Federal Democratic Republic of Ethiopia
Capital: Addis Ababa

Boundaries and place names are representative only and do not imply any official endorsement.

Note: this map does not show the 1995 administrative divisions. A current map is not available.
Ethiopia

*(Federal Democratic Republic of Ethiopia)*

TOM PÄTZ

1 History and Development of Federalism

The Federal Democratic Republic of Ethiopia (approximately 1,127,000 km²) is located at the Horn of Africa. It is bordered by Sudan on the west, Kenya on the south, Somalia and Djibouti on the east, and Eritrea on the north. It has a population of some 67 million inhabitants, about 90 per cent of whom earn their living from the land, mainly as subsistence farmers. Agriculture is the backbone of the national economy. The country has a Gross National Product (GNP) per capita of just US$90, making it the poorest country in the world in 2003, according to the World Bank. Life expectancy at birth is less than 45 years.

Due to its 3,000-year history, Ethiopia is seen as the oldest “state” in Africa and one of the oldest in the world. Starting from the Da’amat State (ca. 500 BC-100 AD), followed by the advanced civilization of the Axumite Empire and finally the Era of the Princes, Ethiopia has existed within different patrimonial empires. Modern Ethiopia was created by Christian highland rulers largely through twin processes of political subjugation and economic exploitation in the late nineteenth and early twentieth centuries. The Imperial Crown Prince and Regent, Haile Selassie, established ascendancy over regional feudal lords from 1916 to 1930, when he became Emperor. Haile Selassie was driven into exile during the Italian occupation of Ethiopia between 1936 and 1941. Following the country’s liberation by Allied forces in 1941, he returned from Britain and ruled until his overthrow in 1974.
Eritrea, created at the end of the nineteenth century through Italian colonialism, was federated with Ethiopia in 1952 after 10 years under a British mandate. The United Nations General Assembly passed a resolution, the \textit{Federal Act}, by which Eritrea came under the sovereignty of the Ethiopian Crown. The UN resolution – Resolution 390(v)(a) of 2 December 1950 – contained 15 articles, the first seven of which regulated the relations between Eritrea and Ethiopia. According to the first article of this UN document, Eritrea was to constitute “an autonomous unit federated with Ethiopia.”

Growing contradictions between an emerging capitalist system and feudalism, and questions about the value of the monarchy, fuelled unrest. In 1961 the royal bodyguard attempted a coup d’état, which revealed popular dissatisfaction with the pace of modernization and development. In recognition of this, in 1962 the government moved to increase centralization.

In 1974, the Provisional Military Council (\textit{Derg} in Amharic) toppled the Haile Selassie’s regime and proclaimed Ethiopia a socialist state. In the early years of the regime – a time referred to as the “red terror” – struggles for power and the establishment of a socialist state resulted in, at a conservative estimate, 100,000 people killed and several hundred thousand more fleeing the country.

Following the Soviet model, a Workers’ Party of Ethiopia was created in 1984 and in 1987, the People’s Democratic Republic of Ethiopia was promulgated under a new constitution. The constitution conferred ultimate state power on the so-called national Shengo and its standing organ, the Council of State. However, like other socialist/communist countries, the ruling political party – through the Central Committee and the Politburo of the Workers’ Party – maintained power through informal ‘parallel’ channels of communications and decision making, and in reality, had ultimate decision-making power in the country.

At the end of the Cold War, Soviet support wavered and the integrity of the centralized state was challenged. Two years of military defeats in Eritrea and Tigray, in addition to the gradual desertion of his Soviet allies, fatally weakened the regime headed by Colonel Mengistu.

In 1991 the Ethiopian Peoples’ Revolutionary Democratic Front (\textit{EPRDF}), a newly created coalition, launched a decisive military assault through central and western provinces, while in the east, Eritrean forces closed in on the cities of Assab and Asmara. Colonel Mengistu fled to Zimbabwe. In July 1991, \textit{EPRDF} forces took control of Addis Ababa and, following this a conference was convened to endorse a transitional charter. The charter became the legal basis of four years of interim rule under an \textit{EPRDF}-dominated legislature with an executive headed by the leader of the Tigray People’s Liberation Front (\textit{TPLF}), Meles Zenawi. The transitional government implemented extensive economic reforms and a radical form of federal devolution to nine of the new regional
states along predominantly ethnic lines. Over the next few years, the
constitution drafting commission wrote a new constitution, a process
which involved public consultation, mainly at meetings held at the local
level. On 8 December 1994, the 538-member Constituent Assembly ap-
proved the draft constitution prepared by the commission. Voters ac-
cepted the constitution in a referendum, and the Federal Democratic
Republic of Ethiopia was proclaimed in August 1995.

After the fall of the Provisional Military Council, the different liber-
ation forces transformed themselves into political parties. They were
not, however, able to convert in this short time from fighting forces
into democratic players, and they continued to try to overcome others
rather than democratically cooperating with them. In May and June
1995, Ethiopia held national parliamentary and regional legislative
elections. Most opposition parties boycotted these elections – led by
the Oromo Liberation Front which, seeing itself trailing the Tigray
People’s Liberation Front (TPLF), went underground – thus ensuring
a landslide victory for the TPLF. International and non-governmental
observers concluded, however, that opposition parties would have
been able to participate had they chosen to do so.

In May 1991, the Eritrean People’s Liberation Front (EPLF), led by
Isaías Afwerki, assumed control of Eritrea and established a provisional
government. This provisional government independently adminis-
tered Eritrea until, on 23–25 April 1993, when Eritreans voted over-
whelmingly for independence in a UN-monitored free and fair
referendum. Eritrea was declared independent on 27 April 1993.

In May 1998 rising tensions between Eritrea and Ethiopia led to an of-
fensive military operation launched by Eritrea. Trench warfare turned
into an intensive military operation by Ethiopia, which eventually led to
an Agreement on the Cessation of Hostilities, signed on 18 June 2000.
Finally, on 12 December 2000 Ethiopia and Eritrea signed a peace
agreement in Algiers, although there was still some dispute over the
border. In order to settle this dispute peacefully, a boundary commission
was established. The decision of the Eritrea-Ethiopia Boundary Com-
mission regarding delimitation of the border between Ethiopia and Eritrea
was given on 13 April 2002, but to date both sides have not been able to
finalize the border. Currently, just over 4,000 UN troops are deployed
along the border between Eritrea and Ethiopia.

2 CONSTITUTIONAL PROVISIONS
RELATING TO FEDERALISM

The Federal Democratic Republic of Ethiopia (FDRE) is a parliamen-
tary democracy. Its head of state is the President, who is nominated by
the House of Peoples’ Representatives to a six-year term and must then be elected by a two-thirds majority vote of a joint session of Parliament (Article 70).

The federal Parliament is bicameral. The legislative institutions of the federal government are the House of Peoples’ Representatives and the House of Federation. Members of the House of Peoples’ Representatives are elected for a five-year term in a “first-past-the-post” electoral system. According to the constitution, this House cannot have more than 550 members, and at least 20 seats are reserved for minority nationalities. Its functions consist of legislative, financial, deliberative, informative and representative subjects (Article 54). It is also provided with questioning power (Article 55(17)).

The composition of the House of Federation is surprisingly very open. The election of members can be direct or indirect – the decision is left to the state councils. Thus, state councils can decide whether they elect the members themselves or whether popular elections are held. At present there are 112 members. Each nation or nationality gets one additional member for each one million of its population (Article 61). Of this number, 71 are appointed by the states, and the other 41 seats are apportioned based on population (Article 61).

Ethiopian federalism has ethnicity as its underlying organizing principle. Ethiopian citizens are categorized into their different ethno-linguistic groupings. Member units of the federation are moulded by “settlement patterns, language, identity and consent of the people concerned” (Article 46(2)). Ethnic federalism is clearly expressed in the Preamble of the constitution which begins “We the Nations, Nationalities and Peoples of Ethiopia.” Whether minorities are specially acknowledged in the federal Parliament, or self-governed administrative units at the local level, the Nationality Right is a main feature of the constitution and also a factor in the determination of the division of power.

The House of Federation is the sole custodian of the constitution. It has the exclusive right (Article 62(1)) and ultimate authority (Article 83) to interpret the constitution and this is its main function. The Council of Constitutional Inquiry was established in Article 62(2) to examine constitutional issues and to submit findings to the House of Federation. The Chief Justice of the Federal Supreme Court heads the Council. The House of Federation is not bound by the advisory opinion of the Council of Constitutional Inquiry.

The Federal Democratic Republic of Ethiopia (FDRE) is comprised of the federal government and nine member states (also referred to as “regional states”) (Article 50). Member/regional states are Tigray, Afar, Amhara, Oromiya, Somali, Benishangul/Gumuz, Southern Nations, Nationalities and Peoples, Gambella, and
Harar (Article 47). The head of each member/regional state is called the President of the Region. He is head of the administration, Chief Executive and Chairman of the Executive Council of the state. The President of the Region is accountable to the Council of the Region (the name of each state legislature). The Executive Council is composed of the Chief Executive, Deputy Chief Executive and the members of heads of bureaus.

Chapter Five of the constitution – Articles 50-52 – deals with the structure and division of powers. A very detailed description of the powers and functions of the federal government is given in Article 51(1–21). All of the federal powers are directed towards issues of national concern. These are, *inter alia*, overall economic and social development, national standards and basic policy criteria for health and education, defence, federal police, foreign policy, foreign commerce, declaration of a state of emergency, immigration and granting of passports, copyright, standards for measurement and calendar, and possession and bearing of arms. The exhaustive description of federal powers is followed by a general provision regarding the powers and functions of the states. Article 52(1) indicates, “all powers not given to the Federal Government alone, or concurrently to the Federal Government and the States are reserved to the States.” According to Article 52(2), the states can establish their state administration, enact and execute state constitutions, formulate policies, strategies and plans, administer land, levy and collect taxes and duties, enact and enforce laws relating to the state civil service, and establish and administer a state police force.

Article 49 of the constitution gives special status to the capital city, Addis Ababa. According to Article 49(2), Addis Ababa has a “full measure of self-government.” Addis Ababa is generally seen as the country’s tenth entity. The Governor of Addis Ababa – the administrative head of the city – is elected by the city Council. But, because the Governor is accountable both to the Council and to the Prime Minister (Proclamation 87/1997, Article 12), and the administration of the city is responsible to the federal government (Article 49(3)), Addis Ababa is not as independent as the states.

The constitution deals at great length with fiscal and financial arrangements of the state and the federal governments (Articles 62, 94–100). In general, in carrying out their responsibilities and functions the federal government and states each have to raise the necessary revenues. The constitution enumerates powers of taxation (Articles 96, 97) of both levels. The federal power of taxation (under Article 96) includes, *inter alia*, duties, taxes and other charges on imports and exports, air, rail and sea transport services, and income tax on employees
of the federal government. The federal government levies and collects income, profit, sales and excise taxes on enterprises owned by the federal government. The state power of taxation includes, *inter alia*, income tax on employees of the state and of private enterprises as well as of enterprises owned by the state, fees for land usufructuary rights, income from transport services rendered on waters within its territory, incomes derived from private house and other properties, and royalty for the use of forest resources (Article 97). Concurrent powers of taxation are outlined in Article 98 and include, *inter alia*, profit, sales, excise and personal income taxes on enterprises the federal government and states jointly establish, taxes on the profits and companies and dividends due to shareholders, and taxes on incomes derived from large-scale mining, petroleum and gas operations, and royalties on such operations.

A joint session of Parliament has to vote by a two-thirds majority on tax powers not specifically given separately or jointly to one or both of the two levels (Article 99). The House of Federation decides upon the formula for subsidies which states may be entitled to receive from the federal government. Revenues from joint federal and state tax sources and subsidies provided by the federal government to the states are also determined by the House of Federation based on recommendations made by the Committee of Revenue Sharing (Article 62(7)).

Constitutional amendments involve state and federal legislative organs (Article 105) and can be initiated by both levels (Article 104). A two-thirds majority of state councils or federal Houses is needed so that the proposal can be further processed. There are two possible procedures based on the importance of the amendment. If amendments refer to fundamental rights and freedoms, both Houses of Parliament must accept the proposal by a two-thirds majority and all state councils must agree by a majority vote. In all other cases, a joint meeting of Parliament must agree by a two-thirds majority vote and two-thirds of the states must approve the proposed amendment by a majority vote.

An exceptional provision contained in the constitution is the right to secession (Article 39). It is part of the broader right of self-determination outlined in the Preamble. Self-determination is the most important constitutional, legislative and policy instrument upon which Ethiopia has drawn to affect the positive development of federalism. The constitution includes the right to develop one’s languages, promote one’s culture and preserve one’s history, and it gives to states the opportunity of leaving the FDRE. Detailed procedures are provided for constitutional exercise of the right of secession in Article 39(4). The procedure includes as steps a two-thirds majority vote of the Council of the respective state, a referendum organized by the federal government, and a majority vote in the referendum. It
was through this process that Eritrea gained *de jure* independence in May 1993. No other member state has ever attempted to secede.

Following the notion of the right of self-determination, Article 47(2) of the constitution states that "Nations, Nationalities and Peoples within the States … have the right to establish, at any time, their own States." A "Nation, Nationality or People" has to establish a "Council," its own representative body, to start the process of establishing its own state. This "Council" is the chief negotiator for the process, although it is nowhere specified exactly how the Council should be established, or who should serve on it. As in the case of secession, precise procedures are given in the constitution about how to establish new states within the FDRE (Article 47(3)), including a two-thirds majority vote of the members of the Council of the Nation, Nationality or People concerned and a referendum.

Ethiopia is a multi-ethnic state with more than 80 different ethnic groups. A great variety of languages are spoken in the country – there are approximately 80 languages with some 200 dialects. Although Amharic is the working language of the federal government (Article 5(2)), all Ethiopian languages enjoy equal state recognition under Article 5(1). States determine their respective working language by law (Article 5(3)). Language is not the only difference among Ethiopians – religious practices differ as well. Ethiopians are members of a number of different religions (approximately 40% are Muslim, approximately 40% are Christians, and the remaining 20% are animists and others), yet until recently conflicts because of religious membership were rare. This has changed in recent years and conflicts because of religious membership are rising. Aggressive campaigns mainly by Protestants and Wahhabits have already led to violent clashes.

In an attempt to obviate further ethnic and religious conflict, the government of Southern Nations, Nationalities and Peoples (SNNP) adopted the notion of the House of Federation at the regional state level. On 12 November 2001 the Council of Nationalities was introduced into the regional constitution of SNNP (Article 58). The Council is composed of at least one member of representatives of nations, nationalities and peoples of the region (Article 58(1)). Among other things, the Council interprets the state constitution, organizes the Council of Constitutional Inquiry, and decides on issues relating to a nation, nationality or people’s right to a ‘Zone,’ ‘Special Woreda’ (district) and ‘Woreda’ administration according to the state constitution (Article 59). It is also instructed to "promote and consolidate the unity and the equality of the peoples of the region, based on their mutual consent" and "strive to find solution to disputes or misunderstandings"
(Article 59) as well. A process to replicate this innovative and unique institutional arrangement has started in Benishangul/Gumuz.

The formal constitutional solution that Ethiopia has offered to deal with the problem of governance in general, and ethnicity in particular, is highly affected by the degree of political maturity and administrative capacity of the states, which varies greatly. This may be related to the vast differences in state populations. Some states have relatively small populations – for example, approximately 200,000 in Gambella and 500,000 in Benishangul/Gumuz – while others have extremely large populations – for example, over 14 million in Amhara and over 19 million in Oromiya.

Some states are able to take ownership of the given opportunities while others – particularly at the Woreda (district) and Kebele (local) level – have little capacity even to run the daily governmental and administrative routine. Even if one assumes good intentions by the governments on the different levels, due to extraordinarily low administrative capacity a lot is left undone or is not properly done. In some years, the so-called Emerging Regions (Afar, Somali, Benishangul/Gumuz, Gambella), which have extremely low capacity, were not even able to spend the allocated financial resources facilitated through the financial equalization scheme.

3 RECENT POLITICAL DYNAMICS

Ethiopian federalism faces several serious challenges, including restructuring and political devolution. Political restructuring involves incremental steps to improve the process of governance. Federalism demands political maturity which means that awareness has to grow so that citizens realize they have an interest in joining to fashion a common approach to the problems of federalism. The problem for Ethiopia is, in its long history, the country has never known either a democratic political system or an administrative culture. The peoples of the Abyssinian ‘heartland’ and of the more traditional societies of the south and the east are used to strictly hierarchical and highly patriarchal systems. The normative principles of the federal system and their adaptation to Ethiopia’s cultural and historical context is the prominent challenge faced by the federal and state governments.

In dealing with the armed conflict with Eritrea, “ancient” differences of opinion on the future of Ethiopia have led to a dramatic power struggle within the TPLF. In 2001, 10 years after overthrowing the military government, the political elite was divided amongst itself as to whether to allow steps towards putting real democratic institutions in place or to
revert to a Marxist-Leninist model of government and administration. In the face of these divisions, governmental activities were almost completely paralysed for nearly a year.

The severe crisis could have led to military rule, civil war, or anarchy but instead the party elite has illustrated a remarkable level of political maturity. The consequences for Ethiopia’s political culture can be seen in the fact that the power of the Prime Minister’s Office have been decreased, the government has equipped itself with more technocrats and less “fighters.” As well, since the crisis frequent internal party debate has been allowed, and the member states have been allowed to protect their own interests. Thus, the crisis opened up opportunities to further develop Ethiopia’s federalism. It seems as if the party crisis paved the way for moving from a federal system in law only, to a political system which understands its contradictions and which has tried to learn how to avoid, manage and solve conflicts between the federal government, constituent units and their representatives in the federal legislature.

For the very first time it was possible to take conflicts within the political system as a necessary precondition for developing Ethiopia’s federal system. Self-confidence and self-assurance of the member states resulted on the one hand in open debates on inter-governmental conflicts like disputes over constitutional jurisdictions, revenue sharing, regional development policies, disputes arising from cultural, linguistic and religious differences, and conflicts arising due to lack of inter-governmental consultation. Several committees, workgroups and coordination mechanisms have been set up to manage “unity in diversity.” On the other hand, because of the increased self-confidence and demands of the member states, the House of Federation has gained considerable influence. Apart from providing the House of Federation with adequate resources and legal provisions by Proclamation No. 251/2001 of 6 July 2001 (Proclamation to consolidate the House of Federation of the Federal Democratic Republic of Ethiopia and to define its Powers and Responsibilities) the House is on the way to developing itself into a core institution in Ethiopia’s policy process in terms of member state interests.

As long as the federal policy process is mainly channelled by and through the ruling EPRDF, this seems to be an insignificant development. But the expectation is that there will soon be an EPRDF-independent member state government, and the House of Federation wants to be prepared to be the representative of all ethnic groups and the custodian of the Ethiopian federalism.

The federal government and member state governments have embarked on a program of rapid devolution. The explicit goals of decen-
eralization are to bring government closer to the people, give political representation and voice to the country’s diverse ethnic groups, and to make governance and resource allocation sensitive to local needs and preferences. A series of far-reaching legal, fiscal and administrative measures were rapidly introduced in 2001 in the four most populous member states (Amhara, Oromiya, SNNP and Tigray) to empower the local government sphere – comprising Woredas and municipalities – to deliver the bulk of basic services in a responsive manner, as well as to promote democratization and local economic development. The primary fiscal instrument that member states used to ensure rapid decentralization of delivery responsibilities to Woredas was a formula-driven, equity-oriented “block” grant. However, the institutional, legal, technical and logistical challenges associated with this rapid transformation process are myriad.

All attempts to develop Ethiopia’s political system are affected by the level of poverty in the country. Not only are poverty levels amongst the highest in the world, but the Ethiopian population is also extremely vulnerable, especially because of its reliance on a rainfall-based economy. The negative effect of frequently recurring droughts has been further compounded in the recent past by the cumulative impact of the border conflict with Eritrea, deterioration in the international terms of trade (especially the price of coffee), and the HIV/AIDS epidemic. While it is the drought that has sharply increased the numbers of effected people, underlying causes of vulnerability and related economic, social and development deficiencies have to be addressed.

4 SOURCES FOR FURTHER INFORMATION


http://www.waltainfo.com
http://www.nale.gov.et
http://www.cyberethiopia.com
http://www.electionworld.org/election/ethiopia.htm
http://www.telecom.net.et
http://www.ethiopar.net/English/Contents.htm
http://www.politicalresources.net/ethiopia.htm
Table I
Political and Geographic Indicators

<table>
<thead>
<tr>
<th>Capital city</th>
<th>Addis Ababa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official language(s)</td>
<td>Amharic</td>
</tr>
<tr>
<td>Area</td>
<td>N/A (the border with Eritrea is not yet finalized)</td>
</tr>
<tr>
<td>Area – largest constituent unit</td>
<td>Oromia – 353 690 km²</td>
</tr>
<tr>
<td>Area – smallest constituent unit</td>
<td>Gambella – 25 274 km²</td>
</tr>
<tr>
<td>Total population</td>
<td>67 335 000 (2002)</td>
</tr>
<tr>
<td>Population by constituent unit (% of total population)</td>
<td>Oromia 35.2%, Amhara 25.6%, Southern Nations/ Nationalities and Peoples’ Region 19.7%, Tigray 5.8%, Somalia 5.8%, Chartered City of Addis Ababa 3.9%, Afar 1.9%, Benishangul/Gumuz 0.8%, Chartered City of Dire Dawa 0.5%, Gambella 0.3%, Harar 0.3%</td>
</tr>
<tr>
<td>Political system – federal</td>
<td>Federal Republic – Parliamentary System</td>
</tr>
<tr>
<td>Head of state – federal</td>
<td>President Girma Woldegiorgis (2001). The President is nominated by the House of Peoples’ Representatives and then elected by a joint session of Parliament (by 2/3 majority) to serve for a 6-year term. According to a law passed 8 October 2001, the President must be non-partisan and independent.</td>
</tr>
<tr>
<td>Head of government – federal</td>
<td>Prime Minister Meles Zenawi (1995/2000) heads a coalition of 24 parties (Ethiopia Peoples’ Revolutionary Democratic Front (ePRDF)). The Council of Ministers is selected by the Prime Minister and approved by the House of Peoples’ Representatives.</td>
</tr>
</tbody>
</table>
| Government structure – federal | Bicameral: Federal Parliamentary Assembly
Upper House – House of Federation (Yefedereshn Mekir Bet), 112 seats. 71 members are appointed by regional bodies and 41 are apportioned based on population and ethnicity. In the case of the members selected from the regional states, it is up to the regional council to determine if the representative is directly or indirectly elected (by the Council of the State) to this seat. Members serve 5-year terms.

Lower House – House of Peoples’ Representatives (Yehizbetewekayoch Mekir Bet), 548 seats. Members are elected for a maximum 5-year term in single-member constituencies, using the first-past-the-post system. At least 20 seats are reserved for minority nationalities. |
<table>
<thead>
<tr>
<th>Distribution of representation in upper house of federal government</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of powers</td>
<td>The constitution assigns 21 exclusive powers to the federal government that include: the design and implementation of economic, financial and monetary policies, public health, education, science and technology, natural resources, coinage, international affairs, transportation and communication, trade and commerce, defence and immigration. The regional states legislate over economic, social and development policies within the state, civil law, labour, state police and public order. Taxation is a concurrent power.</td>
</tr>
<tr>
<td>Residual powers</td>
<td>Residual powers belong to the regional states.</td>
</tr>
<tr>
<td>Constitutional court (highest court dealing with constitutional matters)</td>
<td>The House of Federation is the sole custodian of the Constitution. The Council of Constitutional Inquiry advises the House of Federation on constitutional matters but the House is not bound by the Council’s advisory opinions.</td>
</tr>
<tr>
<td>Political system of constituent units</td>
<td>The administrative regions are quite autonomous and are headed by an elected regional council, the Council of the Region. Additionally, within each region different “nationalities” are recognized and most have the right to elect “national local administrations” for self-government and to join with neighbouring nationalities for this purpose. Addis Ababa has special status and fully autonomous self-government.</td>
</tr>
<tr>
<td>Head of government – constituent units</td>
<td>President of the Region</td>
</tr>
</tbody>
</table>
### Table II
#### Economic and Social Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>US$48.7 billion at PPP (2002)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>US$724 at PPP (2002)</td>
</tr>
<tr>
<td>National debt (external)</td>
<td>US$5.7 billion (2001)</td>
</tr>
<tr>
<td>Sub-national debt</td>
<td>N/A</td>
</tr>
<tr>
<td>National unemployment rate</td>
<td>Urban: approximately 10%</td>
</tr>
<tr>
<td></td>
<td>Rural: approximately 0.1%</td>
</tr>
<tr>
<td>Constituent unit with highest</td>
<td>Addis Ababa: 40%</td>
</tr>
<tr>
<td>unemployment rate</td>
<td></td>
</tr>
<tr>
<td>Constituent unit with lowest</td>
<td>N/A</td>
</tr>
<tr>
<td>unemployment rate</td>
<td></td>
</tr>
<tr>
<td>Adult literacy rate</td>
<td>40.3% (2001)</td>
</tr>
<tr>
<td>National expenditures on education as %</td>
<td>4.8% (2001)</td>
</tr>
<tr>
<td>of GDP</td>
<td></td>
</tr>
<tr>
<td>Life expectancy in years</td>
<td>45.7</td>
</tr>
<tr>
<td>Federal government revenues – from</td>
<td>N/A</td>
</tr>
<tr>
<td>taxes and related sources</td>
<td></td>
</tr>
<tr>
<td>Constituent unit revenues – from taxes</td>
<td>US$168.8 million (2000 est.)</td>
</tr>
<tr>
<td>and related sources</td>
<td></td>
</tr>
<tr>
<td>Federal transfers to constituent units</td>
<td>N/A</td>
</tr>
<tr>
<td>Equalization mechanisms</td>
<td>Formula-based transfers.</td>
</tr>
</tbody>
</table>

**Sources**


