

Abstract

Special Economic Zones (SEZs) are frequently discussed as emblematic of the diminishing role of the state and the increasing influence of market actors. However, SEZs also serve as deliberate tools for states to foster economic growth through foreign direct investment (FDI), carving out regulatory exceptions that reaffirm state authority. This tension underscores the paradox of SEZs: They embody the contradiction between free-market ideals and enduring state control.

This dissertation examines zoning practices in Ethiopia to understand how contemporary states navigate the competing demands of global integration and sovereign control. Drawing on three months of ethnographic fieldwork in Ethiopian Industrial Parks (IPs), I challenge prevailing narratives that frame SEZs as evidence of state retreat or sovereign fragmentation. Instead, I argue that Ethiopian zones function as sites where state power is intensified and that enable the simultaneous pursuit of seemingly incompatible objectives through what I term ‘productive ambiguity’. Rather than resolving tensions between state control and market freedom, economic nationalism and global integration, or public ownership and private efficiency, Ethiopian IPs create institutional arrangements that can hold these contradictions in productive tension.

The central research question asks: What do zones reveal about the evolving role of the state and how states navigate the boundaries between state and market authority? Drawing on ethnographic fieldwork conducted across two periods in 2023, including 25 interviews with government officials, private investors, park managers, and development practitioners, I investigate how different actors navigate these supposedly exceptional spaces. The study focuses on two Ethiopian IPs: the state-managed Bole Lemi Industrial Park (BLIP) and the privately-operated Eastern Industrial Zone (EIZ).

Despite different ownership structures, both parks demonstrated remarkably similar patterns of state authority, challenging conventional public-private distinctions. The One-Stop-Shop, marketed as streamlining governance, actually concentrates multiple government agencies within parks, creating higher state density inside zones than in surrounding territories. This spatial concentration contradicts expectations of regulatory withdrawal, revealing instead how zones intensify the very state presence they promise to minimise.

I demonstrate how productive ambiguity operates through four interconnected dimensions: spatial concentration shows how zones intensify rather than reduce state presence within bounded

territories; institutional multiplication reveals how proliferation of overlapping agencies generates adaptive capacity through complexity; temporal deferral demonstrates how fundamental questions about Ethiopia's developmental direction remain deliberately unresolved, allowing divergent futures to coexist; and interpretive flexibility enables different audiences to understand identical arrangements differently, satisfying competing constituencies simultaneously.

These findings challenge sovereignty-focused frameworks that interpret zones as sites of state fragmentation. The study documents Ethiopia's distinctive approach – what officials termed the 'Ethiopian way' of selectively appropriating global models while maintaining ultimate sovereignty over developmental outcomes. Ethiopian privatization exemplifies this approach, functioning not as genuine authority transfer but as institutional reconfiguration that augments state power. The Industrial Parks Development Corporation, described by officials as 'not really public and not really private', embodies productive ambiguity by accessing market legitimacy while preserving developmental control.

This research contributes to understanding contemporary state formation by demonstrating how states can create arrangements that sustain contradictory commitments through strategic ambiguity about fundamental categorical boundaries. Ethiopian IPs emerge not as spaces of genuine exception or market autonomy, but as institutional arrangements that enable states to sustain fundamental tension between political authority and market integration through productive ambiguity. Rather than representing state retreat, zones function as innovations in state capacity that enable management of foreign investment under the guise of liberalization while maintaining ultimate control over developmental outcomes.