

Economic Consequences of Ethnocentrism and Authoritarianism in the Amhara Region of Ethiopia¹

Getachew Begashaw (PhD)

W. R. Harper College

Chicago, Illinois

Abstract

This study investigates the economic consequences of ethnocentrism and authoritarian political structures in Ethiopia’s Amhara region. Drawing from national datasets, conflict exposure records, and regional household surveys, the study presents a regression-based empirical assessment of how political marginalization is affecting income levels, human capital, food security, and long-term development. Findings show strong evidence that structural discrimination is associated with lower per-capita expenditure, higher rates of stunted physical development, reduced access to sufficient caloric intake, and heightened exposure to violence. These patterns illustrate the high economic cost of authoritarian governance and long-term implications for poverty, regional inequality, and national development. Recommendations emphasize institutional reform, more inclusive governance, and targeted investment in marginalized communities.

Keywords

Amhara region; ethnocentrism; authoritarian governance; political exclusion; horizontal inequality; conflict economics; public investment disparities; human capital development; stunting and malnutrition; regional underdevelopment; extractive institutions; Ethiopian socioeconomic policy

Background

The Amhara region of Ethiopia has long been at the crossroads of political transformation, cultural identity formation, and contestation over state power. In recent decades, however, the Amhara have faced increasingly severe economic, social, and political marginalization. Ethiopia's shift toward ethnic federalism in 1991 marked a decisive restructuring of national governance. While the stated intention was decentralization and self-determination, many studies (Clapham, 2009; Aalen, 2011) argue that the new system instead consolidated power among select political elites, notably the Tigray People's Liberation Front (TPLF) and later, the Oromo political establishment (OPDO).

The literature shows that political marginalization often correlates with deepening poverty, reduced investment, and reduced public services (Acemoglu & Robinson, 2012; Boone, 2014). Within Ethiopia, political exclusion of the Amhara has resulted in measurable economic disparities, including higher-than-average poverty rates, lower per-capita expenditure, reduced access to sufficient caloric intake (malnutrition), and deteriorating healthcare and education. These outcomes align with a broad body of research demonstrating that ethnocentric governance tends to generate unequal resource allocation, discriminatory policies, and barriers to economic mobility (Cederman et al., 2013; Stewart, 2008).

Furthermore, recurrent conflicts—especially since 2018—have had devastating consequences for

the region’s agricultural productivity, industrial development, and labor market. The destruction of infrastructure, combined with the internal and external displacement of millions, has undermined productive capacity and contributed to the Amhara region’s long-term economic fragility. Scholars of conflict economics stress that these outcomes are both immediate and cumulative, affecting wealth creation and the development of human capital (Justino, 2009). The impact on Ethiopia’s Amhara population is consistent with these global patterns.

This study situates itself amid current scholarly issues, emphasizing how ethnically-based political exclusion and authoritarian practices exacerbate regional inequalities and suppress both economic and human development. It also underscores the importance of factually investigating the mechanisms through which political marginalization translates into measurable economic outcomes.

Literature Review

Research on ethnically-structured political systems demonstrates that when elites monopolize state institutions, marginalized groups often receive reduced access to economic resources and public services (Horowitz, 2000; Wimmer, 2013). Ethiopia’s ethnic federalism has become a major issue within African political science literature, with many scholars describing it as a decentralization façade for an entrenched system of authoritarian control (Aalen, 2006; Vaughan, 2011). Several studies specifically examine how such an exclusive and unequal governance system negatively affects interethnic relations, administration, and economic development (Fiseha, 2007; Turton, 2006).

Economists in particular have explored how institutional bias affects investment flow, infrastructure allocation, and private-sector development. For example, North (1990) theorizes that institutions shape the incentives of political and economic actors; unequal institutions inevitably produce unequal outcomes. In Ethiopia, multiple empirical analyses confirm the existence of systemic bias in the distribution of public investment, credit access, and land rights, often privileging regions aligned with ruling-party elites (Dercon & Gollin, 2014; Kassahun, 2020). These findings support my argument that the Amhara region’s economic challenges are not merely incidental, but structurally produced.

A substantial body of literature also examines the consequences of ethno-political exclusion on levels of conflict and economic development. Cederman, Weidmann, and Gleditsch (2011), for example, document how politically-excluded ethnic groups are much likelier to experience violence. Conflict in turn disrupts economic activity, destroys infrastructure, and undermines long-term growth (Collier & Hoeffler, 2004). These dynamics are reflected in the Amhara region’s recent history, where targeted violence and state repression have led to widespread displacement, loss of life, and economic contraction.

Another relevant literature stream addresses the deterioration of essential social services under politically exclusionary regimes, with multiple studies showing that marginalized communities are likeliest to be impacted by underfunded health care, increased child malnutrition, limited school enrollment, and low literacy (World Bank, 2020; UNICEF, 2018). Within the Amhara

region, current data show disproportionately poor health and education outcomes, aligning with broader global patterns.

Finally, scholarship on post-conflict recovery emphasizes the importance of political inclusion, institutional and government reform, and targeted (i.e. restorative) economic investment (Addison, 2003; Brück et al., 2016). These elements provide a framework on which to analyze potential recovery strategies for the Amhara region.

Together, the above-mentioned literature resources underscore important theoretical and empirical contexts for examining how ethnic authoritarianism, political marginalization, and economic underperformance impact the Amhara region. They also situate the Amhara population within global patterns observed in other societies affected by division and conflict.

Theoretical Framework

Ethnically-structured governance systems often generate persistent forms of economic inequality, particularly when political power is concentrated within a single or dominant ethnic bloc (Aalen, 2011; Cederman et al., 2013). Present-day Ethiopia is a prime example of how ethnocentric authoritarian control reinforces uneven development across entire regions. Under the ethnic federalism adopted in 1995 by the ruling Tigray Peoples Liberation Front (TPLF), disproportionate political authority has been exercised by ethnic elites whose interests do not serve the advancement of national equality, inclusion, or regional balance (Abbink, 2011).

Authoritarian regimes deploy state power to reward loyalists, consolidate control, and marginalize their political rivals (Acemoglu & Robinson, 2012), which in turn affects allocations of public investment, access to labor markets, control of public-sector employment, distribution of social services, and exposure to insecurity and conflict. In fact, since 1995 Ethiopia's political centralization has been linked to regionally-biased spending patterns (World Bank, 2020).

Group inequality theory posits that economic gaps between ethnic groups are often the result of structural exclusion, rather than market dynamics (Cederman et al., 2011; Stewart, 2008). The effect of ethnic favoritism on infrastructure and public spending is well documented.

Human capital theory highlights the complementary roles of nutrition, healthcare, and education as foundations for productivity (Becker, 1964). Chronic underinvestment in these areas—in the form of high rates of physical stunting, insufficient caloric intake, and limited schooling—results in long-term loss of economic performance.

As noted above, extensive literature sources also link political institutions to economic performance. Acemoglu and Robinson (2012) argue that inclusive institutions foster economic development, while extractive and/or exploitive institutions perpetuate poverty and inequality. Authoritarian regimes use political exclusion to maintain power, resulting in the uneven distribution of public goods across ethnic groups. Similarly, Easterly and Levine (1997) demonstrate that ethnically-polarized societies exhibit lower economic growth due to weakened institutional capacity and conflict over public resource allocation.

In the Ethiopian context, several studies have documented how ethnic federalism has contributed to uneven development patterns (Aalen, 2006; Abbink, 2011). Political marginalization of the

Amhara has been linked to lower levels of public investment, reduced access to farmland, and targeted political repression. Food security and human development indicators further illustrate long-term impacts of authoritarian repression, forced displacement, and discriminatory administrative practices.

Empirical Context and Data Sources

This study uses mixed methods to combine quantitative household survey data with regional economic indicators. Data sources include the Ethiopian Socioeconomic Survey (ESS), Central Statistical Agency (CSA) welfare surveys, and administrative expenditure reports. Ordinary least squares (OLS) regression models were estimated to identify associations between political marginalization and socioeconomic outcome.

This study draws on:

- Ethiopia Household Consumption and Expenditure Survey (HCES)
- Demographic and Health Survey (DHS)
- Population and Housing Census
- Armed Conflict Location & Event Data (ACLED)
- World Bank Socioeconomic Diagnostics

Key Variables

Dependent variables:

- Per capita household expenditure (PCE)
- Caloric availability per adult equivalent

- Child stunting prevalence (%)

Independent variables:

- Political exclusion index (constructed from governance reports)
- Conflict exposure (ACLED event counts per district)
- Public investment per capita
- Access to education (literacy rates, school density)
- Health service coverage

Summary Statistics for Key Variables

Variable	Mean (Amhara)	Mean (National)	Source
Per capita expenditure	1131.0	1255.0	CSA (2024)
Stunting rate (%)	62.5	30.0	CSA (2024)
Caloric availability	2508.0	2746.0	ESS (2024)
Conflict exposure	0.41	0.22	ACLED (2024)

Regression Model and Estimation Strategy: A simplified regional panel regression model

$$Y_{it} = \beta_0 + \beta_1 PE_{it} + \beta_2 CE_{it} + \beta_3 PI_{it} + \beta_4 HC_{it} + \beta_5 EA_{it} + \gamma X_{it} + \mu_i + \epsilon_{it}$$

Where:

- Y_{it} = development indicators (PCE, caloric intake, stunting rate)
- PE = political exclusion level
- CE = conflict exposure
- PI = public investment
- HC = health coverage
- EA = educational access

Fixed effects (μ_i) control for regional heterogeneity.

Results: Descriptive Statistics

Table 1

Selected Indicators: Amhara vs. National Average

Indicator	Amhara	National
Poverty Rate	26.1%	23.5%
Per Capita Expenditure	1,131 ETB	1,255 ETB
Caloric Availability	2,508 kcal	2,746 kcal
Child Stunting	62.5%	30%

Regression Results: Summary

Table 2

Regression Coefficients (Standard Errors in Parentheses)

Variable	PCE (β)	Caloric Intake (β)	Stunting (β)
Political Exclusion	-0.24*** (0.06)	-0.18** (0.07)	+0.31*** (0.09)
Conflict Exposure	-0.17** (0.08)	-0.22*** (0.06)	+0.27*** (0.08)
Public Investment	+0.29*** (0.10)	+0.21* (0.12)	-0.19* (0.11)
Health Coverage	+0.33*** (0.08)	+0.18** (0.09)	-0.22** (0.10)
Education Access	+0.31** (0.11)	+0.26** (0.08)	-0.15* (0.07)

Notes:

*** $p < .01$, ** $p < .05$, * $p < .10$

Interpretation and Discussion of Findings

1. Political exclusion significantly reduces per-capita expenditure and caloric intake while raising stunting rates, consistent with group inequality theory.
2. Conflict exposure exacerbates all negative outcomes, reducing economic performance and harming child health.
3. Public investment strongly improves welfare, indicating that disparities stem from policy allocation rather than inherent regional disadvantages.

4. Health and education access are crucial moderators, reducing the harmful effects of exclusion.

Study results confirm that ethnocentric political structures and authoritarian governance have significant measurable effects on the Amhara region's development trajectory. My findings support existing theories emphasizing institutional bias, public investment disparity, and conflict as core drivers of regional underdevelopment (Collier & Hoeffler, 2004; Stewart, 2008).

Furthermore, consistent with Becker's human capital theory, empirical evidence illustrates how long-term exclusion harms human capital formation. Elevated rates of physical stunting—double the national average—reflect chronic malnutrition among the Amhara population, resulting from underinvestment in essential services and high exposure to violence.

This study demonstrates that ethnocentric authoritarianism has negatively affected economic outcomes in the Amhara region due to unequal and insufficient public investment, political exclusion, and high conflict exposure. Regression analysis reinforces the finding that development disparities are institutionally created, not economically inevitable. Sustainable economic growth requires positive and proactive government reform, equitable public and private investment, and targeted interventions designed to rebuild human capital.

As summarized above, regression results show a statistically significant relationship between political marginalization and negative socioeconomic outcomes for the Amhara region.

Households in marginalized Amhara communities ($p < .01$) who reported political exclusion are 12–18% lower in per capita expenditure ($p < .01$), while rates of stunted physical development are 22% higher.

Taken together, my empirical analyses underscore the reality that economic challenges facing the Amhara cannot be understood solely through conventional development indicators. Rather, they reflect deeper political and institutional conditions that must be addressed in order to successfully achieve sustainable development. Improving Amhara economic conditions will require not only increased investment, but also significant systemic political reform aimed at protecting human rights, enhancing interethnic representation, and ensuring equitable resource distribution.

My study results also shed light on the importance of institutional accountability. In contexts where marginalized citizen groups have limited means of opposing unfair policies or demanding more equitable treatment, state authorities have little incentive to respond to them. The absence of meaningful accountability enables an indefinite continuation of discriminatory practices, further entrenching economic disparity. This environment creates a feedback loop in which political exclusion fuels economic deprivation and in turn weakens the ability of communities to advocate for reform.

Furthermore, study findings support broader theories on extractive political institutions, as articulated by Acemoglu and Robinson (2012). When political power is concentrated within ethnically-defined elites, public investments tend to reflect only the interests of those in power. This has become evident in patterns of public infrastructure spending, social services, and agricultural support for the Amhara region. Extractive dynamics in these areas dramatically reduce economic efficiency, discourage private investment, and erode public trust in state institutions.

Another important insight concerns the role of conflict exposure. My regression results indicate a strong relationship between political marginalization and conflict-driven economic disruption. Areas within Amhara that have experienced high rates of armed violence or displacement exhibit significantly worse development. This suggests that authoritarian governance not only contributes directly to economic inequality, but also creates conditions under which conflict—and its associated economic costs—is more likely to occur.

One critical dimension emerging from my analysis is the intergenerational impact of political exclusion. As previously noted, communities experiencing systematic marginalization face persistent deficits in education, healthcare, and nutritional wellbeing—factors that collectively limit human capital formation. Elevated stunting rates, for example, are not only indicators of current nutritional and medical deprivation, but are also grim predictors of future reduced labor productivity, lower lifetime earnings, shorter lifespans, and diminished regional economic competitiveness. These effects compound over time, reinforcing cycles of poverty that are difficult to break without substantial institutional reform.

Concluding Remarks

This study as a whole presents empirical findings that highlight the serious multidimensional economic consequences of ethnocentrism and authoritarian governance in the Amhara region of Ethiopia. Beyond statistical associations shown in the regression models, my results point to deeper structural mechanisms linking political marginalization to long-term underdevelopment. Authoritarian systems shape economic outcomes by constraining access to public goods and services, suppressing civic participation, and weakening state accountability—all of which reduce opportunities and structures essential for equitable resource distribution.

Evidence presented here makes it clear that the dire economic challenges currently facing the Amhara region do not result from natural constraints or isolated market failures, but are the predictable outcomes of authoritarian and ethnocentric state governance. Political exclusion, discriminatory resource allocation, and recurrent conflict have collectively and cumulatively undermined human capital formation, household welfare, and long-term development prospects for the Amhara region and its residents. Addressing these disparities will require more than technical intervention; it will demand structural reforms that enable political inclusion, state accountability, and equitable public investment. Ultimately, sustainable development in the Amhara region depends on transforming the institutional environment that has allowed economic marginalization and its resulting human deprivation to persist.

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ⁱ Dr. Getachew Begashaw developed the research concept, designed the methodological framework, conducted the analysis, interpreted the findings, and wrote the central arguments of the manuscript. All substantive ideas and conclusions are the author's own. The author assumes full responsibility for the accuracy and integrity of the manuscript.