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TRANSITION TO FEDERALISM:
THE ETHIOPIAN EXPERIENCE

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Abstract

Ethiopia is a nation of ethnic diversity. It is mainly an agricultural society. Now a federation, the country was previously a unitary and centralized state. Historically, unlike many African states, Ethiopia was never colonized but was under imperial rule until 1974. The subsequent military rule was short-lived, and was overthrown by the Ethiopian People’s Revolutionary Democratic Front (EPRDF) in May 1991. The process of transition from a unitary to a federal system took place in two phases. The first phase (devolution) occurred during a 1991-1995 transition period, and the second phase began in 1995 (adoption of federal constitution).

The most significant development in the initial transition was the adoption of the Transitional Period Charter. The charter proclaimed fundamental human rights and guaranteed the right of each individual, each nation and each ethnic community in Ethiopia to self-determination. It also established two parallel systems of government, the central government and the regional/national self-governments. However, the central government and the self-governing regional units could not immediately establish a federal political system as there was a lack of constitutional legitimacy, since the regional self-governments were, at that stage, considered subordinate to the central government. But in the second stage of the devolution process, the new constitution was adopted in 1995, and it provided the necessary political stability to Ethiopia’s ethnic communities for them to share political power and exercise self-rule.

Thus, after a long period of political evolution and restructuring, Ethiopia has now built a federal political system that is organized on the basis of the recognition and institutionalization of the right of ethno-territorial communities to self-determination, ensuring the equality and unity of its diverse ethnic communities.

Keywords: central; community; constitution; ethnic; federal; Ethiopia; governance; human rights; nation; region; transition.
Background

Ethiopia is characterized by great linguistic, cultural and religious diversity. It is home to more than 80 ethnic communities with different languages. Except in a few urban areas such as the capital city of Addis Ababa, most of Ethiopia’s ethnic communities predominantly live in their respective distinct geographic areas. The total population of Ethiopia is 73,918,505, according to the 2007 census of the Ethiopian Central Statistical Agency. No single ethnic community in Ethiopia constitutes more than 50% of the country’s population. But there are relatively significant groups such as the Oromo and Amhara ethnic communities. Most of Ethiopia’s ethnic communities are divided mainly along two religious cleavage lines: Islam and Orthodox Christianity. One observes that, by this cutting across of Ethiopia's ethnic cleavage lines, religion appears to play a moderating role in Ethiopian politics by limiting the intensity of the ethnic factor, and thereby helping to create an environment of loyalty to the state.

Contrary to the rest of Africa, Ethiopia was never colonized. It cannot claim however to be an exception to the phenomena of attempting to create a nation-state, as most other African countries have done. Following the imperial intrusion in the horn of Africa in the closing years of the 19th century, Emperor Minilik of the Amhara, Ethiopia’s second largest ethnic group, had expanded the kingdom of Shawa, which was one of the loosely associated kingdoms of the Abyssinian Empire, from present day North Central Ethiopia to the South. As a result of successful conquests and expansions, modern Ethiopia was created and emerged as a unitary and centralized state. Its geographic shape was determined and delineated by the boundary agreements made after the battle of Adwa in 1896 with the adjoining colonial powers.

Although initiated with the creation of the modern Ethiopian state, the process of domination of the Amhara rulers and imposition of the Amhara culture, religion and language (Amharic), was accelerated during the reign of Emperor Haile Selassie (1930-1974). Despite the fact that the state bureaucracy and the country’s educational system had been used to spread the state culture throughout the country, this eventually met with strong resistance that later gave rise to national (or ethnic) liberation movements.

3. Ibid. The Peace Treaty of Addis Ababa, signed between Ethiopia and Italy on 26 October 1896, the 1906 Tripartite Treaty concluded between Britain, France and Italy, and the fact of Ethiopia’s admission into the League of Nations in 1923 testified its sovereignty and territorial integrity. See http://www.ethiopians.com/abay/engin.html#1902.
The issue of the right to self-determination in Ethiopia was brought to the forefront in the wake of the 1974 popular uprising that deposed the Emperor and enabled a military junta to come to power. The latter however could neither address nor handle the issue of self-governance; rather it exacerbated the problems by its persistent stubbornness and refusal to compromise and its recourse to extreme violence to curb such demands. Under the rule of the Junta, armed conflicts, civil strife, famine and economic deterioration recurred cyclically on a large scale.

As a result of the culmination of national liberation movements, spearheaded by the Ethiopian Peoples Revolutionary Democratic Front (EPRDF), the military dictatorship, called the Derg, was overthrown on May 28, 1991.

The defeat of the Derg paved the way and created the opportunity to undertake political and constitutional transformation and to devolve state power along ethno-linguistic lines.

The process of transition from a unitary to a federal system in Ethiopia has proceeded in two sequential and interrelated phases: the first phase of the devolution took place during the Transitional Period (1991-1995); and the second phase commenced after the enactment of the 1995 federal Constitution.

In this paper, I attempt to describe Ethiopia’s process of transition from a unitary to a federal system by focusing on the process of implementing devolution in the two phases respectively.

Phase 1: Implementing Devolution during the Transitional Period

The legal basis of the process of devolution of power during the 1991-95 transition period was laid down by a number of crucial political events and legal measures that included the convening of a national conference, the adoption of a transitional period charter, and the formation of a transitional government.

In the following sections, I will discuss some of the crucial political events and legal measures that constituted the foundation of the devolution process during the transition period, the challenges that the Transitional Government was confronted with and the measures taken to grapple with the challenges.

1.1 National Conference

The provisional government of the EPRDF, which was established on June 2, 1991, called for a national conference on peace and democracy. The conference was attended by representatives of different liberation movements, ethnic groups and prominent individuals. Twenty-seven political movements and armed groups, which had opposed the military dictatorship, and representatives of 22 international bodies and governments, participated in the conference. The conference adopted a Transitional Period Charter that laid down the legal framework for reconstituting the state and devolving state power along ethno-regional lines.
1.2 Transitional Period Charter

The Charter declared that “freedom, equal rights and self-determination of all peoples shall be the governing principle of political, economic and social life.” It proclaimed fundamental individual human rights and freedoms. It guaranteed the right of each nation, nationality and people of Ethiopia to self-determination.

One of the most significant effects of the Charter was the establishment of two parallel systems of government, consisting of a central government and the regional/national self-governments, for the transitional period. The central government established by the Charter during the transitional period was composed of the Council of Representatives and the Council of Ministers. The Council of Representatives was made up of the representatives of national (ethnic) liberation movements, other political organizations and prominent individuals. It exercised legislative and supervisory functions. The Council of Ministers, on the other hand, consisted of the Prime Minister, who was appointed by the President and approved by the Council of Representatives, and other ministers who were nominated by the Prime Minister and appointed by the Council of Representatives. The requirements for selecting the members of the Council of Ministers were not only based upon the criteria of technical competence and compliance to the Charter but also on broad national (ethnic) representation.

The Charter provided for the promulgation of a law which would establish local and regional councils for local administrative purposes defined on the basis of nationality. Accordingly, National/Regional Proclamation No. 7/1992 was promulgated "with a view to giving effect to the right of nations, nationalities and peoples to self-determination." Subsequently, the first multi-party elections for regional and local councils in the history of Ethiopia were conducted in June 1992.

Proclamation No.7/1992 set the process in motion by devolving state power to territorially based ethno-linguistic communities. The main objective of

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5. Ibid Article 6.
6. Ibid Article 7. The members of the Council of Representatives were not elected; they were representatives of national liberation movements, ethnic groups and others.
7. Ibid Article 9.
8. Ibid Article 9 (a).
9. Ibid Article 9 (c).
12. *Ethiopian Transitional Period Charter of Ethiopia* Article 2 and Article 3 of Proclamation No.7/1992. To give effect to the process of the devolution of state power, a host of laws were enacted subsequently. These laws include the proclamation establishing the Regional and Woreda (district) Council Members Election Commission (Proclamation
this proclamation was to give effect to the right of nations, nationalities and peoples to self-determination, and to ensure the preservation and promotion of their languages, cultures and histories.

The Proclamation established fourteen national/regional self-governments and identified the ethnic communities inhabiting each of the regions, with the exception of that of the capital city.13

Adjacent "nations, nationalities and peoples" also acquired the right to self-government, and were also authorized to enter into agreements to jointly establish a broader based regional form of self-government and set up other necessary intermediate units of self-government between the woreda (districts) and the regional levels.14 Accordingly, five regions (region 7, 8, 9, 10 and 11) entered into an agreement to form a single southern regional self-governing unit wherein each ethno-linguistic community would retain its own local self-government and have representation at the regional level. As a result of the mergers, the number of the national/regional self-governments established by the original proclamation decreased from fourteen to ten.

These national/regional self-governments were vested with legislative, executive and judicial powers within their geographic areas in all matters that were not expressly assigned to the central government.15 The stipulated matters under the jurisdiction of the central government included matters of defense, foreign affairs, fiscal and economic policy, citizenship, declaration of state of emergency, building and administering major development establishments and major communication networks and the like.16 The regional self-governments, on the other hand, enjoyed broad powers over such matters as language, culture, education, health, police and security, social and economic development activities.17 They were also able to establish their own courts with jurisdiction

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13. Proclamation No.7/1992 points out 65 ethno-linguistic communities (nations, nationalities and peoples). Although the enumeration and identification of ethno-linguistic communities in each region apparently gives the impression that the list is exhaustive, it could be argued otherwise on the basis of the broad and vague definition provided for the term 'nation' or nationality under Article 2(7) of the Proclamation. The latter defines the term "Nation, Nationality or Peoples" to mean "a people living in the same geographical area and having a common language and a common psychological make up of identity."
14. Ibid Article 3 (2) (b).
15. Ibid Article 9 (1).
16. Ibid.
17. Ibid Article 5(2) (c). The national/regional self-governments were also authorized: a) to plan, direct and supervise social and economic development programs (Article 10(3)); b) to establish, direct and supervise social and economic development establishments or enterprises (Article 10(4); c) to prepare, approve and implement their
to decide any dispute in their respective regions with the exception of those assigned to the courts of the central government. In order to exercise their powers and functions, the regional self-governing units were structured in such a fashion as to be composed of: 1) a council; 2) executive committee; 3) judicial administration office; 4) public prosecution office; 5) audit and control office; 6) police and security office; and 7) service and development committee.  

The basic administrative unit in the structure of the national/regional self-government is woreda (district) self-government. The woreda self-government entities have functional organs, such as a council, executive committee, judicial administration organ and etc. The council members of the woreda are directly elected representatives of the woreda residents. The national/regional self-governments might establish, depending on the specific administrative needs of the regions, sub-regional administrative units known as zones, to coordinate and oversee the activities of a defined set of woreda self-governments. A zone functions as a subsidiary administrative organ of the National/Regional Council. Unlike woreda self-governments, zones do not have councils. Their members are appointed from among the members of the concerned National/Regional Council.

Although the process of establishing regional and local self-governments along ethnic lines was fundamentally different from the hitherto centralized and hierarchical structure of the Ethiopian state, the newly established self-governing units remained subordinate to, and financially dependent upon, the central government throughout the transitional period. Legally, the Councils of the Regional Governments were not only accountable to the people of their respective regions that elected them but they were accountable to the Council of Representatives of the central government. Financially, although Proclamation No.7/1992 expressly made revenue sources available to the regional governments, they were unable to carry out much of their allocated functions.

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18. See Article 2(a) & (b) and Article 13 of the Ethiopian Transitional Period Charter and Article 8 of Proclamation No.7/1992.
19. See Proclamation No.7/1992 Articles 5(1), (2) and Article 8(3).
20. Ibid Article 5(1) & (2) and Article 8(3).
21. Regional and local council elections were held in June 1992. During the Ethiopian transitional period (1991-1995), 10 national/regional self-governments, 676 woreda councils and 56 zones were established. But note that not all regions were able to set up zones during the transitional period.
22. Regional governments derive their revenue from four specified sources; namely: 1) revenues collected from taxes allocated to them; 2) grants from the central government; 3) domestic borrowing; and 4) other sources of income. (Proclamation 7/1992 Article 35.). The revenue sources allotted to the regional governments include: 1) personal income tax collected from employees of regional governments; 2) rural land use fee; 3) agricultural income tax from farmers not incorporated in an organization; 4) profit
without the financial support of the central government. Even so, the transitional period was significant not only because the century-old centralized and unitary state system that Ethiopia had experienced was legally de-constructed, but also because the process of charting and implementing the structural framework was introduced for reorganizing and reconstructing the Ethiopian state on the basis of ensuring equality of ethno-linguistic communities.

The effects of the Charter and Proclamation No.7/1992 and Proclamation No.33/1992 were significant for the devolution of state power in Ethiopia. They marked the first stage of building regional and local self-governments. The right to self-determination not only was recognized but also was put into operation in such a way that the people could constitute self-governments of their own within their respective geographic areas. As a result, decentralization, shared power and self-governance replaced the hitherto existing highly centralized unitary state power.

The governing units had legislative, executive and judicial powers in all matters other than those expressly assigned to the central government. Despite the wide range of powers still enjoyed by the central government, the self-governing units had supreme authority over those matters falling under their competence. Nevertheless, it could not be said that the law establishing the central and self-governments had set up a federal political system. Examined against the salient features of federalism, the self-governing units not only lacked constitutional legitimacy but were also made subordinate to the central government.

The establishment of a full-fledged federal system whereby the federal and regional governments are each, within their respective constitutionally-allocated spheres, sovereign and independent, was delayed until the second stage of the devolution process, which culminated with the adoption of the new constitution.

During the transitional period, another significant measure that was taken by the transitional central government was the establishment of the Constitutional Drafting Commission and the subsequent process leading to the adoption of the 1995 Constitution. The Constitutional Commission was established by the Council of Representatives of the central government and was vested with the power:

1. to draft, in conformity with the spirit of the Charter, a constitution; prepare and conduct educational discussions, seminars and symposiums on constitutional principles;
2. to organize and hold public discussion on the draft constitution;

and sales tax collected from individual traders; 5) tax on income from inland water transportation; 6) taxes collected from rent of houses and properties owned by the regional governments; 7) income tax, royalties and rent of land levied on small to medium scale mining activities; and 8) charges and fees on licenses and services issued or rendered by regional governments. (Proclamation No. 33/1992, Article 5.)
3. to submit the draft constitution to the Council of Representatives;
4. publicize and distribute to the public the draft constitution after approval by the Council of Representatives;
5. to receive the comments of the national/regional and woreda (district) councils on the draft Constitution;
6. to give explanations on the draft Constitution and to respond to public inquiries;
7. to compile the comments of the national/regional and woreda councils as well as the comments of other public sectors on the draft constitution;
8. to incorporate public comments in the final draft constitution and submit the same to the Council of Representatives;
9. to submit the final draft constitution for adoption to the Constituent Assembly to be elected pursuant to the final draft constitution; and
10. to submit periodically to the Council of Representatives reports on its activities.

The work of the Commission involved mainly two interlinked phases: a civic education phase and a public consultation phase. These phases were regarded as important vehicles to ensure the participation of the public in the constitution-making process and to provide the public with a sense of ownership over the future constitution. During the civic education phase, the Commission disseminated information on the role of a constitution in building a democratic system and the basic concepts of constitution and constitutional law, and the constitutional process. It used the state media to educate the public and stimulate discussions on these issues. It was during this phase that the Commission determined what questions were the most important for the public at large. During the consultation phase, the Commission published and presented to the public a series of key questions and issues regarding the constitution and the public was consulted, and their response to these questions was invited. The Commission organized public assemblies in various regions of the country to elicit the views of the public, and receive and compile their responses. On April 8, 1994, the Commission, after taking into account the consultations and comments, compiled and submitted to the Council of Representatives a draft constitution for deliberation and adoption. In May 1994, the National Electoral Board conducted the election of the members of the Constituent Assembly, and 543 delegates were elected on the basis of free, direct and equal universal adult suffrage.

Pursuant to Article 11 of the Charter, upon adoption of the draft constitution by the Council of Representatives, the Commission presented the draft constitution to the people for discussion and consultation. It then submitted the final draft of the constitution to the Constituent Assembly, which took the discussions
and consultations into account. The Assembly deliberated on the final draft constitution as of October 28, 1994 and ratified it on December 8, 1994.

The Charter had served for three years as an interim constitutional framework providing not only the basic governmental structures that opened adequate political space for Ethiopia’s ethnic communities to share political power and to exercise self-rule but also for the protection of individual and group human rights as well as the rule of law. Hence, it helped to establish peace, political stability and a democratic context that would enable the full participation of the people in the process of constitution making.

First stage: 1991–1995

1.3 Major Challenges During the Transitional Period: Responses and Measures Taken

At the end of the military dictatorship, Ethiopia was on the verge of state collapse. Even though the Ethiopian Peoples Revolutionary Democratic Front (EPRDF) played a decisive role in spearheading the armed struggle against the dictatorship, there were also more than 17 rebel groups that fought the dictatorship and succeeded in controlling several parts of the country. As a result of the defeat of the military regime, scattered throughout the country were hundreds of thousands of soldiers, police and security officers who were left jobless. Eritrea achieved its de facto independence from Ethiopia. The institutional pillars of the Ethiopian state had become dysfunctional. In economic terms, the country was in an economic shambles with an import cover of only about one week and an external debt of more than four billion US dollars in 1991.23

Consequently, at the outset of the transitional period, the transitional period government was confronted with a wide range of challenges and difficulties, including the maintenance of peace and order, the establishment of governmental structures throughout the country, and the resuscitation of the economy.

Maintaining peace and order was a challenge considering the collapse of governmental structures, the existence and spread of a huge number of ex-soldiers, security and police officers throughout the country, the proliferation of small arms and ammunitions into the hands of the civilian population, and the refusal of the Oromo Liberation Front (OLF) to garrison its forces.

The transitional government addressed the issue of peace and order by taking a number of measures.

First, the government helped to establish peace and stability committees for the purpose of providing administrative and policing services. These committees

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not only filled the administrative vacuum that was created as a result of the collapse of governmental structures at the local level, but also secured a sense of peace and stability within their respective communities. These committees were operational until regional and local governments were established.

With the Promulgation of Proclamation No.7/1992 and National/Regional and Local Councils Elections Proclamation, governmental structures and institutions at the regional and local level were established. However, the newly created governmental structures suffered from lack of skilled personnel, adequate financial resources and other capacity constraints.

Pursuant to Proclamation No. 8/1992, the transitional government accepted and deployed the EPRDF army to serve as the Ethiopian Defense Force, and set up a system of policing for the transition period. The proclamation provided the legal framework for the establishment of the police forces for the purpose of maintaining peace and order in each of the national/regional self-governments. It made the police forces accountable to their respective national/regional self-governments.

With regard to ex-soldiers, security officers, and other operatives of the military regime, the Proclamation provided for the disarmament and encampment of the members of the former military regime’s political party (known as “Workers Party of Ethiopia”), military, security and other operatives. Due to the active participation of the people, the transitional government was able to carry out its duties accordingly, and managed to slowly integrate these groups, composed of operatives of the military regime, back into society.

With regard to the "armies of other organizations,"24 the Proclamation required the encampment of each of the armies of these organizations in designated areas, and provided that the central transitional government would cover their expenditures for education, training and other necessary logistical expenses. The Proclamation stipulated for the agreements to be reached on the size of the army that each organization could maintain, based on the size of each army on the eve of the final downfall of the military regime. In addition, the Proclamation not only prohibited the recruitment, training and arming of a new force, but also required the organizations to release any additional or new members recruited after the fall of the military regime.

The transitional government was, however, confronted with a major difficulty in enforcing the Proclamation in regard to the Oromo Liberation Front (OLF). The OLF refused to garrison and size down its troops as required by the Proclamation. After the fall of the military regime, the OLF "recruited

24. “Armies of other organizations” means armies established by organizations other than the State Defense Army and the police forces provided for in this Proclamation. See Article 2 (9), Proclamation no. 8/1998, A Proclamation to Provide for the Deployment of the State Defense Army of the Central Transitional Government and for the Establishment of Police Forces, 51st Year No. 3, Negarit Gazeta of the Transitional Government of Ethiopia. At the end of the military dictatorship, there were 17 armed organizations spreading and controlling various areas of the country.
more troops to its army."\textsuperscript{25} It also "expanded the ranks of its military wing two-to-three-fold from its maximum strength of about 8,000 in 1991."\textsuperscript{26} Moreover, the Council of Representatives of the transitional government held the OLF responsible for a massacre of 150 people at Bedeno, and demanded that the OLF hand over the perpetrators of the crime to the government. As a result, the relationship between the OLF and EPRDF had begun to deteriorate and escalate into military actions. On June 20, 1992, on the eve of the polling day for the elections of regional and local councils, the OLF boycotted the elections, withdrew from the transitional government, and withdrew its army from its camps, bringing the country to the verge of civil war. The conflict, however, was over within weeks as a result of the defeat of the OLF army by the defense forces of the transitional government.

Another major challenge the transitional government was confronted with, was the economic crisis it had inherited from the military regime. In November 1992, the Government adopted an economic policy that aimed at transforming the command economy, imposed on the country by the military regime, into a market-oriented one, and at redressing the macroeconomic imbalances and inefficiencies that existed.\textsuperscript{27} Hence, between 1992 and 1995, the government’s main concern was to achieve macroeconomic stability by putting in place a series of measures and economic reforms such as devaluation of the exchange rate and the liberalization of prices for agricultural products and inputs. The government also adopted a stabilization and structural adjustment program,\textsuperscript{28} and Investment Proclamation No.15/1992, which aimed to eliminate restrictions on investment and bureaucratic bottlenecks. A number of important policies were issued, including the adoption of a national population policy and the national science and technology policy.

The other most important challenge the transitional government had to confront was how to rebuild and sustain an efficient and productive civil service. Under the military regime, the civil service was highly politicized and most top- and middle-ranking civil servants were members of the military regime’s party, known as the Ethiopian Workers Party. After the downfall of the regime, the transitional government expelled all card-carrying members of the Ethiopian Workers Party from the civil service, but maintained the remaining civil servants of the old regime. As a result, the civil service inherited by the government was seriously weak in its capacity to implement government policies and to deliver public services.

During the transitional period, in spite of significant redeployment of civil servants from the center to the newly established regional governments, all of the regional governments suffered from a scarcity of skilled personnel and

\textsuperscript{25} Alex de Wall, in Charles Gudon ed, 1994:34.
\textsuperscript{26} Keller, in Zartman, 1995:135.
\textsuperscript{27} Balema, 124
poor capacity for the implementation of their policies and programs. Hence, public service delivery was largely inadequate and civil service performance continued to be constrained by a lack of skilled and qualified personnel as well as inadequate administrative and managerial capacities.

In order to address the scarcity of skilled personnel in all regional states, and to build the capacity of both the federal and regional governments, the Ethiopian Civil Service College (ECSC) was established as an autonomous higher education institution in 1995. Since its establishment, the College has made a significant contribution in building the human resource capacity of the regional governments by providing education and training for their civil servants. Between 1995 and 2009, the College graduated 6,310 civil servants with degrees and 8,028 with diplomas. Of the degree graduates, 857 were from Oromia, 834 from SNNPR (Southern Nations, Nationalities and People’s Region), 694 from Amhara, 535 from Tigray, 391 from Somali, 249 from Benshangul/Gumuz, 181 from Gambela, and 104 from Harari regional states.

The education and training offered by the College has helped to alleviate the severe shortage of skilled human resources that the regional governments were confronted with.

In addition to the Ethiopian Civil Service College, the Ethiopian Management Institute has played an important role in building the capacity of regional governments not only by providing short-term trainings for their civil servants but also by helping the regional states to establish their own management training institutes.

Phase 2: Devolution Process Since the Promulgation of the 1995 Federal Constitution

The second phase of devolution in Ethiopia began with the adoption of the Constitution. During this phase, the process of devolution was not only extended to the woreda (district) levels but was also accompanied and supported by measures of national economic and development policies and strategies that were also put in place. In the following two sections, I will first outline the salient features of the federal Constitution, then discuss the relevant measures and the major challenges that arose in the devolution process.

29. The Civil Service College began to function in January 1995, having been established by the Council of Ministers Regulation No.3/1996 for the establishment of the Ethiopian Civil Service College, Federal Negarit Gazeta. According to this regulation, the main objectives of the College are "to create conditions under which civil servants working in the regions better serve the people by training those civil servants in various skills and professions." Special emphasis is given to women and those from under-developed regions in the admissions to these programs.


31. Ibid.
2.1 Salient Features of the Constitution

The most significant and unique feature of the 1995 Constitution was the recognition and institutionalization of the right of ethno-linguistic communities of Ethiopia to self-determination. As mentioned in the previous section, it was the Transitional Period Charter that initially asserted the right to self-determination for all nations.

Ethiopia’s federal system is underlined by the right of Ethiopia’s ethno-territorial communities (or nations, nationalities and peoples according to the Ethiopian constitution) to self-determination. According to Article 39(1) of the Ethiopian constitution, every ethno-territorial community has "an unconditional right to self-determination, including the right to secession," and this right cannot be suspended even during national emergencies.32

The Constitution establishes a federal and democratic state structure composed of two distinct entities, the federal state and the regional (member) states.33 It defines and distributes powers and functions of the two entities.34 It requires both entities to respect the powers of one another.35 Each entity exercises legislative, executive and judicial powers within its allocated sphere and is autonomous from one another.36 The powers of the federal state are limited to matters expressly enumerated under Article 51 and Article 55 of the Constitution while the powers of the regional states include all matters not assigned expressly or concurrently to the federal state.37

According to the Ethiopian federal Constitution, the following responsibilities are included under the residual powers of the component states:38

- Establishing a state administration that best advances self-government and democratic order based on the rule of law.

33. The Federal Constitution of Ethiopia: Article 1 and Article 50(1). The nine member states are Tigray, Amhara, Somali, Oromia, Southern Ethiopian Peoples, Gambela, Benishangul/Gumuz, Afar and Harar.
34. Ibid Article 50(8) cum Articles 51, 52, 55 & 98.
35. Ibid Articles 50(8). The lists of matters under the federal jurisdiction are: defense, public security and order; international relations; citizenship and immigration; international and inter-state trade; fiscal and monetary policies, currency, banking and domestic borrowing by states; air, rail, waterways and sea transport and major roads linking two or more states, postal and telecommunication services; general economic, social and development plans and policies; national standards and policy measures for public health, education, science, technology, and for the protection of cultural and historical heritages; land and other natural resources; political parties and elections; patent and copy rights; possession and bearing of arms; and declaration of state of emergency. Ibid Article 51.
36. "All powers not given expressly to the federal government alone, or concurrently to the Federal Government and the States are reserved to the States." Ibid Article 52(1).
37. Ibid Article 52.
38. Ibid Article 52(2).
• Enacting and implementing their constitutions and laws.
• Preparing and implementing economic, social and development policies and plans of their respective states.
• Levying and collecting taxes and duties on state revenue sources.
• Preparing and administering their budgets.
• Administering land and other natural resources in accordance with federal laws.
• Enacting and implementing laws on the administration of state employees and conditions of their work.
• Establishing the police force and maintaining public order and peace within their respective territories.

As self-determining ethno-territorial polities, the component states are imminently entitled to use and promote their respective languages, cultures and histories. The role of the federal state in this regard is limited to the delineation and implementation of "country-wide standards and basic policy criteria for public health, education … for the protection and preservation of cultural and historical legacies." For instance, the federal state cannot transgress the exclusive power of the component states in determining their own working languages.

Although the jurisdictions of the federal state and the regional states are distinctly delineated, they are interdependent in a wide range of matters. First, in economic, social and development matters, the federal state is authorized to formulate and implement the overall policies and strategies of the country while the jurisdiction of the regional states is limited to specific policies and strategies. Second, in matters of education, health, science, technology, protection of cultural and historical legacies, the federal state sets the national standards and basic policy criteria while the regional states are the conduits for the protection and promotion of the languages, cultures and histories of their respective constituent ethnic communities. Third, while the federal state is responsible to enact laws for the utilization and conservation of land and other natural resources, the administration of such resources within the bounds of the federal laws is left for the regional states. Fourth, the judicial authority of the federal High Court and First-Instance Courts is delegated to the state Supreme Courts and High Courts respectively. Fifth, although each

40. The federal state "shall establish and implement national standards and basic policy criteria for public health, education, science and technology as well as for the protection and preservation of cultural and historical legacies." Ibid Article 51(3)
41. Ibid Article 5(3).
42. Ibid Articles 51(2), (3), & (5); and see, for instance, common Article 47 (2.1) & (2.3) of the constitutions of Tigray, Amhara and Oromo States.
order of government is, in principle, assigned executive authority over the same matters for which it has legislative authority, federal laws are in practice largely executed through the regional states. Therefore, in all the foregoing matters, the interdependence of the federal state and the regional states necessitates their cooperation and makes it crucial for the smooth and efficient application of their responsibilities.

The Federal Parliament

The Federal Parliament is composed of two different assemblies, namely the House of Peoples’ Representatives and the House of Federation. Each differs from the other in their respective powers and functions except in those constitutionally-specified matters falling under their concurrent competence. For instance, both houses are required in a joint session to take “appropriate measures when state authorities are unable to arrest violations of human rights within their jurisdiction.”

The House of Peoples’ Representatives

The House of Peoples’ Representatives is constituted of representatives elected by the people for a term of five years on the basis of universal suffrage and by direct, free and fair elections through secret ballot. The maximum number of seats for elected representatives in the House of Peoples’ Representatives is 550 of which at least 20 seats are reserved for minority nationalities and peoples. By contrast, in the case of the House of Federation, each nation, nationality and people is represented by at least one member, and by one additional member for each one million of its population. Moreover, the members of the House of Federation are elected for a term of five years by the State Councils, and have the choice of electing their representatives themselves or organizing elections in their respective state territories to have the representatives directly elected by people.

The House of Peoples’ Representatives is the legislative organ of the federal state. It has powers to legislate in all matters assigned by the constitution to federal jurisdiction. The role of the House of Federation in the law-making process is, however, limited to such specific matters as amending the constitution, initiating draft civil laws, approving draft procedural

43. Ibid Article 53. The word ‘to arrest’ is a wrong translation of the Amharic version; it has to be read as ‘to stop’.
44. Ibid Article 55(16) and Article 62(5).
45. Ibid Article 54(1).
46. Ibid Article 54(3).
47. Ibid Article 61(3) and Article 67(2). What has happened in fact is that state councils have opted to directly elect their representatives to the House of Federation.
48. Ibid Article 61(3) and Article 67(2).
49. Ibid Article 55(1) and (29).
50. Ibid Articles 104 and 105.
51. Ibid Article 62 (8).
rules for the Constitutional Inquiry Council\textsuperscript{52} and adopting its own internal administration rules.\textsuperscript{53}

The House of Peoples' Representatives is vested with the power to legislate labor law, commercial law, and criminal law. In addition to these broad powers, the House is vested with the power to call and question the Prime Minister and other federal officials. It can also investigate the conduct of the Executive. With the request of one-third of its members it can also discuss any matter pertaining to the powers of the Executive and take measures it deems necessary.\textsuperscript{54} Moreover, on its own initiative, the House of Peoples' Representatives may request a joint session with the House of Federation when state authorities are unable to stop violations of human rights within their jurisdiction, and it shall give directives, on the basis of the decisions of the joint session, to the concerned state authorities.\textsuperscript{55}

The House of Federation

The competencies of the House of Federation are interconnected with the need to maintain and promote the constitutional compact among the various ethnic groups of Ethiopia. The latter are not only the authors of the constitution but they are also its guardians who have bound themselves in mutual commitment to its fulfillment. The House of Federation, which is the house of the nations, nationalities and peoples, was created to maintain and develop their consensual relationships on the basis of equality and respect for their respective diversity while realizing their commitment to uphold the constitution.\textsuperscript{56} In order to fulfill these objectives, the House of Federation is entrusted with important and limited powers and functions.

The most important function of the House of Federation is the power to interpret the constitution. In Ethiopia, the umpiring of constitutional disputes is not a purely legal matter, as it does involve arriving at a political solution. Although it is the House of Federation that has the authority to decide on “all constitutional disputes,”\textsuperscript{57} it is supported by a Council of Constitutional Inquiry, which is established by the Constitution with the power to investigate constitutional disputes. The Council is, however, required to submit its recommendations to the House of Federation\textsuperscript{58} if it finds it necessary to interpret the Constitution. The Constitutional Inquiry Council has 11 members composed of the Chief Justice and the Vice Chief Justice of the Federal Supreme Court, and six legal experts who are nominated by the House.

\textsuperscript{52} Ibid Article 84(4).
\textsuperscript{53} Ibid Article 62(11).
\textsuperscript{54} Ibid Article 55(17), (18).
\textsuperscript{55} Ibid Article 55(16).
\textsuperscript{57} Article 83(1), The Constitution of the Federal Democratic Republic of Ethiopia.
\textsuperscript{58} Articles 82, and 84 (1).
of Peoples’ Representatives and appointed by the President.\textsuperscript{59} Furthermore, although the Constitution does not provide for the procedural rules that are to be followed in the working of the Constitutional Council, these rules are set down by the House of Federation on the basis of its power to organize the Council.\textsuperscript{60} Therefore, the Council is directly accountable to the House of Federation, which may call upon the Council’s legal expertise in its attempts to resolve constitutional disputes.

The House of Federation is also the ultimate defender of the constitutional compact of the peoples of Ethiopia. It is, for this purpose, empowered to order federal intervention if, in violation of the Constitution, a member state endangers the constitutional order.\textsuperscript{61} But such a measure is not something to be taken out without exhausting other remedies. If all efforts to stop the threat against the constitutional order are unsuccessful, the House has to weigh the scope and timing of a federal intervention before indeed ordering federal intervention. The latter must be of a limited character and with specific goals, to avert the triggering of a constitutional crisis.\textsuperscript{62}

The House of Federation has other specific functions. For instance, it is mandated to determine the division of revenues from the joint federal and state tax sources and the amount of federal subsidies to be provided to member states.\textsuperscript{63} The joint tax sources refer to profit, sales, excise and personal income taxes on enterprises; taxes on profits of companies and on dividends due to shareholders; and taxes on incomes derived from large scale mining and petroleum and gas operations, and royalties on such operations.\textsuperscript{64}

The House of Federation is supported by one of its working committees, the Revenue Allocation Committee, whose tasks are, among other things, to study and to recommend the criteria for proportional distribution of joint federal and state revenues to the House.\textsuperscript{65} This process of distributing joint revenues is different from what existed in the transitional period (1991-1995), during which the Council of Ministers carried out the division of joint revenues on the basis of recommendations submitted to it by a committee established by the Prime Minister.\textsuperscript{66} The task of the committee was to submit its recommendations on: a) the percentage in which the joint revenue would be shared between the central government and regional government, b) measures for resolving

\begin{itemize}
\item \textsuperscript{59} Ibid Article 82.
\item \textsuperscript{60} Ibid Article 62(2).
\item \textsuperscript{61} Ibid Article 62(9).
\item \textsuperscript{62} Fasil Nahum, \textit{Constitution for a Nation of Nations: The Ethiopian Prospect} (1997).
\item \textsuperscript{63} Article 62(7), \textit{The Constitution of the Federal Democratic Republic of Ethiopia}.
\item \textsuperscript{64} Ibid Article 98.
\item \textsuperscript{65} Definition of the Sharing of Revenue between the Central Government and the National/Regional Self-Governments Proclamation No. 33/1992, Addis Ababa: 52nd Year No.7, 20th October 1992 Article 6(1).
\item \textsuperscript{66} The committee was made up of "a) central government representatives and b) concerned representative of a regional executive committee." Proclamation No. 33/1992 Article 6(1) & (2).
\end{itemize}
issues in regard to the sharing of revenue, and c) amendments or changes to revenue categorization.67

In addition to the mechanism for the sharing of joint revenues, outlined earlier, Ethiopia’s arrangement for financial transfers takes the form of unconditional block grants (or budget subsidies as they are referred to in Ethiopia’s official budget documents). These unconditional block grants are important revenue sources for regional governments not only because they are used to correct the mismatch between regional expenditure demands and revenue resources, but also because regions can spend them freely according to their choices and preferences.

The Federal Executive

Pursuant to the Ethiopian constitution, the political party or coalition of political parties that has the greatest number of seats in the House of Peoples’ Representatives assumes the power of the federal state,68 as it forms and leads the Executive.69 This direct linkage makes the executive not only subservient to the House of Peoples’ Representatives but also its conduit through which the political programs of the majority party or a coalition of parties are implemented. Therefore, one can see a Westminster style executive government in the Ethiopian case.

The executive is made up of the Prime Minister and the Council of Ministers. They exercise the highest executive powers of the Federal State.70 While the Prime Minister is elected from among members of the House of Peoples’ Representatives, the members of the Council of Ministers are selected by the Prime Minister and appointed by the House of Peoples’ Representatives.71 Both are responsible to the House of Peoples’ Representatives.72 The Council of Ministers is also responsible to the Prime Minister.73

67. Proclamation No. 33/1992 Article 6(3), laid down the objectives and principles for the recommendation. The objectives were: "1) enabling the central and regional governments efficiently to carry out their respective functions and responsibilities, 2) assisting the regional governments to develop their regions on their own initiatives, 3) narrowing the existing gap in regional development and economic growth, and 4) encouraging activities that provide collective benefits" (Article 3.) And the principles that the recommendation was required to take into account include: "1) ownership of the source of revenue, 2) the national or regional character of the sources of revenue, 3) convenience for levying and collection of taxes and duties, 4) regional population size, distribution of wealth, and development standard, and 5) other requirements for building integrated and balanced economy" (Article 4.)


69. Ibid Article 56.

70. Ibid Article 72(1).

71. The Prime Minister has a discretionary power in selecting the nominees for ministerial posts. He/she can select the nominees either among the members of the two Federal Houses or among other persons. Ibid Article 73(1) and Article 74(2).

72. Ibid Article 72(29).

73. Ibid Article 76(2).
The Federal Judiciary

The Ethiopian judiciary is composed of two parallel systems of federal and state courts, between which judicial authority is distributed. Federal judicial power lies in federal courts whereas state judicial power is attributed to state courts. The organization of both court systems envisages three-layered hierarchical structures and corresponding divisions of jurisdictions. At the federal level, the Constitution establishes only the Federal Supreme Court, leaving the establishment of Federal High Courts and First Instance Courts to the House of Peoples' Representatives, which may decide by a two-thirds majority vote to set up such courts nation-wide or in some parts of the country when it deems it necessary. In the absence of such decision, the jurisdictions of the Federal High Court and the First Instance Courts are allocated respectively to State Supreme Courts and State High Courts.

2.2 Measures taken to entrench the process of devolution

The process of devolution of power in Ethiopia has been supported and facilitated by a number of crucial national and regional economic and development strategies, policies and programs. These include the Agricultural Development Led Industrialization (ADLI) strategy, the Sustainable Development and Poverty Reduction Program (SDRP), the Capacity Building strategy, the Civil Service Reform, and the Woreda (District) Level Decentralization Program.

Agricultural Development Led Industrialization (ADLI), which has been in place since 1995, is Ethiopia's long-term development strategy designed to bring about economic transformation and to eradicate poverty. The strategy allocates a crucial role to agriculture's contribution to economic development. The rationale for the strategy is based on the fact that more than 85 per cent of Ethiopia's population lives on subsistence agricultural production, and agriculture makes up 50 per cent of the GDP.

ADLI's distinctive features include: commercialization of smallholder agriculture through product diversification; a shift to higher-value crops; promotion of niche high-value export crops; support for the development of large-scale commercial agriculture; effective integration of farmers into domestic and external markets; and tailoring interventions to address the specific needs of the country's varied agro-ecological zones.

74. Ibid Article 78(2) and (3).
75. Ibid.
76. Ibid Article 78(3). In the federal capital, Addis Ababa, as well as in Dire Dawa, the House of Peoples' Representatives has established the Federal High Courts and the Federal First-Instance Courts. See the Federal Courts Establishment Proclamation No. 13 Negarit Gazeta, (Addis Ababa, 15th February 1996) Article 24(2) & (3).
77. Article 78(3) and Article 80(2).
The Sustainable Development and Poverty Reduction Program (SDPRP)\(^{79}\) is a policy framework for sustainable growth and poverty reduction. Its objectives are to ensure that sustainable growth and poverty reduction take place while maintaining macroeconomic stability within a decentralized democratic setting. The program mainly focuses on:

- Agriculture, which is the livelihood for 85 per cent of the population and is believed to be a potential source for generating primary surplus and fuel the growth of other sectors of the economy;
- Strengthening the growth and development of the private sector, especially in industry as a means of achieving off-farm employment and output growth (including investment in development of infrastructure where required);
- Rapid export growth through production of high value agricultural products and increased support to export-oriented manufacturing sectors particularly with respect to intensifying the processing of high quality skins/leather and textile garment;
- Undertaking major investment in education and strengthening the on-going effort to beef up capacity building and overcome critical constraints to the implementation of development programs;
- Deepening and strengthening the decentralization process to shift decision-making closer to the grass-roots level, thereby improving responsiveness and service delivery; and
- Improving governance in order to move forward in the transformation of society, empower the poor, and lay down the framework to create an enabling environment for private sector growth and development.

SDPRP is Ethiopia’s first-generation poverty reduction strategy and it covered the period from 2002/03 to 2004/05. Its successor, the Plan for Accelerated and Sustained Development to End Poverty (PASDEP), has been in effect from 2005/06 to 2009/10. Through PASDEP, the government has embarked upon an aggressive program to accelerate progress as quickly as possible. Its measures have included a big push on education to stimulate an increase in human capacity, expansion of infrastructure to enhance the competitive advantage of the economy, institution-building, government decentralization, and mobilization of the power of grass-roots communities including civil society.\(^{80}\)

As a result of the implementation of the forgoing strategies and programs, significant progress and achievements have been made in public service

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79. The SDPRP was in effect from 2002/2003 to 2004/2005, its successor plan, known as Plan for Accelerated and Sustained Development to End Poverty (PASDEP) has covered the period from 2005/06 to 2009/10.

delivery. For example, primary school enrolment has risen to over 91 per cent, infant mortality has fallen from 123 per cent in 1990 to 77 per cent by the end of 2005, and access to clean water had more than doubled from 19 per cent to 52.4 per cent by the end of 2006/07. 81 Ethiopia’s economy has achieved a robust real GDP growth rate, averaging 11.5 per cent for 2005/06, 2006/07, 2007/08, and 2008/09.

The national capacity building strategy in Ethiopia goes hand-in-hand with ADLI as a means to achieve the results sought in the country’s development strategies. The objective of these capacity-building measures is to bring about sustainable development while strengthening democracy. The federal government launched the comprehensive National Capacity Building Strategy, established the new Ministry of Capacity, and identified 14 interdependent subprograms, 82 in order to coordinate and provide strategic guidance to the overall program of capacity building.

The Ministry of Capacity is vested with the following power and functions: 83

- studying and identifying capacity building gaps;
- following up on the design and implementation of programs;
- launching systems for monitoring and evaluation to oversee the implementation of reform programs;
- creating programs for capacity building and ensuring their proper implementation;
- launching a modern human resources management system and ensuring its implementation;
- creating an enabling environment for promotion and strengthening of the utilization of ICT.

Ethiopia’s capacity building strategy aims at creating a systematic combination of human resources, working systems and institutions that should enable the country to achieve its development objectives. As a result of the step-by-step implementation of the capacity building programs, significant progress has been made in various sectors such as in civil service reform, justice system reform, improved democratic governance and decentralization. 84

81. Ibid, p.4.
82. These comprise: civil service reform, district level decentralization, justice system reform, tax and customs reform, urban management reform, ICT for improved service delivery and modernizing government, civil society capacity building, construction sector capacity building, textile and garment capacity building, development of manufacturing sector, technical and vocational training, cooperative development, higher education reform, and technical vocational training.
84. Ethiopia: Building on Progress A Plan for accelerated and Sustained Development to End
The Woreda (District) Level Decentralization Program is a sub-program of Ethiopia’s capacity-building strategy. Its aim is to deepen the process of devolution by empowering the lower tiers of the regional governments, the woreda administrative units. The first phase of devolution of state power to regional states began with the adoption of the Transitional Period Charter and Proclamation No.7/1991. The woreda-level decentralization program marked the commencement of the second phase of devolution, which began in 2002-2003. The implementation of the program required that regional constitutions be amended – constitutions that provided the legal framework for not only the devolution of decision-making powers and functions but also for the transfer of financial and human resources from regional states and zonal administrative units to the woredas.

The first phase of the implementation of the program was limited to four regional states: Amhara state, Oromia state, Southern Nations/Nationalities and Peoples’ Region (SNNPR), and Tigray. The two main instruments deployed to implement the program were the introduction of the Block Grant system and the reassignment of public employees to woredas. Block grants are transfers from regional states to woreda administrative units according to predetermined formulae and with minimal conditionality. The providing of the block grants has allowed the woreda governments to implement their administrative and development plans without undue interference from the higher-level administrative tier of the regional governments. Redeployment of public employees from regions and zones to woredas has also contributed to creating an enabling environment for effective, equitable and efficient service delivery.

The Civil Service Reform Program

In 1994, the Prime Minister established a task force that undertook an in-depth evaluation of the management and administrative practices of the civil service. This was done at both the central and regional levels and revealed the existence


85. Ethiopian federation is composed of 9 regional states (Tigray, Amhara, Oromia, Southern Nations, Nationalities and Peoples Region [SNNPR], Afar, Benishangul-Gumuz, Gambela and Harari, Somali). The regional states are divided into zones, woredas/urban administration units, and kebeles (village areas, with an average of 5,000). Although the zones are lower administrative organs of regional states, the woredas are considered as the key local government units in each regional state with significant responsibility for providing services.

86. For more details about the process of devolution and particularly, in regard to service delivery, see Marito Garcia and Andrew Sunil Rajkumar, Achieving Better Service Delivery Through Decentralization in Ethiopia, Africa Region Human Development Department, the World Bank, Washington, D.C. U.S.A., 2008.

of serious problems in the way the civil service managed its financial and human resources, public service delivery, monitoring and evaluation systems. The task force identified lack of capacity and managerial skills, and outdated civil service legislation and working systems to be the key reasons for these problems.

Fully cognizant of the existence of these problems, the government has launched the comprehensive Civil Service Reform Program (CSRP) in 1996. The CSRP aims at building a fair, transparent, efficient, effective, and ethical civil service. It seeks to realize these objectives by creating enabling legislation, developing operating systems and training staff in the following five areas: 1) expenditure control and management with a focus on accounting, auditing, budgeting, procurement and cash management; 2) human resource management (HRM) with a focus on information systems, HRM professionals development, job classification and grading, HR planning, recruitment, selection and transfer; 3) executive management systems with a focus on building the capacity of staff of federal and regional governments to undertake planning, management and performance evaluation, strengthening of delegation and accountability of line ministries; 4) service delivery and quality service with a focus on the development of best practices and the establishment of complaint and redress mechanisms; and 5) ethics, with a focus on developing a code of conduct, strengthening capacity of mass media, and ethics education.

The first phase of the reform took place from 1996 to 2000. During this time, the most important achievements included the promulgation of a new civil service law, a code of ethics, a financial management proclamation, complaints handling procedures and a service delivery policy. Yet, these measures fell short of addressing the institutional and capacity constraints in the civil service.

The second phase of the implementation of civil service reform has proceeded from 2001 to 2010, with the launch of the comprehensive National Capacity Building Program (NCBP) by the federal government. Significant progress has been made in areas of service delivery, budget and accounting systems, tax systems, human resources and executive management systems. Yet, capacity-building is still a major challenge for the civil service in Ethiopia.

2.3 Major Challenges in the Devolution Process

Since the commencement of the devolution process, one of the most difficult challenges confronting both federal and regional governments has been the challenge of capacity. Both governments suffer, albeit with varying degrees, from a serious lack of educated and skilled personnel, financial and material resources, and technological facilities.

Regional governments have limited taxing power from which to finance their constitutionally allocated functions and services, and hence, they are still heavily dependent on federal transfers. Despite the redeployment of personnel and the transfer of funds in a form of block grants from regional governments to woreda (local) governments, they are still suffering from inadequate educated
and skilled personnel, inadequate funding for basic services, and a shortage of technological and other material resources. In this regard, an independent review of the World Bank’s support to capacity building in Ethiopia concludes the following:

"While the general availability of skilled candidates for recruitment into the public administration has been low, the decentralization process initiated by the new 1994 Constitution has increased the demand for such personnel by a large factor. Regional and woreda administrative institutions and organizations have been created with new and expanded mandates, while provision of sufficient numbers of (and particularly suitably qualified) staff has been inadequate. Transfers of available staff from federal to regional (and later to woreda) level have weakened already strained institutions and particularly affected primary service delivery in health and education. While this can be considered a transitional problem, it highlights the huge need for capacity building to successfully complete state transformation (including the need for both skilled human resources and institutional incentive structures required to retain skilled staff in more remote locations)."^{87}

However, there has been significant progress in capacity building since the launching of the Comprehensive National Capacity Building Program (NCBP) by the federal government. The World Bank study has confirmed the successes of the devolution process in terms of improving basic service delivery. Ethiopia has made major strides in improving its human development indicators in the past 15 years, achieving significant increases in the coverage of basic education and health services in a short period of time.\^{88}

88. Ibid, xv.}
Concluding Remarks

The process of rebuilding and reorganizing state power in Ethiopia on the basis of ethnic federalism is predicated on, and intertwined with the need to establish a lasting peace, build democracy and advance the socio-economic development of Ethiopia’s nations, nationalities and peoples. The aim of the federal arrangement in Ethiopia is not only to enable ethnic communities to maintain and promote their distinctive collective identities and their particular styles of life, it is also directed at building one political and economic community for the promotion of the common interests of Ethiopians in a mutually supportive manner. Hence, Ethiopia’s federalism should be seen in the light of its current process of consolidating democracy and pursuing socio-economic development.

The process of transition from a unitary system to a federal political system in Ethiopia has been done in two phases. The transitional period (1991-1995) was the first phase, while the adoption of the federal constitution in 1995 marks the commencement of the second phase.

The *raison d’être* of the transitional period was to establish and maintain peace and stability, create the central and regional governmental institutions on the basis of respect for the right of Ethiopia’s nations, nationalities and peoples to self-determination, and to draft and enact a democratic constitution. During this transitional period, the Ethiopian state was reconstituted along ethno-territorial lines, and a central government and 14 regional/national self-governments were established.

During the second phase, Ethiopia became a constitutional federal democratic republic. The process of devolution of power was entrenched and facilitated by the national development policies, strategies and key sector programs that were implemented at both the federal and regional governmental levels. The pace of the devolution of powers and functions of the state to lower levels of government, namely, to the *woredas*, has been quite significant, establishing genuine self-rule and grassroots participation in governance processes.
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Transition to Federalism: The Ethiopian Experience

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