today's incomes of the rich countries has been created since about 1820 – a period of rapid industrialization during which international trade played a prominent role in the flow of goods, services, investment and technology. See Easterly (2001, 62), Maddison (2001) and Landes (1999) for interesting explorations.

from security of land access, stifled agrarian development in Ethiopia. More specifically, it makes two contributions to the meagre literature on the subject. First, we offer a fresh reading of modern Ethiopian agrarian history concerning the oft-misunderstood institutions of the rural economy. Second, and more importantly, we subject this history to a nuanced extension and application of the theory of the *tributary mode of production*. This approach enables us to trace the roots of enduring underdevelopment to the contradictions between independent peasant production and indirect but non-market methods of surplus extraction.

Political accumulation is understood here as a strategy of extra-economic coercion that is endogenous, but not unique, to the institution of tribute. The conceptual entry points of landedness, overlordship, political accumulation and subsistence bias move us a lot closer to a satisfactory explanation focused on the scissors of the extraction rate and the extraction base.

Ethiopia's agrarian system, we shall argue, ensured its reproduction through a precarious balancing of two competing sources of wealth and power. That is, peasant control of land and overlord control of the means of coercion. Under these conditions, incessant intra-lord and inter-class contests over the division of the agricultural surplus had the effect of favouring investment in the instruments of extra-economic coercion over investment in technology and productivity-enhancing organizational change. Peasants rationally responded to demands for tribute in excess of established norms by 'going on strike', i.e. foregoing the production of appropriable surplus. With a state incapable of devising an institutional fix to this distributional conflict, the agrarian economy steadily succumbed to a monumental poverty trap – a critical wealth threshold that is difficult to traverse from below.³

The discussion proceeds as follows. The next section presents a general framework for organizing the building blocks of our structuralist explanation for agrarian stagnation. It presents a critical survey of familiar accounts of Ethiopian underdevelopment, and sketches out the most salient features of agrarian relations in the Ethiopian highlands – the generalized *gebbar* system. The theoretical section that follows makes the case for the saliency of the tributary mode of production for understanding the implications of separation of economic control from political control which is the crux of the Ethiopian case. We then go on to explain how the mutually constitutive imperatives of political accumulation and surplus decumulation created an insurmountable poverty trap. The concluding section recaps the main argument and flags the more notable implications for escape.

³ Poverty traps are low-income steady states that reflect a persistent, often path-dependent, divergence between actual outcomes and socially rational outcomes. In Marxian terms, a trap may be thought of as a simple reproduction lock-in. Traps, whatever their origins (geography, history, etc.) are ultimately products of failures of the market or the state to efficiently handle externalities involving learning and scale economies. Once locked in, market forces are unable to deliver the economy to a more desirable equilibrium in the absence of big positive shocks. See, for example, Hoff and Stiglitz (2001) and Sachs et al. (2004).

A FRAMEWORK OF ANALYSIS

Since the primary concern of this paper is to explain the inertial destitution of the Ethiopian peasantry, a general framework would be useful for identifying the conditions of existence for this particular form of peasant economy, its dynamics and the set of admissible reform options. To fix ideas, we begin with the determinants of economic development. That is,

$$\text{PERF} = f(\text{ENV}, \text{SYS}, \text{POL})$$

where performance (PERF) is broadly understood to include economic growth, structural change and income inequality. The rate of factor accumulation and total factor productivity growth are conceptualized here as correlates of growth rather than its ultimate causes.

Environment (ENV) refers to the initial conditions (such as geography, endowments and notable historical legacies) and those parts of the superstructure of society (i.e. social status and political power) which directly impinge on economic outcomes. These factors are primarily invoked to explain why certain economic systems come to exist in the first place, and may (as in the case of the tributary mode) co-determine economic performance with production relations. The recent popularity of institutionalist thinking in development economics and economic history is precisely because of its attempt to account for (or endogenize) the enduring effect of givens and historical accidents on the comparative advantage of one mode of production over another.

System (SYS) is here understood in its most generic sense as a set of interlocking economic institutions that jointly define a mode of production. Economic institutions define and enforce property rights (relations of surplus appropriation) and decision-making rights concerning the production process (relations in surplus production). Institutions balance the conflict between ownership and control, and delineate the hierarchy of decision-making authority, the flow information, and the corresponding forms of motivation and coordination (North 1990).

Policy (POL) refers to growth or development strategies and policies that are intentionally pursued by organized interests, primarily the state, on behalf of the ruling classes, but also the general population. These engagements by political actors, whether developmentalist or kleptocratic, can have momentous effects on the performance of the economic system. We now take up the first two sets of considerations in greater detail.

ENV: Geography, Ecology, Demography and History

An all too common explanation for Ethiopia's poverty trap takes geography, or at least geopolitics, as destiny. Geography, of course, affects prosperity through a number of channels, including location, climate and resource endowments. Sachs et al. (2004), for example, attribute the high vulnerability of the region south of the Sahara to economic crises to the following factors: very high transport costs and small market size, low agricultural productivity, environmental

degradation, a very high disease burden, adverse geopolitics and a very slow diffusion of technology from abroad.

In terms of climate and topography, Ethiopia has three semi-tropical, agro-climatic zones: the cold and rugged *dega* highlands, the temperate savannah *woynadega* plateaus, and the arid *bereha* and the river-dissected *qolla* lowlands. The country's farming system consists of the sedentary farm economy in the *woynadega* zone (with favourable climate, soils and disease ecology) and the transhumant economy of the *qolla* zone. Its extensive and gorge-laden river basins are largely non-navigable, prone to a high disease burden (especially malaria) and perhaps bereft of commercially valuable mineral deposits.

In the highlands, the bimodal distribution of rainfall consists of a long wet summer (*kremt*) and a short wet season (*belg*). True enough, the combination of high rainfall variability, high elevation and demographic pressure has facilitated land degradation (which currently stands in excess of 60 per cent) and risk-averse farming strategies. The combination of high altitude and low latitude also resulted in the coexistence of heterogeneous production systems, widely scattered rural homesteads and one of the world's highest transportation costs per ton mile (Wolde Mariam 1970; McCann 1990).

Ethiopia's location, as a littoral of the Red Sea and its temperate highland plateaus separated from the sea by largely inhospitable lowlands, has proved to be a mixed blessing. The country is for sure one of the world's centres of native fauna and flora. Geography facilitated agricultural diversity by enabling an east-west orientation in the flow of cereal seeds, cuisine and animal breeds as well as other forms of economic exchange between Western Asia and the Horn of Africa (for this line of thinking, see Diamond 1997). It also facilitated the north-south migration and diffusion of agricultural technology, thereby creating a more unified national agrarian system (McCann 1990, 1995).

Location had a profound impact on state formation and the disposition of agricultural surplus. Ottoman control of the Red Sea isolated the country from the world of Christendom and emergent capitalism in Europe. The Ottomans also exploited age-old, and perhaps civilizational, conflicts between the trading sheikdoms of the lowlands (predominantly pastoral and Muslim) and the sedentary farming communities of the highlands (predominantly settled and Christian). In this respect, it shared the fates of settled societies in the Near East, the Mediterranean and South Asia whose historical development was profoundly shaped by unremitting and destructive invasions from nomadic-pastoral peoples. In the closing decades of the nineteenth century alone, Ethiopia was subjected to successive external invasions (by Egypt, Mahdist Sudan and Italy). As a result, its rulers had to devote scarce resources to national defence and its population had to live under constant political uncertainty. Furthermore, these conditions favoured the ascendancy of a military aristocracy and a martial culture which inevitably favoured political entrepreneurship over economic entrepreneurship (Caulk 1978; Abir 1980).

Another significant effect of location on economic performance was that readily available technologies provided comparative advantage to Chayanovian small

family farms (Chayanov 1966) by facilitating the integration of the plough-based, dry-land cereal farming with livestock breeding. Highland farms typically consisted of several and variously endowed plots which today rarely exceed one hectare. Evolutionary innovations favoured agricultural intensification through the introduction of improved seeds and simple technologies rather than the application of capital-intensive tools or chemical and biological inputs that are appropriate for a land-rich country.

In sum, the highland peasantry subsisted in a multi-crop ox-plough complex, supplemented by the more specialized hoe and *enset* cultures. The transhumant system of the lowlands provided mostly livestock in exchange for grain. Cultivators employed traditional technology and relied on family labour, augmented by traditional labour exchanges. The farm household consumed most of its output, and sold the rest in village and town markets (Hoben 1973; Cohen and Weintraub 1975; Mantel-Niecko 1980; Wolde Mariam 1984, 1991; Bauer 1985; McCann 1987, 1995).

A less appreciated, economic effect of ecology is the creation of a dense web of market exchange (livestock for grain) among communities occupying the multiplicity of niches – a strategy that helped to stem conflict and to enhance resiliency to endemic hunger and periodic famines (Sen 1981; Wolde Mariam 1984, 1991). This has to be balanced by the defining conflicts in Ethiopian history between highlanders and lowlanders as people compete for increasingly scarce land and water resources.

Peasant differentiation in Ethiopia is a product of not just ecology, but also ethnicity, religion and market connectedness. The cultural endowment explanation for agrarian underdevelopment invokes the country's enormous ethnolinguistic diversity.⁴ Ethnic or religious fractionalization has been implicated in the retardation of economic growth in Africa and elsewhere for reasons ranging from the difficulty of reaching consensus on adequate provision of key public goods to manipulation of primordial differences to advance rent-seeking interests. Furthermore, to the extent that ethnic or religious groups specialize in particular economic activities and vertical inequality is high, social learning tended to be filtered by, or even confined to, insular and high-trust groups (Cohen and Weintraub 1975; Mantel-Niecko 1980; Donham 1986).

Religion, ethnicity, geography-ecology and history, we believe, speak more to the issue of the emergence of landed peasantry and the associated extractive political institutions than to the functioning and persistence of agrarian institutions long after they ceased to be socially efficient. Demographic pressure and

⁴ The 70 million Ethiopians today belong to Christian and Muslim communities in the ratio of 62:33 per cent in favour of the former (CSA 1998, 129). The number of ethnic groups, which have a long tradition of interaction through trade and migration, is large (over eighty), depending on how one defines the term (for a good account, see Levine 2000). However, other considerations advise against simple-minded inferences from diversity to economic performance. According to the latest census, just two linguistic groups of equal size account for some two-thirds of the population, and the national language, Amharic, is widely spoken.

social conflict are best understood as endogenous responses to economic crises rather than as their causes. Important though they are, these factors fall far short of explaining why a militarily superior ruling class, potentially capable of accumulating enormous landed property, could not provide positive incentives for tribute-payers to engage in mutually beneficial improvement of farm productivity or to unify ownership and direct control under feudal estates.

If geography, demography and cultural diversity cannot explain the internal dynamics of the peasant economy, including the prolonged stagnation of farm productivity, then what can? A plausible answer lies in the interplay of control over land and the production process (property relations) and control over the political institutions that governed agrarian relations (i.e. power relations).

SYS: THE GEBBAR SYSTEM

Since our interest here is to identify the broad contours of Ethiopian agrarian relations, we provide, through a critical distillation of the literature,⁵ a rather stylized but faithful sketch. Three facets of the rural political economy will be highlighted in this section: decision-making over land, relations among the overlord-cum-landlord class including the Court, and relations between the tributor class and the tributary class. The key attributes of land institutions that frame our account are security of ownership of landed property, transferability of that property and security of *net* earned income for the producer.

All peasant economies have certain common characteristics (Hilton 1975; Shanin 1990). Peasants, as cultivators or herdsmen, typically (i) possess the means of agricultural production with varying constraints on their freedom of mobility, (ii) work their holdings by relying on family labour, (iii) normally belong to a village community with certain rights to common property, (iv) generate economic surplus (above needed that needed for their own reproduction) to support non-producing classes, and (v) though subsistence oriented, enjoy some linkage to markets.

The Ethiopian peasantry had some distinctive features worth noting. For one, it subsisted in an incompletely monetized economy. The kinship system of highland Christian society did not invest social, economic or even religious authority in the family. The descent corporation, as the customary owner of land, was a more enduring unit than the farm household which often died along with its head. Rural society upheld an incongruently modern ideal of gender equality in matters of marriage and inheritance, and valued individualism and competitiveness. Peasants also displayed deep attachments to religion and region, which figure much more prominently than class or ethnicity (Levine 1965, 2000).

⁵ The theoretical and empirical literature on the Ethiopian peasantry is spotty in its coverage, strong on information gathering and organization, weak in the area of economic aspects of society, and of variable quality in its analytical rigor. Even at the level of description, the literature is full of fuzzy definitions and inconsistent usage of such basic concepts as *gibir* and *gebbar*, *rist* and *gult*, or feudal and peasant (see Cohen 1974).

Rist and Gult

The *gebbar system*, the label we attach to Ethiopia's highly differentiated agrarian formation, had two fundamental features. Its first attribute is *lineage-based* land ownership with individual control over specific plots (*ristegna* variant). Where full ownership rights have been lost, as when the state grants tribal lands to its functionaries in newly annexed territories, de facto customary rights of control over the operational unit by tenants were generally honoured (*chisegna* variant).

Its second attribute is *variable* levels and myriad forms of tribute obligations attached to cultivated land. In the less integrated parts of the empire where the land/person ratio was high, control over persons was more important. This was obviously necessary for ensuring the provisioning of the garrison towns.

For the non-producing classes and religious institutions, there were two primary sources of appropriable surplus. The first came in the form of tribute payments by the landed peasantry which went directly to the state or was transferred to agents as grant or administrative fief. The second source was self-cultivation (sometimes with the help of corvee) or rental income from lands that were reserved for the palace or granted temporarily to administrators in lieu of salary.

Rist, the dominant form of the *gebbar system*, refers to a kin-based right to individually cultivable land that could be traced at least to the eleventh century. For Ethiopian highland society, the institution of *rist* stood for the hereditary claim by the freeborn to a share of cultivable land – patrimonial land that typically was conferred or homesteaded in the distant past. These ordinarily inalienable claims were based on descent from a progenitor (kinship *rist*), long-term residence in a village (village *rist*), membership in a cohesive primordial group (communal *rist*), or institutional status (such as the Church or the Mosque).

In the case of kinship *rist* (the canonical model), the set of kinsmen related to the original grantee or founder (*aqgni abbat*) collectively 'own' the land. Kinship *rist* is thus a quasi-freehold tenure system with full rights of income and use, but a restrictive right of alienation.⁶ The right to *rist* land was in essence a right to a share of the land rather than to a particular plot (except perhaps in the case of the residential compound or garden plots around the homestead). Market-based transfer of *rist* land, though limited in scope, was customarily confined to members of the extended family or to the community. This was effected through such vehicles as land pledges of varying duration, sharecropping or fixed rentals.

⁶ The right of alienation, including non-permanent forms of transfer of landed property is often presumed to be non-existent in the regions of kinship *rist*. There appears to be confusion between customary prohibition and economic necessity. Firstly, markets for *rist* land and *gult* rights had a long history of existence in many districts (see Sishagne 1993; Crummey 2000). That this practice was not the norm had less to do with enforceable prohibition than with the scarcity of off-farm opportunities to earn a living. Secondly, freehold land was often inherited along the same principles as *rist* land with the exception perhaps of residence-based village *rist*. The conversion of kin-based *rist* to residence-based *rist* may betray a desire by villagers to pre-empt the kin-based claims of those who had left the village in search of non-farm occupations. Thirdly, possessory collateralization (through pledges) of land and active rental markets were familiar, if not well established. The deep attachment to *rist* land is betrayed by the fiction of perpetual claim neatly captured in the saying: *be-shi ametu, meret lebale-betu* (a thousand years may elapse but cannot nullify return of the *rist* land to its rightful owner).

Ambilineal descent, partible inheritance and high rates of divorce and re-marriage together allowed for overlapping and near perpetual claims (up to six generations deep) to such land in the older provinces of the empire. Furthermore, the possession of one's full entitlements to *rist* land depended crucially on one's ability to mount effective defence against a multitude of legitimate and illegitimate claimants, especially the titled overlord class. Investment in tenure claims, therefore, had handsome payoffs (Hoben 1973; Joireman 2001).

Gult refers to a non-transferable over-right to tax owed by cultivators and herders to the state. Though sometimes interpreted as such, it was not a claim of ownership over cultivated land. *Gult*-holding was inherently temporary since it is tied to an office.

Professor Taddesse Tamrat (1972, 100–8) makes the intriguing observation that *gult*, which pre-dates medieval times, was an economic-administrative institution that originated as a system for providing provisions for conquering armies, compensation for administrators appointed by the ever-mobile royal Court, and obligations on subjects to join the militia in times of general mobilization. With pacification and assimilation into Christian society, the *gult* system tended to become hereditary for the high echelon of the ruling class (along with the service obligations to the monarch). Where cultivable land was in great supply or vanquished communities were dispossessed as punishment, inheritable *gult* (known as *riste-gult*) may have effectively served as a second route (besides outright land grants or colonization) to de facto *rist*.

Tribute obligations are broadly construed here to include payments that are not statutorily fixed (*qurt gibir*) and centrally enforced. The customary rates for grains, akin to risk-spreading sharecropping, ranged from one-fifth (*amisho*) to half (*ikul*) of the harvest. Additional obligations included some or all of the following: cattle tax, fees, levies, and an assortment of petty perquisites in the form of customary gifts. Prior to 1942, the peasant was also obligated to pay the tithe to the state (conveyed by a governor rather than a tax farmer) and to accommodate travellers passing through the village on 'official business'.

Although firm evidence is lacking, tribute obligations were at least one-third (*siso*) of the harvest-time output of the *ristegna* household (Crummey 1980). Refusals to pay tribute or share tribute with higher authority or to honour conscription obligations were the pretexts for losing one's hereditary rights to the land or appointment to an office.

The great nobles also granted land and a portion of their *gult* right to lower followers, which is sometimes mistaken for subinfeudation. In the case of land grants (such as the temporary *maderia* or inheritable *melkegna* lands), overlordism was fused with landlordism as tenant cultivators pay the same agents rent, tithe and fees bundled as tribute. The room for abuse was higher here since the *chisegna*, not being landed, was more vulnerable to exploitation than the *ristegna*.

The ultimate claim to tribute from the *ristegna* was based on the foundational myth of eminent domain by the monarch. It was sanctioned by the state Church and backed by a credible threat of dispossession for non-compliance.

The *ristegna* was equally tenacious in defending its land rights – hence the legendary litigiousness of the peasant even to the point of bankrupting himself as drawn out appeals wind their way up to the royal Court.

In the fundamental sense, then, the social category of *gebbar* refers to an occupant of the lower rungs of overlordship who is subject to payment of tribute to those located higher in the hierarchy of privilege. A *gebbar* is, for all practical purposes, a tribute payer – whether an aristocrat to a monarch, an appointee to a superior, a *chiseгна* (tenant) to a landlord, a *ristegna* to an overlord, or even a freeholder to the state. It is, therefore, fitting that the Amharic word *gibir* (tribute, tax) referred to the ostentatious public feasts and banquets the powerful prepared for their followers as an expression of *noblese oblige*⁷ (Caulk 1978; Wolde Aregay 1986).

Contestability: Inter-class and Intra-class

The Ethiopian agrarian system was certainly a class system, albeit not a rigid one. Given the low level of material development, class was deeply embedded in social stratification – both objectively and in the consciousness of the predominantly illiterate peasantry which accepted the social order in terms of a biblical mandate.⁸ In the absence of an agrarian census, however, it is not possible to provide an accurate assessment of the extent of social differentiation within the peasantry.

A high degree of contestability (i.e. social mobility across class positions and status lines) seems to have pervaded the chain of surplus extraction and its redistribution. So did a multi-layered network of highly personalized distributive reciprocity throughout the hierarchy, down from the Emperor to the lowliest functionary.

It would, therefore, be useful to take a brief look at the three perpetual corporations of the empire: state, church and household. In terms of division of labour, the first actor concentrated on defence and justice. The second provided spiritual guidance that cemented social solidarity. The third, the *ristegna* and *chiseгна*,

⁷ An apt Ethiopian folk saying has it that those who eat alone die alone. Messay Kebede even goes so far as to characterize Ethiopian patrimonialism, and the ostentatious public feasts of big men, as displays of communal egalitarianism: ‘The purpose of wealth accumulation was its dispersion’ (1999, 155). Underlying all this, he argues, is the Ethiopian notion of equality: even the lowliest peasant dreams of upward social mobility (while the loftiest dreads the converse) since his God-given destiny (*idil*) can be fulfilled only with assiduous cultivation of the right connections and perhaps hard work. Failure can, of course, be rationalized away *ex post* as pre-destination.

⁸ Class may be usefully conceptualized as structural positions in the process of production and appropriation. An individual can, and often does, occupy different class positions. It is unfortunate that both Marxian political economy (class as unit of analysis) and neoclassical political economy (the individual as unit of analysis) have largely ignored the interesting nexus between the theoretical constructs of class and individual. More pertinent to the Ethiopian case, the significance of status differentiation (by occupation, office-holding, age or gender) in a polity with relatively weak class differentiation means that peasant consciousness cannot be mechanically inferred from the latter. The high mobility of ambitious individuals across class and status lines may explain the rarity of revolts by a peasantry whose ownership of firearms was historically high.

produced food and fibre, and supplied the recruits to the regional governors' private militia and the imperial army.

For our purposes, the three sets of class positions were: (1) the *Balager* (peasantry), (2) the *Balabat* (gentry), the *Negade* (merchants), the *Wotader* (provisioned soldiery), the *Nefteгна* (settler militia) and the *Kahnat* (clergy), and (3) the *Mesafint* (royalty) and the *Mekwanint* (nobility). The lumping together of heterogeneous classes is intended to underscore the primacy of the producer–appropriator relationship.

While class positions were identifiably defined, social mobility for individuals was significant and even meritocratic. An ambitious and capable individual often occupied more than one class position at the same time or moved up class status within the structure of overlordship (Caulk 1978; Crummey 1980; Wolde Aregay 1986). Furthermore, the social surplus that is extractable through arms-length tributaryism imposed sharp limits on the size of the ruling class or the emergence of a distinct class culture – the overlord was little more than a glorified peasant in both worldview and life style.

An overriding motivation of the *balager* was securing the subsistence needs of the family based on the principles of work sharing and income sharing. This goal was constantly undermined by predatory wars, pestilence and weather-related crises. In land-scarce regions, agricultural intensification in the form of biological and labour investment, multiple cropping and reducing fallow periods was used to enhance output per acre. In labour-scarce zones, expanding the use of animal traction and attracting wage labour or tenants were important.

The multi-ethnic aristocracy was a politically and socially self-conscious elite headed by the monarch. Membership in the ruling class was based on a combination of pedigree of birth, merit (martial and administrative), loyalty to overlord and hereditary rights. The Emperor was personally involved in managing competing power bases (especially the Church and the regional nobility) and in enforcing transfer of the state's share of the tribute, collection of trade tax revenue (by the *Negadras*) and overseeing cultivation of crown lands. Clientelism pervaded intra-elite relations (Levine 1965; Gamst 1970). Each player in this master–servant (*ashker–aleqa*) social hierarchy ritualistically 'cringed to superiors and condescended to inferiors'.

Low-level administrators and the ecclesiastical elite served as intermediaries between the producer and the non-productive class by enforcing tribute payments and militia obligations. Being a member of the yeomanry and yet advantaged by better financial and human capital, this stratum might have served as an agent of economic innovation. The local gentry (*balabat*) could have used its limited but not inconsiderable political skills to organize peasant and gentry-instigated revolts (for an overly heroic rendering of sporadic peasant and gentry-instigated revolts, see Tareke 1991), or to invest its own resources in the production of wealth. It was, however, too politically dependent and heterogeneous to come to its own.

The soldiery, along with the priesthood, was an important outlet for young peasants who understandably loathed the life of the lowly tributary. Although specialized warriors (especially the cavalry) were highly prized, there was no

system analogous to European knighthood. Soldiers historically attached themselves to regional governors or the imperial army and, being mostly non-salaried for a good half of the period under review, lived off herdsman and cultivators. When social order broke down, unscrupulous governors resorted to looting with impunity even their own home districts, let alone more distant and prosperous borderlands.⁹

The Ethiopian Orthodox Tewahido Church, as the state church and fountainhead of education and the symbol of national unity, provided ideological justification for the existing order. In return, it benefited handsomely from royal patronage in the form of large endowments of *gult* land. The priesthood, needless to say, was predominantly of peasant stock and an integral part of the peasantry. The upper echelon of the ecclesiastical elite, which comprised the leaderships of the autonomous monasteries and the highly decentralized parishes, belonged to the ruling class. It understandably showed little inclination for reformist activism when it came to economic life, including limiting the unusually numerous religious holidays. As the reformist Emperor Theodros discovered in the 1860s, the Church enjoyed sufficient autonomy from the monarchy to successfully resist significant changes to the tributary system (Tegenu 1994).

The merchant class, consisting mostly of politically marginalized Ethiopian Muslims and small colonies of expatriates (mainly Yemeni, Indian, Armenian and Greek), was engaged in domestic long-distance trade or external trade. Long-distance trade was highly valued and protected by fiscally constrained rulers since it enabled agricultural surpluses and alluvial gold or forest products to be sold in distant markets or exported abroad to finance imports of arms and luxury goods. The low-productivity economy could not support sizable towns, much less cities. As a result, most of the domestically produced handicrafts and tools, quite inferior when compared with those of Egypt, China or India, were supplied mostly by endogenous artisanal minorities (Pankhurst 1966b; Gamst 1970).

⁹ An Ethiopian saying aptly captures the injustice of it with biting irony: '*mebedel mebedelun wotader bedilool; gin balager yikas*'. Translation: 'The soldier (the powerful) might have committed the wrongdoing, but the onus is on the peasant to do the recompensing'. In this regard, Pankhurst quotes Plowden on the plight of the mid-nineteenth century northern peasants who 'bear directly or indirectly the whole burden of taxation and the large standing armies . . . Soldiers are constantly quartered on them, except in some districts that always turn out en masse to resist, and where the troops dare not venture' (1966a, ch. 26). The quartering of soldiers, known as the *sirit* system, was terminated by WWI. This level of peasant exploitation, interestingly, could not come close to matching the highly regimented life of the Inca peasantry (the roads were paved so that women would not stumble as they walked while weaving) or the highly skilled but overworked Russian and Japanese peasantries (for an account, see Landes 1999). For an interesting perspective on the civilizational forms of Japan and Ethiopia, see Levine (2001). He examines the common features, along with nuanced differences, of the two countries thus: receptive insularity, idealization of alien culture, sacralization of an imperial homeland, parochialization, religious pluralism, political decentralization, a hegemonic warrior ethos and hierarchical particularism. Mid-nineteenth century Japan, however, had a literacy rate comparable to Europe, well-developed transport and tax systems, commercialized agriculture and agro-processing workshops that supplied manufactures to the urban economy (Landes 1999).

Some Illustrative Data

For the purpose of supplementing the foregoing institutional description with the available data, it would be useful to divide the modern period under review into three segments. The reigns of Emperor Theodros and Emperor Yohannes (1855–89) saw a determined effort to rationalize the classical system by ending the hegemony of the regional nobility over the Emperor to reduce the excessive control of tribute by the Church, and to enhance the fiscal basis of the state in the face serious threats to the country's sovereignty. The second period, the era of Emperor Minilik and his house (1889–1930), witnessed a decisive victory over European colonial encroachment, a major expansion of the empire southwards, the establishment of the capital city of Addis Ababa and a modern bureaucracy, and the monetization of the peasant economy. The last segment, 1930–74, covers the most determined attempt by Emperor Haile Sellassie at modernization of state and economy. Our data, unfortunately, come exclusively from the last period.

The comparative features of Ethiopia's two regional variants of the *gebbar* system and the post-war mongrel underscore these features and they are summarized in Table 1. The classical *gebbar* system was the norm in the northern principalities of Tigray, Gondar and Gojam, and much of Wollo and northern Shewa prior to the Italian Occupation (1936–41). It was characterized by a predominantly landed peasantry, small-scale mixed farming, parish-based community life, a system of tribute payments to the Crown and the Church, weak market relations and regional governance delegated to hereditary notables commanding their own militia. The vehicle of land grants, going from the upper rungs to the lower rungs of the political hierarchy, governed access to land and tribute obligations (Crummey 2000).

The small but growing literature on the southern highlands suggests that the region boasted a diversity of ethnic groups and land tenure regimes. Many, perhaps most, had clan or lineage ownership of land with the right of use granted to individual families. Customary tenures in these areas typically discriminated against women. Some highland economies (such as Jimma, Kefa, Wollamo, Hadiya, Wollega and Harrar) had managed to build despotic kingdoms where big landlordism, including slave-cultivated estates, was highly developed. The economies of the pastoral lowlands, about which we know even less, revolved around clan-managed grazing lands and communal watering holes (Lewis 1965; Donham 1986; McClellan 1988; Levine 2000).

The joint effects of surplus squeeze, ecological stress and the Scramble for Africa provided a huge impetus for a southward expansion. Led by the rival kings of Shewa and Gojam, territorial expansion brought in rich sources of tribute as well as a new coalition of ruling elites based in the geographic centre of the country.

The incorporation into the Ethiopian empire of these far-flung regions, during 1880–1906, had progressive as well as regressive consequences. On the positive side, it accelerated the diffusion of relatively advanced technology and

Table 1. The political economy of three variants of the *gebbar* system

<i>Attributes</i>	<i>Northern variant</i>	<i>Southern variant</i>	<i>Unified postwar variant</i>
Ruling class	<ul style="list-style-type: none"> • Royal family • Mekwanint • Ecclesiastical elite 	<ul style="list-style-type: none"> • Royal family • Mekwanint • Ecclesiastical elite 	<ul style="list-style-type: none"> • Freeholder landlords • State bureaucracy • Ecclesiastical elite
The rest	<ul style="list-style-type: none"> • Ristegna • Gentry • Free chisegna • Servants and slaves 	<ul style="list-style-type: none"> • Ristegna • Servile chisegna • Pastoralists • Gentry 	<ul style="list-style-type: none"> • Free chisegna • Freeholder • Ristegna • Usufruct cultivator
Monopoly over violence	<ul style="list-style-type: none"> • Imperial army • Private militia 	<ul style="list-style-type: none"> • Garrisoned imperial army • National army and police 	<ul style="list-style-type: none"> • Army and police • Peasant Association
Farm-level decision-making	<ul style="list-style-type: none"> • Ristegna • Chisegna 	<ul style="list-style-type: none"> • Chisegna • Ristegna and freeholder 	<ul style="list-style-type: none"> • Usufruct cultivator • Party cadres (coops)
Incentives	<ul style="list-style-type: none"> • Land scarcity: north • Mainly <i>gult</i> • Subsistence needs 	<ul style="list-style-type: none"> • Labour scarcity: south • Taxes, rent and <i>gult</i> • Subsistence needs 	<ul style="list-style-type: none"> • Land scarcity: both • Taxes and levies • Subsistence needs
Farming system	<ul style="list-style-type: none"> • Ox-plough complex • Annuals: cereals • Integrated livestock 	<ul style="list-style-type: none"> • Ox-plough: annuals • Hoe: perennials • Transhumant – pastoral 	<ul style="list-style-type: none"> • Ox-plough complex • Hoe complex • Transhumant
International trade	<ul style="list-style-type: none"> • Episodic • Gifts of nature and plunder 	<ul style="list-style-type: none"> • Growing importance • Market-directed 	<ul style="list-style-type: none"> • Small but important • State-directed
Contending classes	<ul style="list-style-type: none"> • Overlordship • Church elites • Landed (free) peasantry 	<ul style="list-style-type: none"> • Over- and landlordship • Bureaucrats • Tenant cultivators 	<ul style="list-style-type: none"> • Overlordship • Bureaucracy • Usufruct cultivators
Politics	<ul style="list-style-type: none"> • Big-man spoils system • <i>Precept: Man is free; land is tributary</i> 	<ul style="list-style-type: none"> • Local authoritarianism • <i>Precept: Man and land are both tributary</i> 	<ul style="list-style-type: none"> • Regimentation • <i>Precept: Man is free; land is tributary</i>
Economics	<ul style="list-style-type: none"> • Insecurity of net income • Low investment rates • Low productivity • Fragmented and thin markets 	<ul style="list-style-type: none"> • Tenure insecurity • Low investment rates • Low productivity • Rent extraction • Growing markets 	<ul style="list-style-type: none"> • Tenure insecurity • Surplus extraction with guile by the State • Livelihood crises • Managed markets

Sources: various (see text).

farm organization from the northern provinces of the empire (McCann 1995; Bulatovich 2000). On the other hand, it introduced a more exploitative form of tributarism. More specifically, the imperial expansion favoured the widespread implementation of the *chiseгна* variant of the *gebbar* system – one where many peasants lost ownership rights, but not customary access rights, to become what we may awkwardly call a tenant-cum-tributor class of peasants.

Where resistance was stiff or local communities weak, expansion was highly dispossessing – a characteristic feature of tributary empires. Imperial troops, the militia of powerful and loyalist governors (primarily from Shewa), and armed-settlers (*nefteгна*) were given extensive land grants (for an eyewitness account, see Bulatovich 2000). Given the high land-to-man ratio, peasants were tied to the land since the agents of the State had to be provisioned by a captive labour force at least for the short term. Soldiers and administrators were assigned local cultivators whose number varied according to the rank of the functionary. Those assigned to the *nefteгна* who managed to escape from requisitioned districts had to be replaced by the local *balabat* from among the remaining members of the local community.

In centralized polities where a willingness to cooperate was evident, however, the time-honoured victor's justice of expropriating rebel land (also a preferred technique of Oromo warlords in the late eighteenth and early nineteenth centuries) was foregone in favour of a slower rate of integration through indirect rule. Prudent enough to cooperate with the victorious imperial army, the local gentry was granted a third of the land or the tribute (the so-called *siso* system) for own use, and was charged with collecting the tribute earmarked for state functionaries or the central treasury (Lewis 1965; Pankhurst 1966b; Marcus 1975; Donham 1990; McClellan 1990).

Contrary to the appellation of serfdom for these relations (Donham 1986; Joireman 2001), there is a sensible economic explanation for it. Tribute and service obligations of the southern *gebbar* were initially 'collective' rather than individual precisely because the imperial state lacked the administrative capacity to centralize the assessment and collection of tax obligations – especially in an empire whose size doubled in a matter of two decades. Interestingly, and for the same reason, collective tribute obligations were apparently also imposed on parishes in the northern *rist* areas until a more modern fiscal system was tried in the middle of the nineteenth century by Emperor Theodros (Pankhurst 1966b; Tegenu 1994).

The *gebbar* system that was instituted in the newly incorporated (in some cases, reincorporated) provinces to the south was, therefore, a variant of the classical northern model, albeit with notable innovations. One difference is that land grants were bigger and absentee landlordism common. Another is that, although southern tenants enjoyed production autonomy (feudal estates being rare) and inheritable tenure on the land they sharecropped, they nonetheless lacked customary or legal protection in the form enforceable tenancy contracts.

Grantees of substantial tracts of land (much of which toward the end of the period was converted into virtual freehold) successfully resisted tenancy codes intended to limit egregious abuse. The harshest forms of servitude, an object of

much indignation by the pre-war intelligentsia (see Zewde 2002, ch. 5), were largely phased out by the end of the Second World War.

This trend got a big boost by Italian land policies which favoured expropriation of the extensive landholdings of the royal family and members of the resistance movement. The motivations for this action, as well as for the substantial investment in modernization, were the desire to settle Italian colonists and to appease disaffected populations whose support the occupiers solicited (Larebo 1994). In the end, hereditary elites became politically and economically marginalized under the hegemony of the Addis-Ababa-based monarchy; the regional nobility was alienated from its rural political base by being incorporated into the civil service, thereby becoming mobile and urban-bound; and investment in physical and human capital came to be concentrated in the new south (Cohen and Weintraub 1975; Ellis 1980; McCann 1990).

Illustrative survey data on landholding, tenancy and land-use patterns by province for the mid-1960s is provided in Table 2. The national agrarian system that emerged after the remarkable legislative reforms of the 1940s had an interesting profile. First, over half of the farms had less than one hectare of tilled land, and the large inter-provincial variations in land quality were positively correlated with differences in the average size of holdings. Second, while 90 per cent of small farms in the northern provinces (Tigray, Begemdir, Gojam and Wollo) were owner operated, this was true only for about half of the farmers in the southern provinces. Third, a little less than half of the land in the southern provinces was under *rist* and freehold tenure, while over three-quarters of the land in the northern provinces was *rist* land of various colorations. Moreover, slightly above one-third of both the cultivators and the cultivated land was under tenancy arrangements (mainly share tenancy).¹⁰ In the spirit of tributarism, many parcelled out their big holdings to sharecroppers and lived comfortably in urban areas as absentee landlords.

To circumvent any built-in disincentives against productivity improvements, economic theory suggests that a predictable and non-confiscatory tax is far superior. A reinvigorated Crown finally undertook some of the much-needed institutional reforms (Zewde 2001). Beginning in 1942, the newly restored imperial government issued a series of decrees and proclamations with the intention of eliminating overlordship and rationalizing landlordship in a bid to build a unified and modern system of taxation (see Table 3). However, differences persisted across the regions, especially the presence of large holdings by Church, Crown

¹⁰ Share tenancy has two key economic attributes: it allows for risk sharing, which is important in a highly uncertain environment; and it discourages tenant investment if productivity sharing is not matched equitably with cost sharing. The combination of incipient commercialization and absentee landlordism triggered tenant evictions in a handful of districts that were being integrated with the urban economy. A half-hearted tenancy reform legislation, introduced under donor pressure, languished in Parliament only to be overtaken by the revolution (Ellis 1980). It is curious, however, that commercialization was long condemned in the political activist literature on equity grounds. Due appreciation was lacking for the income diversifying benefits accruing to the poor to enable it to escape the tyranny of subsistence farming.

Table 2. A profile of the land tenure systems of imperial Ethiopia

	<i>Land use and tenancy</i>			<i>Land ownership by holder</i>		<i>Yield/size</i>	
	<i>% Cultivated: rented (partly)</i>	<i>% Cultivated: <1 hectare</i>	<i>% Tenant: total (partly)</i>	<i>Freehold (% absentee)</i>	<i>Church: various</i>	<i>Govt and other</i>	<i>Rank: Y/H</i>
<i>A. North</i>							
Begemdir	na	70	15 (6)	<i>rist</i>	na	na	4/12
Gojam	na	54	20 (7)	<i>rist</i>	na	na	9/11
Tigray	na	78	25 (18)	<i>rist</i>	na	na	na
<i>B. Central</i>							
Shewa	55 (17)	47	67 (16)	54 (67)	14	32	5/8
Wollo	14 (25)	80	55 (9)	82 (40)	14	4	3/5
<i>C. South</i>							
Arsi	51 (11)	31	52 (7)	41 (27)	17	42	2/10
Bale	na	na	na	48 (12)	2	50	1/7
Gemu Gofa	46 (6)	94	47 (4)	17 (50)	5	78	12/1
Hararge	46 (15)	76	54 (5)	45 (48)	17	38	10/3
Illubabor	67 (17)	69	75 (2)	49 (42)	5	46	8/6
Keffa	67 (4)	58	62 (3)	44 (50)	3	53	6/4
Sidamo	35 (1)	91	39 (2)	43 (47)	3	54	7/2
Wellega	49 (5)	65	59 (5)	44 (28)	5	51	11/9

Sources: Ministry of Land Reform Administration, *Reports of Land Tenure Survey, 1967–70*; Central Statistical Office, *National Sample Survey, 1963–67*; Central Statistics Office, *Agricultural Sample Survey, 1979–80* (for the Y/H data).

1. The proportion of full owner-operators ranged from 85% in Begemdir to 28% in Shewa. na = not available. (partly) = part tenant.
2. Ranking (excl. Eritrea and Tigray): Y = crop yields (kg/ha – 1 being the highest), and H = size of holdings (1 being the smallest).

Table 3. Postwar proclamations regarding land and related matters, 1942–1967

Year	Proclamation	Measure
1942	Bureaucracy	Establishes a system of modern administration
1942	Land tax	Per <i>gasha</i> in Birr: fertile = 15, semi-fertile = 10, poor = 5, unmeasured = half the 1935 tax rate
1942	Slavery	Reaffirms abolition of slavery
1942	Gifts	Forbids receiving gifts (such as <i>mestengido</i> , <i>meteyaya</i> and <i>ij-mensha</i>) by government officials
1942	Church land	Defines the administration of Church property
1944	Ministers	Defines the powers and duties of Ministers
1944	Bank	Establishes the Agricultural Bank of Ethiopia
1947	Education tax	Establishes a land tax for education
1949	Income tax	Institutes payment of tax by all individuals and businesses. Amended in proclamation 17 of 1961
1963	Central bank	Charter of the National Bank of Ethiopia
1966	Research	Establishes the Institute of Agricultural Research
1966	Cooperatives	Establishes service cooperatives
1966	Decentralization	Establishment of local (<i>Auraja</i>) self-administration
1967	Income tax	Amends the 1949 income-tax proclamation

Sources: *Negarit Gazeta*, various issues.

and state lands (especially in Arsi, Gemu-Gofa and Sidamo) and significant absenteeism (especially in the larger provinces of Shewa, Kefa and Sidamo).¹¹

The state's fiscal base has now become more secure due to the shift towards urban, import-export taxes (especially coffee) and foreign economic assistance. Toward the end of the period, agricultural land and income taxes accounted for less than a sixth of government revenue (Cohen and Weintraub 1975; Chole 1990). Over-dependence on tax revenues from the small cash-crop economy and foreign aid facilitated the insularity of the ruling elite and hence its disintegration.

¹¹ One often encounters arguments to the effect that the thesis of the northernization of southern tenure systems is inapt since landlessness was much higher, and the ethnicity of the ruler often differed from the ruled (Donham 1986; Tareke 1991). While these factors help to explain the phenomenon of bastardized tributarism, there is little evidence that the monarchy based in Shewa introduced an alien system, i.e. one that had not existed in the older districts of the Empire and Shewa itself. The history of the ethnically diverse north clearly shows that territorial annexation, punitive military expeditions, establishment of military colonies and cultural assimilation were the most widely shared strategies among tribute-seeking peoples (Tigre, Agew, Amara and Oromo) for imposing overlordship over their subjects. Having an outer ring of tribute-paying dependencies in the periphery was indeed an important mechanism for relieving the intense pressure on an already overburdened economic base at the centre. Tracing the *gult* system back to the Axumite era, Tadesse Tamrat notes: 'All the Christian provinces in the north were originally acquired by wars of conquest. It is apparent that every such conquest was followed by allotments being distributed in fief among the king's followers and heavy dues being imposed on the conquered people. With the passage of time, however, the conquerors and the conquered became religiously and ethnically assimilated and developed a single, albeit tribally diversified, Christian identity' (1972, 98–9).

Table 4. Average cash expenditures of farms in three agricultural systems: Ethiopia, Taiwan and USA

<i>Item/country</i>	<i>Ethiopia</i>	<i>Taiwan</i>	<i>USA</i>
Year	1967	1967	1961
Mean farm size	11 acres*	2.5 acres	302 acres
Taxes	2.7	4.7	6.5
Financial assets	2.6	6.1	4.3
Factor payments	7.6 (rent)	11.1 (wages)	11.5 (wages)
Production expenses	25.2 (animal purchases)	30.5 (fertilizer)	45.5 (feed and livestock)
Consumption expenses	61.6 (cereals)	48.4 (food)	32.2 (food and shelter)
Total cash expenditure per farm (US\$)	130	1320	11,940

Source: compiled from Johnston and Kilby (1975, 72–3).

Data exclude all consumption in-kind and family-supplied labour. All numbers are percentages, unless otherwise indicated. The largest category of cash expenditure is shown in parentheses.

* This is actually the mid-point of the given range of 3.7–18.3 acres. Land holdings today rarely exceed one hectare.

An illuminating comparison, in terms of sources and levels of income and expenditure, of the subsistence peasant farm and the commercial farm is provided in Table 4. It contains data on cash income from marketed surplus for the average farm in a very low-income economy with moderate land scarcity (Ethiopia), a middle-income economy with high land scarcity (Taiwan) and a high-income economy with land abundance (USA).

The table highlights several interesting differences among the three agrarian systems. First, average farm size means little for income level, which suggests that climate, soil quality, irrigation and application of chemicals matter greatly. Second, high farm productivity goes hand in hand with specialization, i.e. greater reliance on wage labour and purchased inputs. Third, consumption expenditure out of cash income declines markedly as farm income rises. Ethiopian farmers, being the poorest of the three, spent some two-thirds of their income on food.

MODES OF PRODUCTION: FEUDAL VS TRIBUTARY

In evaluating the explanatory power of competing theories with respect to the stylized facts of Ethiopia’s peasant economy, we need to address two interrelated questions. The first has to do with the factors that favour the emergence of one mode of production over another. We will use Domar’s impossibility hypothesis to broach this issue. The second issue deals with the dynamics and interactions of dominant and secondary modes of production as they shape the development

prospects of a country. We will compare the feudal model with the tributary model to address this issue.

Factor Endowments and Agrarian Institutions

Evsey Domar (1970) has put forward an interesting hypothesis concerning the relationship between economic freedom and agrarian organization. It was intended to identify the conditions that gave rise to the institution of serfdom in Russia and Eastern Europe. His hypothesis, classical in spirit, is based on a simple economic model with the following assumptions: land is of uniform quality, land and labour are the only factors of production (no fixed capital or management is needed), and there are no diminishing returns in the application of labour to land.

Under these assumptions, the average and marginal productivities of labour become constant and equal to each other, thus leaving no room for agricultural surplus to be appropriated by non-producers. In the absence of *political* conditions that give rise to a class of landlords, agriculture will consist only of family farms, since hired labour will be either unavailable or unprofitable for the simple reason that land is free. The same conditions would apply if capital is admitted as a factor of production so long as the capital needs of the farm are modest. This model implies that ‘the three elements of an agricultural structure relevant here – free land, free peasants, and non-working landowners – any two elements *but never all three can exist simultaneously*. The combination to be found in reality will depend on the behaviour of political factors’ (Domar 1970, 21).

Domar’s approach holds important clues regarding the curious absence of large landlord estates in the Ethiopian highlands where his assumptions more or less hold. It also reaffirms the conventional wisdom that security of access to land and transferability of land (ranging from full ownership with alienability to conditional right of use) typically assume the communal form in land-surplus regions, the individualized form in land-scarce or more commercialized regions, and state or crown ownership where central political authority is strong (Deininger 2003).

We now take a brief look at the four possible agrarian systems that theoretically could have existed in Ethiopia, two of which in fact did (see Table 5):

- (1) Free labour with free land: This combination gives rise to two variants. The first is a free farmer economy without overlordship, one that prevailed in the northern part of the United States (Temin 1991). The other is a tributary economy with overlordship, one that prevailed in the northern provinces of Ethiopia. Land was abundant, individually cultivated, and communally allocated. The tributary variant confirms Domar’s insight that a landed aristocracy and free land can coexist only when the former enjoys political (military) dominance over the latter.
- (2) Free labour with unfree land: This combination gives rise to generalized tenancy. Initially a secondary feature of agrarian relations in central Ethiopia (mainly in Wollo and Shoa), tenancy became dominant in the southern provinces in a form that fused rent with other tributary obligations on the tenant.

Table 5. Factor supply, agrarian organization and mode of surplus appropriation

<i>Labour's status/ land availability</i>	<i>Free labour</i>	<i>Unfree labour</i>
Free land	I Variant 1: Free farmer <i>Appropriation: tax</i> <i>Politics: free citizenship</i> Variant 2: Tributary peasant ^a <i>Appropriation: tax-rent + service</i> <i>Politics: overlordship</i>	III Empty set: Domar's Impossibility Theorem
Unfree land ^b	II Variant 1: Generalized tenancy <i>Appropriation: rent or share + tax</i> <i>Politics: landlordship</i>	IV Variant 1: Feudal (demesne) ^c <i>Appropriation: rent + service</i> Variant 2: Slavery (plantation) <i>Appropriation: above-subsistence output</i> <i>Politics: landlordship</i>
Ethiopia	I: Tributary II: Share tenancy	N/A: domestic slavery in aristocratic households

Notes:

^a Appropriation may be bureaucratic (as in the Ottoman case) or decentralized and indirect (Ethiopian case).

^b Unfree land refers to monopolized land access, regardless of abundance.

^c The feudal demesne may be centrally organized or less so.

(3) Unfree labour with free land: This is an empty set in the light of Domar's impossibility theorem.

(4) Unfree labour with unfree land: This mix is generally associated with feudalism or plantation slavery (Byres 1996). In Ethiopia, this variant prevailed only in the more centralized kingdoms of the south (such as Jimma, Wollamo and Keffa) where a mix of land tenure systems existed: freehold, customary and communal. Large landowners, to the extent unknown in the northern provinces, had their land cultivated by tenants or by slaves captured from the borders with Kenya and the Sudan. The large palace estates of Abba Jiffar of Jimma or Sahle Sellassie of Shewa made use of slave, indentured and conscripted labour, but these were the exceptions that prove the rule. This again confirms Domar's point that abundant land and servile labour can exist *only* under political compulsion by an organized ruling class.

Feudalism vs Tributarism

The fundamental features of feudalism are the predominance of *landlordship*, the servile status of the subject peasantry and the existence of important market

relations. The canonical European model is essentially a system of delegated sovereignty whereby the landlord class has the right to have its estate (*demesne*) cultivated by servile labour in exchange for rights to subsistence plots, to collect dues (*seigneur*) from the politically dependent peasantry and to enforce tithe payments to the Church. The motive force of feudalism, at least in the classical Marxian tradition, is inter-class conflict over the generation and distribution of the economic surplus (Brenner 1976; Hilton 1975; Landes 1999).

The coexistence of a manorial economy and towns, for example, is an important factor in laying down the foundations for a robust industrialization drive. Enterprising feudal lords and vassals apparently had strong enough incentive to provide essential public goods (including social peace), to raise rent, to intensify as well as reallocate *corvee* labour, or to encourage agricultural innovation.

The fundamental features of tributarism, on the other hand, are the existence of a predominantly landed and free peasantry; control of production decisions by the small farmers or pastoralists; and predominance of *overlordship* with a state-sanctioned claim to a portion of the output in the form of tribute payments.

This means that the landed peasant, just like the *demesne* lord, is the residual claimant. The producer then has a strong incentive to maximize farm output (which explains why Ethiopian cultivators were early adopters of the plough, new seeds and inter-breeding of cattle and pack animals), but also to minimize the politically imposed surplus extraction by the agents of the sovereign. The extractors, on the other hand, have an incentive to maximize post-harvest tribute, but not necessarily to enhance farm productivity (via risk sharing or provision of public goods). The reason has to do with a severe agency problem. That is, overlords lack an effective enforcement mechanism to ensure that independent peasants would increase productivity or that non-producers would get their fair share of the incremental output.

The Case for Ethiopian Feudalism

The Ethiopian Student Movement (ESM) has long maintained, with little empirical justification or theoretical insight, that Ethiopia was indeed a feudal society (for a review, see Cohen 1974). The ESM, in fact, succeeded in pushing for a radical land reform programme which ironically had the unintended consequence of further disempowering and pauperizing the hapless peasantry (Abegaz 2004). The feudal thesis was also advanced, not always tied to a contextualized analytical framework, by many academic scholars including Merid Wolde Aregay (1986), Mesfin Wolde Mariam (1991), Fredrick Gamst (1970), Allan Hoben (1975), John Cohen and Dov Weintraub (1975), James McCann (1990), Eshetu Chole (1990) and Donald Crummey (1980, 2000). A handful, however, expressed deep scepticism about the relevance of the feudal construct to the most crucial features of agrarian relations in Ethiopia (Ellis 1976).

Donald Crummey, in his *tour de force* on the history of land and tribute grants in the Ethiopian highlands for the period of 1200–1900, begins his book with the following observations:

Though they lived their lives within the framework of the millennial Ethiopian state, in one important respect Ethiopia's farmers were autonomous of it and of their lords. Control of agricultural production – decision about what to plant, when and where to plant it – was in the hands of farming households. As we will see, Ethiopian noble families did amass something resembling the feudal estates of European and Japanese tradition, but these never became production units. Ethiopian nobles never directed a manorial economy. Nor, so far as our records inform us, did the country's great churches and endowed monasteries. (2000, 2)

In his 'Abyssinian Feudalism', Crummey agrees that status differentiation is probably as apt a description of social relations as class differentiation, but offers a qualified endorsement of the non-manorial feudal label: 'From whichever perspective we approach our analysis the point of departure from the European-derived model may usefully be explained by reference to the differing levels of class formation in the two societies. The Abyssinian social formation had two fundamental classes: cultivators and rulers. Relations between these two were intimate and fluid, uncomplicated either by ethnicity or by legal status. The rulers supported themselves by means of exactions from the peasants, primarily in the form of tribute rather than rent' (Crummey 1980, 135).

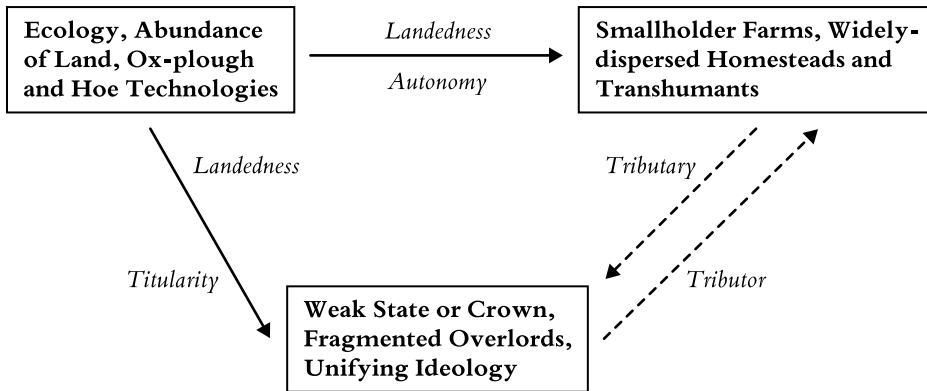
The Case for Ethiopian Tributarism

A better explanation, one that is theoretically appealing and also takes Ethiopia's peculiarities seriously, can be built around the specificities of the production organization and the associated forms of exploitation. Our preferred reconceptualization of the tributary mode melds three elements: (1) the notion of 'political accumulation' by rent-seeking political elites emphasized by Robert Brenner (1976), (2) the role of state ideology in sanctioning surplus extraction underlined by Samir Amin (1980) and (3) certain universal characteristics of the independent peasant household noted above (especially the control of the means of production, bias towards simple reproduction and reliance on local solidarity networks).¹²

Figure 1 provides a stylized depiction of a model of Ethiopian tributarism. In this conception, ecology, an abundant supply of land and the availability of

¹² It should be noted that our use of these concepts differs in important respects from both sources. As Duchesne (2001) suggests, Brenner (1976) relegates the importance of intra-lord conflicts and overemphasizes the centrality of class in explaining the origins of capitalism in Europe. Samir Amin (1980) generalizes the tributary mode of production as a transitory stage to capitalism. His conception is characterized by subsistence orientation, political domination by a 'landlord' class and sanctioning of economic domination by a state religion. We will instead emphasize the role of political control by the overlord class (political accumulation), that is, the use of office-holding (supplemented by landholding) as a pretext for extra-economic coercion of otherwise independent peasant producers. Amin's (1980) notion of corporate communities under the tributary mode being controlled by an external ruling class hardly fits the Ethiopian case of dispersed, largely detribalized, homesteads and a predominantly rural ruling class.

Figure 1 Ethiopia: endowments, landedness and tributarism



small-scale farm technologies give rise to a predominantly landed and geographically dispersed peasantry clustered around individualized homesteads. They also facilitate the emergence of a landed and differentiated overlord class headed by a relatively weak Crown. The bottom line is that the wealth of political accumulators depends on the interplay of three factors: land which became increasingly scarce, labour which becomes increasingly abundant, and income rights over land which increasingly falls out of the hands of the autonomous overlord class into the hands of a centralized state.

Settlement dispersal and smallholder production, in turn, made rural economic activity hard to support a large enough central army and bureaucracy. Under these conditions, the monarchy was compelled to transfer its revenue rights to a competitive and scantily restrained overlord class in exchange for public (including military) service. A tributary class that is preoccupied with meeting its subsistence requirements coexisted with a tributor class that sought to maximize the transfer of peasant surplus perhaps short of endangering subsistence requirements.

Each class had a preferred strategy and stratagem to attain its economic objectives. To maximize the extraction rate, the overlord class employed a wide array of techniques including office-holding (*shumet*, *aleqnet*), land accumulation, superiority in deploying the instruments of violence and use of a multiplicity of tribute obligations. This strategy of overlordship is aptly called *political accumulation*, the central attribute of which is the deployment of the power of one's office to engage in customary as well as extra-economic extraction of peasant surplus.

The counterpoint by the peasant may be called *surplus pre-emption*. Three of the most notable forms of surplus pre-emption are shirking (foregoing above-subsistence production when faced with unbridled predation), retention (diversion of appropriable surplus to unproductive consumption, or investment in deterrence) and exit (switching out of the status of tributary by joining the soldiery, the priesthood or the lower gentry).

In contestable tributary systems where the threat of entry is high, various theories of political economy suggest that elites who are secure by virtue of their monopoly of weapons, a compelling ideology, or a capacity to deliver the goods to their constituencies better than their competitors are generally pro-development. Assuming an inverted-U relationship between extraction rate and size of tribute, economic theory also suggests that a politically united and astute tributor class would maximize long-run revenue by taxing up to the point where peasants would contemplate resorting to armed resistance or pre-emptory subsistence production. Where coordination failure undermines rent enhancement via productivity, however, Mancur Olson's 'stationary bandit' (who extracts optimally) gives way to the 'roving bandit' who loots capriciously (Olson 2000).

The last point brings out one of the key features of tributarism noted above, i.e. its proclivity for using territorial expansions as an external engine of tribute accumulation (more on this below). This strategy may be thought of as 'extensive accumulation of surplus' by incorporating regions in the periphery. The alternative, 'intensive accumulation of surplus', is much less feasible since landed peasants in the core provinces are in a better position to resist extra-customary exploitation.

In sum, the basic features of the Ethiopian social formation, its mode of production and political relations, fits the tributary model quite nicely (Stahl 1975; Abegaz 1988). First, a politically dependent class of peasants controlled production decisions by virtue of owning most of the land (via hereditary cultivation and transfer rights). Second, access to land was conditional on payment of tribute (broadly construed to include taxes and levies) to the state bureaucracy or to a state-sanctioned class of autonomous overlords. Third, distributive conflicts were managed by complementing the exercise of punitive expeditions with skilful use of ideology – especially religious precepts that uphold reciprocal obligations between the two great agrarian classes.

An Afro-Asiatic Model of Tributarism?

The peasant economies of Ethiopia, Ottoman Near East and Indic-Muslim south Asia display substantial similarities amongst themselves and equally discernible differences with European feudalisms. Here, we can only make selective generalizations to illustrate the point that Afro-Asiatic tributarism deserves to be studied seriously in its own terms. Attempts to fit these agrarian systems into the straitjacket of feudalism, as suggested in Bertkay (1987) and Alavi (1987), do little more than confound our murky understanding of the diverse regional experiences with the transition to capitalism.

As shown in Table 6, the three variants shared striking similarities as well as secondary differences. Regarding the similarities, (i) they managed to integrate into a state highly diverse and conquered polities by deploying the unifying ideologies of universalist world religions – Christianity (Ethiopia) and Islam (Ottoman, and Mughal); (ii) they relied primarily on independent peasant households to produce agricultural surplus – reconciling as much as possible the conqueror's notion of tributary rights on to pre-existing systems, and linking local economies

Table 6. Three variants of Afro-Asiatic tributarism

Feature	Pre-revolutionary Ethiopia	Ottoman Near East	Mughal India
State formation and unifying ideology	Decentralized; Insurgent Christianity; Personal loyalty	Centralized; Insurgent Islam; Personal loyalty	Centralized; Insurgent Islam; Personal loyalty
Primary form of land ownership	Private (family) ownership (<i>rist</i>); Inalienable right to land	State ownership (<i>miri</i>); Alienable right to land	Mixed: lineage and State (<i>jagir</i>); Alienable right to land
Other property forms	Church, and freehold	Pious foundations and freehold	Pious foundations and freehold
Primary mode of land acquisition	Settlement and conquest	Conquest; use rights for vanquished	Conquest; use rights for vanquished
Dominant form of production	Independent family farm; Towns were very few	Independent family farm; Towns had important role	Independent family farm; Towns had important role
Favoured method of surplus extraction:			
a) Overlord	Tribute: tax + service (<i>gult</i>)	Tribute: tax + service (<i>tapulu miri</i>)	Tribute: tax + service (<i>jagir</i>)
b) Landlord	Fusion of taxation and rent (<i>gebbar</i>)	Pure rent (<i>mukataalu miri</i>)	Fusion of taxation with rent
Key tributary chiefs	Administrator (tax and tithe)	<i>Timar</i> holder and tax farmer	<i>Zamindar</i> and <i>Raja</i>
Balance of power	Precarious: peasant vs overlord; Crown insecure about fiscal base; Rest insecure about net income	Hegemonic state class; Sultanate insecure about fiscal base; Rest insecure about land and net income	Hegemonic state class; Sultanate insecure about fiscal base; Rest insecure about land and net income

Jagir = a Mongol institution that refers to an administrative fief or tax-rent on Mughal state lands in return for service (cf. Arab *iqta*, Ethiopian *gult*, or Ottoman *timar*).

Zamindar = a 'landholder' and a village lineage official (below the *Raja*) whose primary job is the collection of revenue due to the Islamic state.

Miri = cultivated lands (over 90%) in the core regions whose eminent domain belongs exclusively to the Ottoman state. Tilled exclusively by village-residing peasants with legally codified usufructual contract (*Tapulu*) – obligations include tax payments and services to state agents (*timar* holders).

Mukataalu = *miri* lands rentable to anyone (including tax farmers) who are obligated to deliver the contracted tax and tithe but no additional service obligations.

Sources: Metcalfe (1979); Pamuk (1987); Bertkay (1991); Vali (1993); Inalcik and Quataert (1994).

to global trade networks; (iii) they employed a variety of intermediaries (local elites, tax farmers, garrisoned soldiers and moneylenders), supplemented by civil administrators, to collect and transmit the share of the sovereign to the state treasury; (iv) they built up military states bent on extensive accumulation of tribute by using relentless territorial expansion; and (v) they suffered endemic political instability (and hence dissipation of agricultural surplus) due to the precarious balance of forces among restless sedentary peasants and semi-nomadic invaders, resentful local lords, an assortment of opportunistic state functionaries and ambitious dynastic ruling houses (Metcalf 1979; Pamuk 1987; Bertkay 1991; Vali 1993; Inalcik and Quataert 1994).

There were also notable differences among them. For example, the Ottoman variant twinned *timar* overlordism (service-linked grant of land or revenue) with close supervision (especially land surveys and enforceable revenue codes) by a well-developed state bureaucracy. This appears to be the ideal model of tributarism to which the Indian *zamindar* variant and the Ethiopian *gult* variant were converging. However, the Ottoman and Mughal forms were parts of a global Muslim empire that superimposed itself on far-flung peoples, while the Ethiopian case was one of incorporation of culturally related peoples with a long history of mutual invasion and incorporation. Finally, the degree of exposure to global markets differed among the three, with the Ottoman case being the closest and the Ethiopian case being the farthest.

This comparative perspective brings out a tantalizing implication regarding the painfully slow rate of peasant disappearance under tributarism. Compared to the manor-town complex of English feudalism, for example, Afro-Asiatic tributarism was clearly more prone to perpetuating, if not developing, underdevelopment. This is so because the latter lacks an internal dynamic that would enable the tributor class or the tributary class to gain decisive hegemony over the other by fusing economic and political control. Breaking out of the tributary trap seems to require either an internal shock in the form of a socialist revolution or an external shock. The latter historically took the form of a series of defeats of the Ottomans by European powers, the incorporation of India into an English global empire, and the brief (and hence fleeting) encounter with Italian imperialism in the case of Ethiopia.

POLITICAL ACCUMULATION AND POVERTY TRAPS

These observations naturally lead us to a hypothesis regarding a vicious circle of tributarism which may be stated, perhaps too boldly, as follows:

Ethiopia's persistent agrarian underdevelopment was ultimately rooted in the coexistence of a landed peasantry and a tribute-seeking political class. The overlord class competed fiercely for secular and ecclesiastical titles in a bid to convert authority into wealth. Once this path-dependent relationship between peasant landedness (production) and tribute (appropriation) had been established, an endemic conflict set in between the imperatives of production and distribution, and between disorder and absolutism. Lacking

effective restraints by the State on competitive predation, the autonomous peasantry had little choice but to invest in prevention, mount sporadic rebellions or, as a last resort, limit itself to subsistence production. Political entrepreneurialism and demographic pressure, by militating against productive investment, eventually pushed one of Africa's oldest peasant economies into an enduring poverty trap.

Rent Seeking and Rent Dissipation

The persistence of anachronistic agrarian institutions such as those of Ethiopia can usefully be illuminated by simple models of rent seeking – activities that divert valuable resources to less productive uses. Murphy et al. (1993) provide one where poverty traps arise from the interaction of rent-seeking activities and productive activities. Rent seeking is assumed here to exhibit increasing returns to scale in the sense that an increase in rent seeking lowers the cost of further rent seeking for the predator.

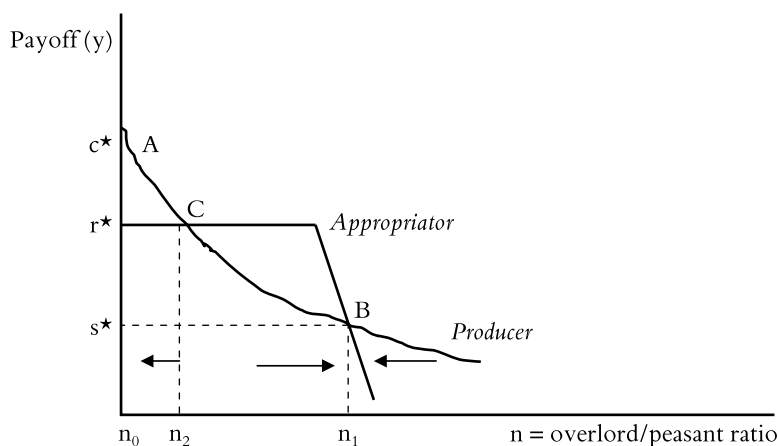
Consider an agrarian economy in which a representative agent of a class can engage in one of three activities: as an entrepreneurial farmer producing cash crops for the market with an output level of c , or as a subsistence farmer with an output level of s ($s < c$), or as a rent-seeker who expropriates a portion of the marketable output of the cash-crop producer with a maximum amount of r . Letting n denote the ratio of appropriators to producers, the aggregate returns curve to producers is a declining function of n . The curve pertaining to rent-seekers has a flat segment (denoting that the aggregate amount redistributed surplus depends only on the number of rent-seekers, since they can take all they are physically able to take) followed by a declining segment (as rent-seekers crowd each other out).

An equilibrium point in this economy is defined as an allocation of the population among the three class positions and their respective per capita incomes (y). Under the assumption that property rights are incompletely protected, the multiple equilibria that arise as well as the possible payoffs to production relative to predation are shown in Figure 2.

The first equilibrium A ($n = n_0, y = c$) is the superior one where everyone ends up as cash-crop producer. The second equilibrium B ($n = n_1, y = s$) is the inferior one where expropriation has driven down everyone (including the rent-seekers) to the subsistence income level. In the intermediate range, people are split between market production and rent seeking with no one opting for a life of subsistence production. The equilibrium C ($n = n_2, y = r$) is, however, unstable, since a slight decrease in n makes cash production more attractive than rent seeking, while a slight increase in n raises the relative returns of predation, thereby driving everyone to the stable poverty trap at B.

Even under fanciful assumptions about the good incentive properties of private land rights, escape from point B to the region that lies to the left of point C thus requires non-market interventions. The exogenous shock must also be large enough to decisively empower producers (in the form of secure property rights, the rule of law and a level playing field in markets).

Figure 2 Traps in a tributary economy



Nash Equilibria:

A = farmer economy *without* rent seekers ($c > r = 0$)

(stable)

B = subsistence peasant economy *with* rent seekers ($r = s > c = 0$)

(overlord and peasant coexist in blissful poverty)

C = above-subsistence peasant economy *with* rent seekers ($r = c > s$)

(unstable)

where:

r = rent extraction

c = cash crop production

s = subsistence production

Source: adapted from Murphy et al. (1993)

The Failure of Ethiopian Tributarism

A striking feature of Ethiopian political economy, the incessant contentions for officialdom among the members of the ruling class and the bias toward growth traps, can now be understood as a structural feature of the tributary mode of production. As noted earlier, authority, including that of the emperor, was rarely hereditary. Resourceful upstarts with good martial and leadership skills had the incentive to form coalitions among disgruntled members of the nobility and the gentry as well as to buy the allegiance of ambitious members of the peasantry. The notion of a highly contestable political market also helps to explain why young princes were banished for life to royal penal colonies, or why the maverick brigand (*shifita*) purportedly out to redress injustice visited on the weak is the stuff of legend in rural Ethiopia. One-upmanship contests, though tempered with the establishment of a modern bureaucracy, have nurtured a political culture of autocracy and political patronage that persists even today.

Distributive conflicts in this high-risk, low-trust environment between peasant and overlord-cum-landlord swung between resignation and active resistance. Powerful chiefs periodically conducted punitive campaigns in the event of a wholesale refusal to meet onerous tributary obligations. It was the norm in earlier centuries for emperors, unable to establish a firm fiscal base, to move the court from region to region setting up armed encampments involving tens of thousands of soldiers and retainers. Hedonistic Ethiopian political entrepreneurialism, unable to nurture an internal agrarian growth engine, had to put a high premium on the external engine of conquest for wealth accumulation.

Peasants, for their part, actively colluded with pretenders to higher rungs of overlordship in the hope of getting a break from the winner. Just as often, they sought to serve in the militia of big men who led perennial raids on less-defended communities or on rebellious tributary principalities in search of quick loot, land or tribute payers. Lesser overlords sought to build up their 'reputational capital' by displaying impressive martial skills, patrimonial skills in sharing the booty with loyal followers and astuteness in cultivating foreign sources to import weapons for the low-intensity arms race.

Unwilling to be passive pawns, peasants also responded by limiting output to subsistence levels, or decapitalizing their livestock wealth, which was the most prone to be looted. In other words, insecure smallholders under-invested in productive assets and over-invested in defensive assets relative to the optimal level because of high insecurity regarding both the *rate* of taxation (tribute) and its capricious *variability* (Pankhurst 1965, 1966b, 1968; Wolde Mariam 1984, 1991; Bates 2001).

To mitigate the destabilizing effects of internecine warlordism, farsighted members of the aristocracy pragmatically resorted to clientelist stratagems such as marriages and title grants to co-opt ambitious upstarts, upholding peasant right to petition if not to negotiate, and invoking the fear of God (*feriha igziabher*). Despite belated and heroic attempts by the royal court, investment in extractive capacity trumped investment in administrative and technical capability.

The uncertainty inherent in political accumulation thus had the unfortunate effect of magnifying the high risk emanating from the erratic agro-climatic environment. To this may be added the impact of pervasive market failures which are known to constrain peasant ability to respond to price incentives. It is no wonder then that the Ethiopian peasant, despite being landed, remained woefully and wilfully poor, responding largely to demographic pressure to restore subsistence requirements.¹³ Unable to mount credible deterrence against ever-present predation, the peasantry resigned itself to discounting the future heavily in favour of an untenably conservative strategy of 'getting by'.

¹³ Tributaryism is, of course, not the only source of poverty trap in Ethiopia. In the periphery along the Sudan and Kenya borders where the presence of the state is the weakest, several tribal peoples continue to engage in the age-old practice of raiding each other. Poignant examples also abound from various parts of Africa where, law and order being precarious and deterrence based on retaliatory private violence being costly or fragile, people 'choose' to remain poor (see Bates 2001).

We can also offer explanations, more suggestive than definitive, for two subsidiary paradoxes. The first question is: how can this class-based society permit such a high degree of social mobility? A reasonable answer is that there is nothing in the theory of mode of production that requires a one-to-one mapping of class position and individual members of society. The Ethiopian system allowed for musical chairs, thus accommodating ambitious individuals while encouraging the rest to buy into the ideology of meritocracy and openness. The second puzzle is: how can a system with such a shallow economic base build, maintain and defend an empire for so long? A credible answer is that tributarism demands little from newly incorporated territories (by way of organization of production) other than accepting the new authority and paying tribute, and also uses as a mobilizing tool promises of land grants and *gult* over-rights for peasant soldiers. Unable to increase productivity at the centre, a tribute-seeking state nurtures 'an expansionist political culture' (McCann 1990, 404) to cope with recurrent agrarian crises – a strategy that works only until the frontier disappears.

CONCLUDING THOUGHTS

Bereft of large feudal estates, autonomous urban centres of consequence, specialized moneylenders, extensive rural cottage industry and codified property laws, historic Ethiopia entered the industrial era with grossly unfavourable initial conditions. The domestic economy of the peasant could not ensure subsistence needs, much less produce a large enough marketable surplus to underwrite industrialization. Why the agricultural system of the central highlands, whose high productivity supported for two millennia one of the world's greatest civilizations, suffered such a reversal of fortune has so far defied a good explanation.

This paper advances the thesis that the proneness of Ethiopia's agrarian system towards economic oblivion is best understood as a gigantic institutional failure. That is, myopia pervaded the uneasy coexistence of a landed but incompletely free peasantry and a powerful but fractured overlord class. Unable to turn its access to land into adequate protection from surplus expropriation, the peasantry resorted to a strategy of self-sufficiency to limit the production of appropriate surplus on the knowledge that what is not produced could not be taken away. Unable to consolidate power in this contested terrain, the fractured overlord class had little choice but to fight over meagre scraps even at the risk of endangering the reproduction of the farm household.

What lessons do history and theory provide for the resolution of this longstanding agrarian question in terms of extricating itself from a subsistence trap? In the absence of a rupture that often comes with a robust colonial experience, three paths can be contemplated.

The first escape route, capitalism from below, is for the peasantry to have extricated itself from the political fetters of overlordism by building a coalition to decisively defeat the titled class. In order to generate sufficient exportable surplus and a bigger home market, this trajectory requires strong incentives and secure land rights to small cultivators, functioning factor and product markets,

and effective political institutions. Unlike the case of European or Japanese feudalism which evolved into industrial capitalism as a result of a mutually beneficial alliance between specialists of violence and specialists of surplus generation, the spatially and culturally heterogeneous Ethiopian peasantry somehow failed to forge a united front.

The second route, capitalism from above, is for the class of overlords to have reinvented themselves into a class of economic entrepreneurs through a decisive victory, perhaps by being more open to incremental reform, over the propertied peasantry. By so doing, they might have succeeded in creating market-oriented estates worked at least initially by a servile labour force. Whether it took the manorial form or the plantation form, this market-oriented path would have enhanced the generation of sufficient marketable surplus to underwrite a robust industrialization drive. Again, the Ethiopian ruling class's failure to overcome its internal disunity, exacerbated by incessant invasions from abroad, precluded this option.

The third route, agrarian populism, is for an urban-based coalition of disgruntled state-elite to spearhead social revolution. This path was indeed the one adopted in 1974–5 when an informal alliance of the Left and non-commissioned officers succeeded in capturing state power and implemented a programme of land nationalization. It consisted primarily of an egalitarian land redistribution programme and extension of use-rights to the peasantry with little change in the organization of production or investment in social overhead. While tenants and the landless did benefit from the reform, the *ristegna* peasantry lost its cherished ownership rights to land.

The supplanting of private tributarism by an equally parasitic state tributarism, this time in the form of state overlordship with an unmediated access to the peasant household, produced the same dismal economic stagnation. In fact, the land nationalization programme tragically compounded the disincentive of income insecurity with that of tenure insecurity. As we suggest in a companion paper (Abegaz 2004), a progressive agrarian reform – one that couples secure freehold with substantial public investment – is indispensable for transforming the subject peasantry into a truly free and prosperous farmer class.

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