Preprint

The Model and Making of Ethnic Federalism in Ethiopia: Identifying the Problems to Find the Solution

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Abstract

In Ethiopia the idea of ethnic based self-rule came as a result of mistrust of central government. In 1991 the EPRDF government decentralized power and declared self-governing principle and conferred ethnic groups with power. The ethnic Federal Government and the ethnic regional states are not one and the same, and one is not the extension of the other. Even if there is a convergence between the Federal Government and the ethnic regional states, since both make up the strategic components of solving ethnic conflicts on a permanent basis, there are fundamental differences in the power, functions and purposes of ethnic federation and ethnic regions. The fundamental purpose of ethnic Federal Government is to achieve unity and understanding among the constituent ethnic groups. On the other hand, the regional ethno-linguistically defined states are the focal points where one locates primarily the contradiction between competing political and economic interest groups belonging to the same ethnic group. Because of systemic complexity both at the federal and regional levels, ethnic federation is apparently dependent on democratic rules and it requires democracy for its successful accomplishment. Consociationalism is the type of decision making process and mechanism which fits the kind of constitutional structure at the federal level. At the regional level devolution of power can only be a real self-governing exercise if it is based on the principles of democratic governance.

1. The Rationale for the System of Ethnic Decentralization

In Ethiopia the idea of ethnic based self-rule came as a result of mistrust of central government. I think it is high time now to recognize the limits of the central government in economic development and changing the material conditions of the Ethiopian people. Whatever name given to itself, centralist, unionist, federalist, majority, etc. the historical records and economic theory show that the central government is not meant for fostering

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economic development in the country. The current protest in Oromo, and before that the Tigray popular movement, the session of Eritrea, the massive out migration of the Ethiopian youth, the suffering of our sisters in Arab countries, the nationwide hunger, extreme poverty in urban and rural areas, etc., shows the limited role of the central government in bringing development, peace and stability in Ethiopia. History and practice shows that the central government in Ethiopia cares for itself and its clients. Time and gain it has proved to be an extractive institutions despite changes in ideology and name. In 1991 the EPRDF government decentralized power and declared self-governing principle and conferred ethnic groups with power.

Decentralization is an institutional arrangement that refers to devolution of power to an autonomous sub-national unit. In that respect decentralization is essential since it offers an opportunity to the local people to reach their potential. Decentralization is working in many countries of the world and there is nothing wrong with that. In fact, different international institutions are advocating its use and implementation.[1] The legal frameworks of decentralization enable the creation of an increasing number of public institutions and civil society associations through which power can be exercised. In a situation where there is a decreasing number of public institutions and civil society associations, there is no empowerment or greater involvement of the local people in the social, economic and political affairs of the country.

Decentralization and federation are institutional arrangements referring to the devolution and sharing of power among autonomous units. In Ethiopia they point to the continuation and maturity of the peoples' struggle for democracy and development ever since the outbreak of the 1974 revolution. Among the outstanding achievements of the 1974 revolution were the establishment of civil society organizations such as the *kebele* (neighbourhood self-administration) and mass organizations (youth, women, workers, and farmers associations) both in the urban and rural areas. These institutions are still working in Ethiopia and they will continue to work for many years to come. Similarly, the institutional arrangements of decentralization and federation will remain as an achievement of the peoples' struggle and an integral part of their democratic culture and ways of governance. If the *kebele* and the various mass organizations represent the institutional reforms that stretched between the state and the family, federation and decentralization represent the reform occurring at the helm of power, namely the state. Federation and decentralization are the logical ends of the 1974 popular revolution aimed at abolishing any form of autocratic rule in Ethiopia. The decline of the

credibility of the central state in Ethiopia could be attributed to the economic underdevelopment, to the emergence of violent opposition movements in the form of urban and rural guerrilla war, and to the increasing demand for democratization by the civil society. Federation and decentralization are therefore a continuum of the peoples' struggle and their achievements.

However, upholding the institutional forms of decentralization and federation does not necessarily mean defending the ideology that shaped them. Just as cherishing *kebele* administration and mass organization does not mean appreciating communist ideology and dogma; in the same way supporting federation and decentralization does not mean espousing ethnic ideology. The institutional arrangements of federation and decentralization should be separated from the kind of political ideology used to configure them. A separate focus on the political ideology is particularly important in assessing the performance and particular characteristics of the systems of decentralization and federation.

A political ideology is a system of belief used to shape the institutions and to spell out action oriented programs for their activities. There are various types of political ideologies: liberalism, conservatism, socialism, communism, ethnicity, etc., which can be used for power concentration or decentralization.[2] These political ideologies are the products of the modern era; they are the concomitant development of capitalist expansion on a global level, emergence and growth of the bureaucratic states, growth of the middle class and the expansion of mass communications. Because all belonged to the same era does not mean that they provide a similar form of institutional arrangement. Depending on their perception, the political ideologies chose to pursue different strategies and mechanisms in solving crisis and conflicts. For instance, the structure and functions of institutions arranged on the basis of ethnicity differ from institutional arrangements made on the basis of the political ideology of liberalism.

Ethnicity is a political ideology that perceives social, political and economic conflicts between groups of people in terms of a constructed identity. It appeals to the criteria of language, religion, a common history and culture as a means of mapping the future frontiers of self-government. Ethnicity is a variant of political belief system and mobilization employed to attain autonomy, social integration and identity that correspond to an "imagined community".[3] In other words, it advocates a complete devolution of power and resources to the ethnic group. In this type of political belief system the sources of power and value are the cultural group. Ethnicity views the ethnic group as an organic whole above and beyond the

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individual. The latter gives up his/her freedom of opposition for the sake of not undermining the unanimity of the movement. The system of decentralization in Ethiopia is anchored on the very idea and principle of self-determination of the group. Regional states are viewed as the expression of the self-governance of the ethnic groups and as such they have to be entrusted with all elements of power, responsibilities and functions.

In the developed European countries the system of decentralization is advocated on the ground of efficiency in the use of scarce economic resources and for a better revenue mobilization. In these countries decentralization is the result of a technically inspired decision by national governments on the basis of decades of experience and economic theory in the reallocation of revenues and responsibilities to sub-national levels. In USA decentralization is the result of the tradition of libertarian and participatory values. A locality right to self-government is considered as an expression of the sovereignty of the individuals.[4] In some developing countries decentralization can be motivated politically as an essential part of the democratization process. In Latin American countries the basic motives of decentralization are a political pressure, namely a democratization process, increasing participation and emerging regional movements.[5] The ills of corruption, clientelism and political alienation are often regarded as the natural by-products of a bureaucracy that is distanced in space and is rendered insensitive, inefficient, and inflexible by its size. Reformers thus advocated fiscal and administrative decentralization as a cure for these ills.

Unlike the countries of Latin America, the system of decentralization in Ethiopia was total and encompassed various complex aspects. It was not devolution of one or two aspects of decentralization, for example administrative and/or fiscal decentralization. Had ethnicity in Ethiopia been interested only in cultural domination, it would have limited itself to cultural demands such as the use and celebration of the ethnic language and culture. But ethnicity views the process of power and resource centralization and cultural domination as two sides of a coin. That means ethnicity strives not only for cultural liberation of the ethnic group, but also for its political and economic autonomy. The type of devolution of power in Ethiopia was thus total and encompassed various complex aspects.

The regional states organized on the principles of ethnic identity had to share power at the center and the system of federation was used as an institutional arrangement and mechanism. By definition "federation is a distinctive organizational or institutional form which accommodates the constituent units of a union in the decision making procedure of the central government by means of constitutional entrenchment."[6] To put it in another way, federation

refs to the distribution of constitutional power (executive, legislative, judiciary, financial, etc.) among equally autonomous units. Accordingly, ethnic federation can be defined as a system of power sharing among autonomous units (or tiers of government) organised on the principles of ethnic identity. Structurally defined, ethnic federation is not different from other types of federation such as regional federation in which the power sharing units are created on the basis of liberal ideology which emphasizes individual/regional rather than ethnic identity. In a regional federation the process of delimitation of the boundaries of the regional autonomous states is guided by administrative considerations, resource size, and historical accidents (such as internal migrations, demographic pressure) which have been given a particular legitimacy by the passage of time. The purpose and function of a regional federation thus differ from the purpose and function of an ethnic federation.[7] Regional federation does not accommodate socio-cultural elements in its development concepts. Regional development emphasizes area development more than cultural demands. In a regional federation ethnic conflicts are resolved through ad hoc measures and these measures change constantly as new demands arise. Consequently, there is a potential threat for the breakdown of negotiated settlements, and the case of Nigeria is a good example.[8] Political ideologies have, therefore, a significant impact on the design and implementation of institutional arrangements. However, political ideologies have to be isolated and specifically studied to appreciate their particular effects on institutional arrangements. The latter can be affected by complex variables (such as capacity and governance factors) in addition to those elements belonging to the ideology. Though important, political ideologies can be used as a single factor to measure the efficiency and effectiveness of institutional arrangements.

2. The Difference between Ethnic Regions and Ethnic Federal Government

To understand the nature and management of conflicts, it is important to distinguish problems belonging to ethnic regions and the ethnic federal government. This distinction is important in view of the existing confusion, both by analysts and practitioners, about ways of understanding the nature and management of conflicts at the center and in the regions. Some view federation and decentralization as one and the same, or one is considered as an extension of the other. In such a type of understanding, it is often possible to attribute the problem of one to the other, or to necessarily consider what is happening in one as indicative of what is occurring in another. To avoid such general confusion, I will at first outline problems related

to the strategic objectives of the ethnic regions to be followed by discussion on fundamental problems related to the function of the federal government.

2.1. The Purpose and Strategic Objectives of Ethnic Regions

The regions have the characteristics of independent states; their own presidents, constitutions, national anthems and flags, police and militia force. Each regional government includes a State Council (the highest organ of state authority) and a State Administration (highest organ of executive power). The State Council is the highest political authority, which defines the region's policy and has all legislative, executive and judiciary powers regarding the region. The State Administration is the highest executive authority of the regional government, which is elected by the State Council. The State Administration enforces as appropriate the policies, proclamations, regulations, plans, guidelines and decisions of the central government and of the State Council. The legislative and executive organs of the regional states are also assigned any residual power unspecified in the federal constitution.

Objectives are usually set in terms of perceived needs. At the regional level the elite of each ethnic group may have an intention to promote the unity (often through standardization) and development of the ethnic group (mainly through development projects). These objectives may differ from the objectives of the broad masses of a designated ethnic group. At the local level there are different objectives depending on the assets, coping and adopting strategy of each household. Consequently, there may be problems in ranking and prioritising of objectives. Whose objective is therefore to be promoted by the total system and how is it possible to solve the multiplicity of objectives?

Differences in objective priorities and its changing character in time make it necessary to construct overarching goal areas and dimensions. The question is what are worthy goals that should be achieved by ethnic decentralization? Considering the essence of the political ideology of ethnicity, one can systematize and classify eight sets of objectives of ethnic decentralization. These are i) Ethnic group empowerment, ii) Ethnic group protection, iii) Ethnic group cohesion, iv) Promoting ethnic group identity, v) Empowering civil society, vi) Promoting economic and social welfare of the ethnic group, vii) Capacity development, and viii) Conservation and management of natural resources. These objectives basically refer to the concept of autonomy, public service provisions and sustainable development.

Ethnic Group Empowerment

At the regional level, empowering an ethnic group means the conferring of public office on a linguistically defined category of people associated with a designated territory. The main thrusts that are constitutionally decided include the following investigation questions: Does the territorial unit created by the federation coincide with the communal boundaries of the ethnic group? How many of the ethnic group people have occupied office in the elective committee, civil service, police and military? Is the allocation of offices and resources based on the principle of proportional representation? If so, what was the type of proportional representation system and how does the system affect the power position of the ethnic group?

Ethnic Group Protection
The second objective of ethnic decentralization is to ensure group and individual protection. Externally the federal government defends the ethnic groups. It regulates the inter-governmental relationship and inter-ethnic relationships at the federal level and provides security and guarantee from the launching of an attack on the group. At the regional state level, members of each ethnic group are given constitutional rights to safeguard the internal security themselves. This is ensured by the provision of the right to recruit and control the police and militia forces. This also enables the prevention of violent crimes such as burglary, rape and indecent assault. Local militias are also an integral part of ward administrations and their policing role ensures peace and stability in the community.

Ethnic Group Cohesion
An ethnic group is a "catch-all" term that represents diverse and collective interests. An ethnic group has its internal differentiation as a result of class position, status distinction and outlooks. There is factionalization within and between organizations representing each ethnic group. Some groups may have large support while others may have medium or limited support. Sometimes, the various causes of factions lead to violent conflicts. It is therefore crucial to resolve conflict relationships within and among ethnic group members in order to orient individual actions and views for a common purpose.

Promoting of Ethnic Group Identity
Another objective of ethnic decentralization is the promotion of a group identity. Identity is the people's source of meaning and experience[9] used to make a distinction between self and others. It is a process of constructing meaning (and/or symbol) for the social actors. "The social construction of identity always takes place in a context marked by power relations".[10] Identity is contextual, multidimensional and fluid. The assertion of a person's identity is

intended to give meaning to an encounter with others. Meaning refers to the purpose for which identity is formulated in a given context. Its formulation depends on which attributes are given priority in constructing meaning. The question is what are those attributes which help to construct national identity in the context of ethnic federalism? This depends on how the group identity is constructed and by whom and for what purposes.

The process of constructing or promoting ethnic identity should not be based on myth and other elements which belong to exclusionist ideology. The politicisation of culture to the degree of exclusion hinders the free flow of labour and capital. People belonging to other ethnic groups might feel insecure about migrating into and working in other regions. This hinders the maximisation of income by individuals moving to places of opportunity. In addition, regions which promote exclusionist ideology may find it difficult to secure fixed capital investment. People may have too little confidence to invest in places of their own choice, as they might anticipate harassment or confiscation of properties. Instead, they prefer to invest in cities, which have their own administrative autonomy.

On these grounds and others, the type of identity building process in the region should aim only for the development of and use of the language of the ethnic group, preservation of its cultural heritage, eradication of harmful cultural practices and production of cultural artefacts. The promotion of ethnic group identity should be based on the type of identity building process that rationalises sources of structural domination (such as class domination). The promotion of group identity should not advocate violent assault on state and society.

Empowering Civil Society
People of the region express their views publicly and debate regional policies primarily through their freely organized associations. These associations include mass organizations (youth, women, farmers, etc), community based associations, professional associations, religious associations, non-governmental organizations (NGOs), human rights groups, etc. Civil society can play a vital role in educating the public on important regional issues. Until now these organizations were largely repressed and marginalized. New political, social and economic developments have now created an opportunity for the civil society to play a major role in formulating public policy and advocate reforms. But the civil society cannot assume its role if it is not provided with a supportive legal structure that can enable them to attain a strong financial base and extensive public backing. Civil society organizations also need institutional capacity building and access to relevant information in order to carry out the key role expected of them.

Promoting Economic and Social Welfare of the Ethnic Group

The regional states are concerned with the basic elements of economic development—such as availability of labour, capital, appropriate technology, infrastructure, and support services—and investment in the region by individuals and organizations. Deep rooted and complex economic development problems cannot be expected to be solved quickly. There is a need for a long-term perspective and formulation of a development strategy whose nature is being influenced by the basic characteristic of the region and the nature of effective public-private partnerships. The regional states have to design development programs, set up the program's implementation structure, develop its operating systems and processes, and manage its people. Agriculture, industry, economic infrastructure, and human development mark the central and immediate development challenges for the region.

The other component of the development strategy is aimed at improving the quality of community life through the provision and improvement of basic social infrastructure (such as primary schools, health centers, water supply and sanitation facilities, and electricity). The regional states have to critically consider in detail not only the nature of each specific service but also the structure of delivery. Each has its own specific requirements with respect to the most appropriate institutional structure for efficient and equitable service delivery. Education, health and social assistance may be very different with respect to such critical matters as the justification for, and the appropriate level of, public subsidy and the relative role of different tiers of the public sector in financing, delivering or regulating services. Economic support services such as those involved in rural development may raise still other problems. In this connection, the regional states have to consider the most appropriate institutional structure and variety of forms of public service delivery. In the final analysis, the ultimate goal of the regional economic development is to improve the economic welfare and social well-being or quality of life of the people living in the region.

Natural Resource Management and Environment

Natural resource management encompasses a broad spectrum of activities and projects that specifically require the participation of local communities. Examples of these kinds of projects include: micro-watershed management, irrigation water management, soil and water conservation, community forestry, community-based coastal zone fisheries management, and conservation of biodiversity. In the case of Ethiopia, land degradation is the most serious problem. The vegetation cover is increasingly disappearing. The number of species of plants,

animals and microorganisms are decreasing. Participation of the local community is essential for effective and sustainable management and conservation of natural resource systems.

Capacity Development

Capacity development is the process by which individuals, groups, organizations, institutions of the region develop their abilities, individually and collectively, to perform economic and administrative functions, solve problems and achieve objectives. The regional states have to strengthen existing capacities, and in some cases, even start from scratch in order to improve their performance in relation to their stated objectives and context. Capacity development implies coherence among all the elements that make up the objectives, organisational structure, leadership, management practices and activities. The elements of capacity can be human and financial resources, management skill and knowledge, information, etc. The regional states should continuously measure and evaluate the various dimensions of capacity to attain and sustain the level of expected performance.

To sum up, the main reasons and the overall objectives of ethnic decentralization in Ethiopia were the promotion of political autonomy of the ethnic group and efficient provision of public services to the local people. What are the efforts and the progress made toward achieving the objectives of the regional states? How well did the regions succeed in achieving their declared objectives? How was the system of decentralization organized and implemented? How were the various programs and functions of ethnic decentralization actually performing? What was it that the regional states *did* but *did not*? How was the regions supposed to perform and how was they performing in practice? Were the conditions of the people improving or deteriorating in the region since the establishment of an ethnic regional government? What was achieved, and what was reasonably expected to be achieved in terms of political autonomy and public service provisions since their establishments? (For case study see Tsegaye Tegenu 2006). [11]

2.2. The Challenges of the Ethnic Federal Government

The federal government and the regional states are not one and the same, and one is not the extension of the other. Each system has its own structure, functions and purpose, and thus different criteria of performance measurement. The performance of the regional states, their attempt to assure their own viability within the range of functions assigned to them, cannot serve as criteria for measuring the performance of the federal government. The federal

government is more than a mere collection of regional states, neither is it the sum total of their functions. The success or failure of the federal government is reflected primarily in its ability to solve the following conflicts:

2.2.1. Identifying the Identity of the Ethnic Groups

One of the major peculiar problems at the federal level is the one that arises in identifying the identity the ethnic groups. Who are the independent subjects of the federation? Or, who are the ultimate bearers of the rights of sovereignty? How are they identified? What are the criteria for determining their status? What are the building blocks of identity?

Identification of an ethnic group is done in two ways that should at least much in the degree of assessment. The group and/or the individual in the group can define itself. Since ethnicity does not exist in isolation, "others" must also define the group. There must be a mutual acceptance and correspondence between these two definitions if one wants to arrive to a sound understanding of the problem and create a will for settlement. Ethnic group is usually defined as having the same language, religion, custom, institutions, shared history, myth, common decent, kinship and other distinctive traits. This type of definition is loaded with concepts that are a short hand term of reference for researchers. It contains properties that belong to distinctive stages of ethnicity; those that are objective attributes such as language and religion and those that are constructed attributes such as myth and shared history.

There are different types of group identity building processes that lead to different outcomes. A group identity can be formed on the basis of myth creation. Myth is a faulty explanation that leads to social delusion and error. It is used to account for the origin of differences in ways that satisfy the needs of the group. Myth serves as a ground for loyalty and defence of the group and hostility to others. Myth is the work of nationalist intellectuals in the modern era. Separate myth-motifs are brought together to form a fully elaborated mythology of the group (decent, origin, history, etc). In each case a kernel of 'historical truth' is decked out with fantasies and half-truths so as to provide a pleasing and coherent story about the community. The objective of the myth is not scientific objectivity, but to create emotional and aesthetic coherence for the purpose of social solidarity and social-definition. One can build myths from anything that is within the recent past, not necessarily the remote past.

Identities can also be formed using racial concepts and criteria. Differences based on colour, physical appearance, and other phenotypic features (such as texture of hair and blood group) are used by the concept of race to provide an explanation for inequality in biology.

The notions of kinship and clan (or common descent) which are used to explain the self-sustaining nature of ethnic groups often entail a danger of defining each ethnic group on the basis of biological boundaries. For instance, some researchers attribute the affective quality (the psychological force, or the strong sentiments) of an ethnic group to the significance of "the tie of blood"[12], while it is known that identities so established wax and wane with time (situational explanation). Therefore, it is very important not to subsume the concept of race when identifying an ethnic group. Race is a biological fact and if properly used the term is employed only with reference to physical traits. An Ethnic group is a cultural category referring to the characteristics of language, religion, dress, housing, lifestyle, etc. I think this demarcation should be very clear.

Another significant point that must be recalled in a discourse on identity is the distinction existing between an ethnic identity and a group identity constructed on the basis of liberation ideology. Even though both concepts start from the situation of domination, they use different building materials for the construction of their respective identity. For instance, a liberation ideology may use a race identity (biological differences) as a fundamental difference or criteria of categorization. The social actors who construct the collective identity may include not only the educated elite (middle class) but also the traditional chiefs. Liberation ideology primarily aims at self-determination and creates what can be called resistance identity, not ethnic identity. When contrasted with ethnicity, liberation ideology differs in its objectives and activities. Liberation ideology is against an alien state and aims for border creation state making, seizure (control) of the state, and it invents a territorial community. In contrast, the final objective of ethnicity is the political and economic empowerment of the ethnic group as well as the creation of group cohesion and identity.

Constructed identities such as myth and liberation ideology have problems if used as the identifying and defining criteria. Language (a sign of communication, or an expression of underlying life-styles and values of the community) and religion can be powerful indicators of ethnic identity. However, it may be possible that these factors may not coincide. They may cut across each other. For instance, religion may cut across other features such as language and territory. In this case it is important to identify the element that plays the most crucial role as a differentiating mark of the ethnic group.

In spite of this problem one can still try to identify the ethnic group identity using common traits such as language, religion and other shared attributes (folklore, architecture, dress, food, music and the arts) as criteria. But what one calls the essential qualities of the ethnic group

may connote little more than labels. Maybe they are hollow categories, conceptual divisions within a set of people. People can label others without communication or agreement about the terms they use. In order to call a characteristic an identity, it is necessary that the individuals/group accept that the term is a meaningful description of them. Ethnic identities exist if the people labelled by others identify with the objective categories given to them and interact consistently with each other on that basis. It is often possible that an ethnic group might not embrace or reluctantly accept the identification given to it on the basis of observable categories. Contrary to outsider identification, the ethnic group or the individuals in the ethnic groups may identify themselves by a regional identity. This identity may be the result of historical forces of migration and settlement in the region. It may be also the result of the particular type of production system compatible with the eco-climatic zone of the area, the traditional pattern of land ownership, the system of taxation payment, the organization of local power and the traditional means of conflict resolution belonging to the community. A contrasting difference in identification of a group by others and the identity to which the ethnic group gives to itself is problematic. So what is the constitutional principle used to identify the identity of an ethnic group? This is one of the fundamental problems, which the federal government has to solve.

2.2.2. Identifying the Territorial Location of Ethnic Groups

Another problem is how to designate the territorial location of an ethnic group. How can one designate a territory as belonging to this or that ethnic group? What are the criteria for designating an ethnic territory? Given the history of internal migration and settlement, how can one demarcate the territory belonging to each ethnic group without experiencing the multitude of claims and counter claims that will definitely arise from such an attempt? How can one claim that a specific area belongs to one or another specific group? Does one know the ethno-geographical realities on the grounds, in the farmsteads, the hamlets, the villages, the hunting grounds, the fishing grounds, the pastures, the marshlands, the markets, and the towns and cities of a country? Where does one mark the territorial boundary between the ethnic groups? Where does one set the limits of the territory between ethnic groups that relate one to another? Where does one set the historical baseline, with regards to the demarcation of the boundaries in order to sort out amicably the conflicting territorial claims? Can one take the present ethnic-geographic situation as given and work on that, or does one go back to an earlier period? Which year or century should be the historical baseline?

There are many people who speak about the impossibility of demarcating the boundary between most of the ethnic groups of contemporary Ethiopia and their neighbours. These nationalities intermesh into one another at the level of language, culture, identity and territory. Any attempt to carve out the territories of ethnic groups, to create ethnically based federating units, will lead to violent conflicts and sustained border wars because there is no basis for these boundaries at the ethnic level, given the mosaic nature of the ethnic and cultural geography of Ethiopia.

Theoretically, the territorial claim/demand of an ethnic group should be related to the absolute size of the group and to the pattern of territorial distribution of the group itself.[13] This statement refers to two inseparable aspects. First, it refers to the size/proportion of the ethnic group in the designated territory. The ethnic group should be the majority in the designated territory (i.e., they must dominate the designated territory). In the designated area there may live populations of other ethnic groups. In other words, the designated territory may consist of non-members of the group. In that case, one should describe the proportion of the group in the designated area. Second, it refers to the territorial distribution/concentration of the group: A majority of the total members of the ethnic group should reside in the designated area. This means that the territorial claim is weak if the majority of members of the ethnic group live dispersed outside the designated territory. If the ethnic group is locally weak, then it may be that the people live dispersed in other territories. In that case what percent of the total population of the ethnic group live in the designated area? Thus, territorial solutions imply two things: territorial concentration of the group making the demand and ethnic homogeneity of the territory on behalf of which the demand or claim is being made. To the extent that these conditions fail to be satisfied, any concession of a demand for a territorial settlement is likely to run into opposition from members of other ethnic groups.

2.2.3. Ethnic Cleansing and Minority Rights

There are practical problems in the application of principles of identifying the identity and designating the territorial location of each ethnic group. According to these principles the process of boundary delimitation is not guided by historical accidents (internal migrations as a result of wars, demographic pressure, and the like) that have been given a particular legitimacy by the passage of time. The spirit of the principles is that internal boundaries have to evolve on the basis of the ethnic criteria (i.e., the identity of the group, the absolute size of the group and the pattern of its territorial distribution). These types of solutions call for the alteration of the spatial distribution of members of an ethnic group.

The application of this ethnic principle for the political and administrative organisation of the country will stop at the boundaries of the new ethnic regional units. It is possible that some powerful members of the ethnic group will forcefully demand its application right down to the local government, district and village levels. In that case members of a particular ethnic group may be expelled from that particular territory. This will cause much disruption, devastation and dislocation of lives. Moreover it may disenfranchise hundreds of thousands of people who have made other parts of the country their homes, and who will clearly become non-citizens in the ethnically defined regional states. There is thus a question of how to stop ethnic cleansing carried out to change the ethno-geographical situation before the ethnic regional units have their boundaries demarcated. There is also a question of empowering the ethnic minorities. It is possible that the minorities may not be geographically concentrated and there may be a need for mandatory representation at the regional state level.

Protecting and safeguarding ethnic members and groups living as minorities in other regional states is the task of the federal government. The federal government must find certain mechanisms that protect members of an ethnic group from political and economic discrimination. As minorities living in other regions, they should not be prohibited from practicing their religion or using their language, nor should they be restricted in their freedom of expression and economic activities.

2.2.4. Asymmetric Power Relationship

In an ethnic federation, there is a problem of treating unequal ethnic groups equally. In principle, ethnic groups are the independent subjects of the federation and they enjoy equal status. As Table 1.1 shows taking the case of Ethiopia, in reality the ethnic groups are different in terms of their territorial size, population and economic potential. Who is to occupy offices in the legislative and executive branch of the federal government? Is the federal government offices dominated by ethnic groups that are big in size of territory and population? Is the allocation of federal government offices based on the principle of proportional representation?

Table 1.1. Population, Area, Number of Zones and Districts of Regional States

Regional States	Population (1996/97)	Area in thousands Km^2	Regional Capital	Number of Zones	Number of Weredas districts	Number of Special Weredas-Districts
Tigray	3,358,358	60.2	Mekele	4	35	

Afar	1,131,437	77.0	Aysaita	5	28	
Amhara	14,769,360	188.8	Bahirdar	10	102	1
Oromiya	20,012,952	360.0	Nazret	12	176	
Somale	1,978,600	215.9	Jijiga	9	47	
Benishangul	492,689	46.8	Assosa	2	13	
South National, Nationalities & Peoples	11,064,818	112.0	Awasa	9	71	5
Gambella	194,755	26.1	Gambella	2	8	
Harrari	143,587	0.3	Harrar	3	19	
Addis Ababa	2,341,964	0.4	Addis Ababa	6	28	
Diredewa	277,245	1.6	Diredewa	4	23	
Total	55,765,765	1089.1		66	550	6

Source: Website of The Parliament of Ethiopia.

http://www.ethiopar.net/English/basinfo/regninfo.htm

The federal government is comprised of three branches; the legislative, the executive and the judicial branch. Each branch has a distinct responsibility that is separate and apart from the others. The legislative branch of the government is responsible for making law. Its members are directly elected by the people periodically and may represent a broader range of interests/characteristics/places. The executive branch of the government is responsible for organizing the laws enacted by the legislative branch of the government and implementing and enforcing those laws. The executive branch is divided into different ministries and it performs its governmental duties partly as an independent force and partly in conjunction with other governmental bodies both at the national and sub-national levels - the former including parliament and the head of state; the latter, regional governments. The overwhelming majority of laws, the parliamentary agenda, and decisions by the head of state are all prepared or proposed by the executive body of the federal government. At the same time, it is also responsible for the implementation of these decisions. The government carries out its directional activities independently and within constitutional limits and can take actions on any matter that falls within the sphere of public administration. It is entitled to directly supervise any branch of public administration and also to set up separate bodies, which handle special assignments. The government can establish offices, committees,

consultative and advisory bodies, appoint government commissioners, and transfer parts of authority to these and other arms of the government.

The judicial branch of the government is an independent organ that has the responsibility of resolving disputes that citizens of the community have with one another. They are, of course, charged with the responsibility of resolving those disputes in a fair, just, impartial and expeditious fashion. In many instances they must resolve disputes in accordance with rules and regulations enacted by the legislative branch or enforced by the executive branch of the government.

The question is now how is power to be shared by the ethnic groups in the three branches of government. Should power and offices be distributed proportionally according to the size and economic potential of the ethnic groups? Asymmetrical distribution of power, i.e., treating different ethnic groups differently, may raise a fundamental political problem. The option of giving more federal government offices to big ethnic groups requires the consent of minority ethnic groups to receive less offices in the federal government. If it is difficult to get their consent, is it fair to treat all ethnic groups similarly, in the face of the reality that there are very wide and relevant differences among them? The federal government has to find solutions to such kinds of problems.

2.2.5. Unsynchronized Decentralization

Unsynchronization refers to the speed, timing and weight of decentralization. In an ethnic federation, decentralization (devolution of power) is in principle coming at one moment and including all ingredients (political, fiscal, economic, administrative, etc.). In such type of wholesale decentralization, there is no flexibility in preparing the amount of ingredients in the right way and presenting them at the right moment. In other words, there is no plan to synchronise the decentralization element in the right way to achieve success. Ethnic groups do not have the same kind of previous experience and the necessary capacity to shoulder and carry out all responsibilities. In the face of such diversities, the only one approach with respect to decentralization, namely "one size fits all", may not lead to the desired success, for it does not get the mix right. Transferring of all power at one and the same moment may fit those ethnic groups that are enormous in size, economy and administrative experience. For some ethnic groups it may create corruption and inefficiency. Depending on the ethnic group's objective situation and considering feasibility of functions, it is possible to design decentralization arrangements to achieve the potential benefit it offers. Accordingly, some

ethnic groups may be given political and administrative responsibilities, while others may be given fiscal and economic responsibilities.

But synchronization is difficult not only because of the many fiscal, political and administrative issues which require careful consideration, but also because each service and even each function within a service will differ with regard to the appropriate form of decentralization. Depending on the nature of the service, the political landscape and possibly the administrative capacity, the amount of autonomy (or "decision space") given to a local government will differ. Whatever policy of synchronization of decentralization is presumed, it will create a political problem among ethnic groups that are constitutionally regarded as equals.

2.2.6. Intergovernmental Fiscal Relation

The assignment of most revenue yielding taxes to the federal government and the devolution of important expenditure responsibilities to the regional governments can create a high degree of vertical fiscal imbalance. In Ethiopia the federal government is assigned buoyant taxes such as foreign trade taxes[14], whereas direct taxes, whose economic base is limited, is under the jurisdiction of the regional governments. Foreign trade taxes have the capacity to expand with the growth of commerce, while direct taxes can mainly be increased by tax-technical measures. Productive taxes are thus under the exclusive domain of the federal government. Besides this, the sharing of revenue from taxes jointly levied and collected by the federal and regional governments is not yet defined. Presently, access to domestic borrowing for the regions is allowed only under conditions and with the approval of the federal government.

There is no clear allocation criterion that determines the shares of the federal and the regional governments in total national revenues. The total resources are divided between the federal and the regional governments on the basis of negotiated assessments of existing expenditure assignments. A study found out that there is a pronounced degree of vertical imbalance in regional budgets. The sources assigned to the regions are inadequate to help them discharge the responsibilities assigned to them.[15] In this respect, it is necessary to take measures that boost the capacity of the regions to enhance their efforts at resource mobilization. This requires putting into effect laws that give power to the regions in determining tax bases and tax rates as well as capacity building for efficient administration and collection of taxes.

Intergovernmental transfer is another mechanism for dealing with vertical imbalance. From the regions' overall expenditure ceiling, allocations to individuals regions are made using a

general formula. In the case of Ethiopia, the formula used for allocating federal grants to the regions has been modified many times since the beginning of preparing a regular budget for the regions. Since 1993/94, there were variations in the use of indicators and in the weights assigned to each of them. In the 1997/98 budget years, three indicators, with weights showing in parentheses were used for the preparation of the capital budget to the regions: population (60%), level of regional development (25%), and regional tax collection effort (15%). The indicators used to measure the level of regional development consisted of distinct variables: length of rural roads, share of rural population in total population, per capita industrial production, per capita crop food production, density of telephone lines, number of post offices, hospital beds in relation to total population, and pupils in elementary schools in relation to total population. The criteria were given relative weights on the basis of their ability to represent efficiency and equity. The equity element in the criteria was implied in population number and level of economic development. Efficiency is represented by the criteria of regional tax revenue collection.

For the transfer of the 1995/96 budget, the formula included three variables: population, the regional revenue budget and the I-distance indicators. An equal weight of 33.3% was assigned to each. A study by the IMF found a variety of problems associated with such a formula: a) the lack of adequate and up-to-date information; b) the shortcomings of the I-distance indicator; c) the built-in disincentives for enhancing tax efforts; d) the reconciliation of multiple objectives; e) the need for interregional equity; f) the need for encouraging the implementation of minimum standards; g) correcting for spillovers.[16]

Since transfers are the main source of revenue for the regional states, the design of transfers is of critical importance to the success of decentralization. Transfers should be determined as objectively and openly as possible, by some well-established formula. They should not be subject to hidden political negotiation. A quasi-independent expert body (e.g. a grant commission) should study the transfer system, not by a certain department at the Ministry of Finance and Economic Development as was practised. This type of body can examine various options for reforming the grant system and make recommendations to the Federal Council as envisaged under the constitution.

2.2.7. Equitable Development and Inter Regional Co-operation

Bringing about an equitable development among the regions is another problem of the federal government. As a result of past administrations' misguided policies, some ethnically defined regional states have had an historical experience of isolation and marginalization. For

instance, the four lowland regional states, namely the Afar State, the Somali State, the Gambela State and the Benishangul State, had low levels of political, economic and administrative development during the centralized states of Haile Selassie and the military Derg. The federal government, therefore, have a greater responsibility in building up the self-government and economy of these low land regions, since they could not by themselves be capable of fulfilling such goals. The federal government must provide technical personnel, political advisors and assistance in the development of infrastructure and services. It must also devise a private investment policy biased toward the less developed regions and this is to be done through the provision of incentives.

Another problem that exacerbates regional equitable development is the practical outcome of an ethnically defined economic regionalism that hinders the free flow of labour and capital. People belonging to other ethnic groups might feel insecure in migrating into and working in other regions. This insecurity hinders the maximization of income by moving to places of opportunity. Securing fixed capital investment is the other problem. People may have too little confidence to invest in places of their own choice, as they might anticipate harassment or confiscation of properties. Instead, they may prefer to invest in cities, which have their own administrative autonomy. This brings about not only a lopsided development, but also, speaking in economics language, leads to a sub-optimal solution in terms of GDP. Scarce resources that could have been better invested in agriculture, for example, would go to the ever-enlarging service sector of the urban areas, mainly, to hotels and coffee houses. This is an example of misallocation of resources and a great loss to a given country where the main priority is the eradication of poverty.

2.2.8. Self-determination and Secessionism

According to the constitution ethnic groups enjoy equal rights. They are granted the status of a nation. They are given self-determination up to secession. One of the essentials of federation is that the union should be constitutionally immune to dissolution by secession. The grant of a constitutional right to self-determination is in contradiction with the very idea of a federalist constitution. A central government, which accepts secession by an ethnic group, simultaneously accepts the extinction of any reciprocal duty between itself and its own citizenry in the affected territory. This is something not compatible with federal constitutional arrangements whose purpose is to secure union --whether highly centralised or decentralised-- on an enduring basis. However, some who interpret federation as essentially contractual (treaty or agreement) consisting of sovereign entities, advocate the inclusion of the provision

of secession in the constitution. The logic is that any contractual party remains as free to withdraw from the association in circumstances where the other party or parties violate the terms agreed upon, or if the arrangement in other respects proves unfair or inadequate. But secessionism presupposes the collapse of the federal structure. By virtue of its exercise of distinct national functions (such as defence, policy, etc.), the function of the federal government affects the system as a whole. Secessionism thus requires the extinction of such national functions and partial authority of the federal government over all citizens of the federation.

Secession means the consolidation of local authority over the boundaries of the ethnic group by excluding the federal government, and the unilateral elimination of the dual allegiance of its citizenry, replacing it with an integral duty to a single local authority. This, in effect, means the disintegration of the federal state. If a federation's component territorial parts are implicitly entitled to secede in any effective sense, then the federal centre can only adopt and implement policies with the express or tacit concurrence of each member unit. The component parts may support or veto/block the initiative depending on their interest. In a federal structure, the interests are structurally incorporated into a single and coherent frame (e.g., identification of the territorial location and culture of the group, the minority question, etc), such that it becomes difficult to negate that structure. Federations are so structured as to preclude any effective right to secession, except formally.[17]

"Self-determination presupposes the prior determination of the unit—the national self—that is to enjoy the right of self-determination. But the identification and boundaries of this self cannot themselves be self-determined: They must be determined by others."[18] The principle of self-determination begs answers to two interrelated questions: a) who are the people? b) what is the relevant territorial unit in which they should exercise self-determination? These issues are complex as described in the sections above.

2.2.9. Conflict Resolving Mechanisms and Institutions

The federal problems, disputes and conflicts discussed above are mainly referred to the House of Federation which is believed to be the best place to protect and ensure the rights of all nations and nationalities. In the context of the federal constitution of Ethiopia, it has the following constitutional power and functions:

Article 62 (3-11) of the Constitution gives the House of Federation responsibility for: Interpreting the Constitution;

- Organising the Council of Constitutional Inquiry;

- Deciding on claims based upon the rights of nations, nationalities, and peoples to self-determination, including their right to secession;

- Promoting the equality of the peoples of Ethiopia enshrined in the constitution and promoting their unity based on their mutual consent;

- Exercising the powers and the functions concurrently entrusted to it and the Council of Peoples' Representatives;

- Striving to find solutions to disputes or misunderstandings that may arise between States;

- Determining the division of revenues derived from joint Federal and State tax sources and the subsidies that the Federal Government may provide to the States;

- Identifying civil cases that require legislation by the House of Peoples' Representatives

- Ordering Federal intervention if any State, in violation of this Constitution, endangers the constitutional order,

The House of Federation, which represents the ethnic groups of the country, has the role of supreme interpretation of the constitution and resolving key questions of the nationalities/ethnic groups. The House of Federation is not an "upper" house but has unique duties and responsibilities to interpret the Constitution and protect the rights of the nations, nationalities and peoples of Ethiopia. In many countries, matters of constitutional interpretation are decided by the Constitutional Court or by the Supreme Court. In the case of Ethiopia it is the House of Federation which is entrusted with the power of interpreting the constitution. This makes ethnic federation different from other types of federation which treat constitutional disputes through either separately established constitutional courts or delegate this power to the highest regular federal court. The rationale behind the preference to resolve constitutional disputes through the House stemmed from the conviction that constitutional disputes are very likely to have something to do with ethnic matters. From the outset, solving ethnic conflict is considered the ultimate objective of the federal constitution.

3. Proposing Solutions

3.1. Consociationalism at Federal Level

There are practical problems in solving the above mentioned conflicts on a permanent basis. One can fix temporary solutions to the problems by devising mechanisms that may

contain or arrest negative developments that threaten the unity of the groups. One way is the monopolization of power both at the federal and regional level through the formation of a coalition of parties or a front. Using the centralised structure of the party command, it might be possible to mitigate the conflicts between the actors. But this type of political solution is fragile and it may collapse if and when the coalition splits or as some members of it withdraw from it feeling marginalized. Another method can be the search for or use of a unifying ideological formula such as the Marxist-Leninist ideology which underlines the invariable significance of class struggle rather than cultural demands of ethnic groups. By definition, a worker or a peasant from one ethnic group cannot have a different interest from the other. However, this ideology has no future as it basically sweeps the ethnic issue under the carpet, for which purpose the regions were set up in the first instance. One may as well try to maintain internal unity of the regional states by emphasising some kind of an overarching assimilationist or integrationist supra nationalist identity named, for instance, after the name of the country. But this type of identity is only acceptable to those people particularly coming from mixed marriages, but not to proponents of the ethnic movements.

Ethnic federation is apparently dependent on democratic rules and it requires democracy for its successful accomplishment. It is advocated that consociationalism is the type of democracy (decision making process and mechanism) which fits the kind of constitutional structure of ethnic federation. The consociational approach places greater faith in the assurance of ethnic group rights and a belief in coalescent democracy (decision).[19] According to Lijphart, consociationalism relies on four basic principles: a broad-based or grand coalition executive, minority veto, proportionality in the allocation of civil service positions and public funds, and group autonomy.[20] The dominant feature of the consociational mode is the elite accommodation reached by a discussion going on "until a solution is found that is acceptable to all participants in the decision-making process, that is keep on talking until you agree.[21]

At the federal level, the political relationship among the ethno-territorial regions can be organized according to consociational principles. In principle, federation implies the co-existence of a set of political groupings that interact as autonomous entities, united in a common order with autonomy of its own. It is a kind of contractual agreement (consent) which represents a balance between centralism and decentralization. The promotion of balance, contractualism, and compromise does not only lead to ideological notions. It involves some give and take, some reciprocity and consent. Federation has to protect the hard core interests and rights of the groups which agreed to the contract. Ethnic federation is thus

meant as a respect for and management of political pluralism both within and among the territorial components of the multi-nationality state. Therefore, it does not accommodate authoritarian rule. If ethnic federation is not based on the culture of consociational democracy, it promotes republicanisation and secessionism, eventually leading to a collapse of the federation as happened in the former Yugoslavia. [22] It is the promotion of a consociational type of democracy that breeds and sustains ethnic federation.

3.2. Democratic Governance at Regional Level

Devolution of power does not by itself mean self-governance. In practice what has been changed is the locus of public decision making, from the centre to the sub-national levels (regions, districts and locals). Just because a governmental unit is smaller in scope does not necessarily mean that the people are going to be involved in governing their own affairs. Regional and local governors may be unresponsive to the needs and demands of the people. The decision making may not be transparent and predictable. If there is no local people participation, accountability may not be achieved as a powerful local elite may make it difficult despite a formal election system. Devolution can only be a real self-governing exercise if it is based on the principles of democratic governance.

Governance has been defined in different ways by looking at its different aspects. There are those who define governance by looking at its domain (the activities of the stakeholders). In this category there are those who define governance as the function and exercise of power of government. This definition restricts governance to mean as government and leadership. But this definition is being criticised as limited since it conceptualises only one type (class) of people. But governance concerns more than just interactions between systems of government and the governed. Governance includes the ways that peoples and civil society engage and overlap. There are, therefore, those who define governance in a broader way including the civil society. They hold that civil society defines the principles by which a people are governed -- not the other way around-- therefore, "governance" is the result of the members of society working in association with each other.

There is still another category that defines governance by looking at its function. It views governance as the autonomy of the state, as the management of conflicts, as the management of developments. There is also another group that defines governance by looking at the institutions and mechanisms working in the society. This includes those who identify governance with democratic processes and institutions. According to this group, the term describes the means by which citizens and groups in any society voice their interests, mediate

their differences and exercise their legal rights and obligations. Governance discusses how parts of the system—the government, civic groups, private sector, etc—relate to each other.[23]

UNDP defines governance by looking at the process. Accordingly, governance is "the exercise of economic, political and administrative authority to manage a country's affairs at all levels … it comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences".[24] In this study governance is defined and understood as a process of decision-making. What are the criteria for measuring a good political decision making process? UNDP has a list of characteristics that make for good governance. These include participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision. [25] Some of these characteristics such as empowerment, equity, effectiveness and efficiency belonged to the dimensions of structural design and capacity. The characteristics that are relevant to good governance include accountability, the rule of law, participation, transparency, representation, and responsiveness.

Accountability

A detailed design of the structure and function of decentralization should be able to demarcate a system and mechanism of accountability. The proper identification of local authorities and the mechanisms of accountability help the local people to hold elected officials responsible for their action. There are vertical and horizontal forms of accountability. V*ertical accountability* refers to holding public officials accountable to citizens by the process, mechanism and institution of free elections and a free press. This enables local communities to have a voice in policy issues that affect them. Setting up vertical institutions of accountability (laws providing for an independent judiciary; freedom of the press, association and demonstration; party registration; and free, competitive elections under the supervision of an independent election board) enables the public to influence the quality or extent of services through some form of articulation of preferences.

Under suitable circumstances, the instrument of vertical accountability enables local communities to enjoy an "exit" choice. Instruments of vertical accountability give the public a voice, which in turn makes the regional and local officials more responsive to public demands. In addition to the provision of voice mechanism, vertical accountability at the regional and micro levels can create sense of competitive atmosphere. The public can turn to an alternative service supplier if they are dissatisfied with a service given to them by a given

public agency. If there are alternative providers, it may even be public-public competition, officials will be more careful about their performance.

Another democratic means of ensuring sustained participation of the public in development activities is the creation of *horizontal accountability* of the government to its citizens. Horizontal accountability refers to the capacity of governmental institutions (including such "agencies of restraint" as courts, independent electoral tribunals, anticorruption bodies, central banks, auditing agencies, and ombudsmen) to check abuses by other public agencies and branches of government. It is about how state agencies can prevent other parts of the government from abusing their power or, more broadly stated, from becoming unaccountable. Hierarchical control, by means of internal administrative supervision by political leaders or government agencies becomes effective if combined with vertical accountability.

The Rule of Law

Constitutions, laws and regulations that codify the formal parameters of decentralization should be respected by all in order to create credibility and stable functioning of the system. Constitutions and laws establish the terms of reference for the social contract under which decentralized states exist together in unity. The rule of law prevails when both the regional/local governments and the central state authority observe the terms of the contract. Commitment to the rule of the law ensures that regional/local governments are subject to, and treated equally according to the constitution; and that no one is subject to probable arbitrary treatment by the central state.

Human rights are also inscribed both in the federal and regional constitutions. Human rights are primarily based on respect for the dignity and worth of all human beings and are expected to ensure freedom from fear and want. Premised on fundamental and inviolable standards, they are universal and inalienable. The civil and political rights include the right to life, liberty and security; the right not to be discriminated against on the basis of race, colour, sex, language, religion, social class or political opinion; the right to vote, freedom of speech and freedom of press; the right to be free from arbitrary invasion of privacy, family or home; and legal rights such as the right to due process of law and the presumption of innocence until proven guilty. The social, economic and cultural rights include the right to an adequate standard of living; the right to education; the right to work and to equal pay for equal work; and the right of minorities to enjoy their own culture, religion and language. Of particular importance to this view is the protection and advancement of the rights of disadvantaged and minority groups (such as women, children and indigenous peoples).

It is not enough that human rights and the rights of the regional states are inscribed on the books. There should be effective procedures and institutions for implementing them in a fair and impartial manner. The terms of the law and the constitution should be enforced either by mutual co-operation of the autonomous governments or by legal processes and institutions. One way of avoiding arbitrariness is by establishing known procedures for amending or invalidating laws or rules when they no longer serve their purpose. The laws are assured by setting up autonomous institutions of horizontal accountability: an independent judiciary, ombudsmen, a council of constitutional inquiry and the general auditor. The set of rules known in advance, their enforcement, a mechanism for applications assured by those autonomous bodies, and clear procedures for their amendment constitute the basic elements of the *rule of the law* for effecting decentralization and protection of each autonomous regional/local government.

Participation

One of the ideas of decentralization is that governments' proximity to the constituents will present an opportunity for the local people to influence their government and thus efficiently match public spending to their needs. The realization of this aim of decentralization requires at least some degree of local participation. Without local people participation this aim of decentralization will not be successful. In this study, participation has two mutually supporting meanings. First, participation is considered as an input of the local people to programs initiated or introduced by the regional state or various NGOs. Local people co-operation or collaboration is of vital importance for the effective implementation of the initiatives. It is, therefore, important to find methods and techniques whereby local people can be brought to play a part and to develop a stake in programs. The second meaning of participation is related to the preparation of the program. Participation must not be seen merely as an input into a program, but also as an essential planning principle, which should underpin all activities. People's interests, needs and wishes must be allowed to underpin the key decisions and actions related to the program. It is not only including people as and when it is convenient, but also people must sit on central positions and their interest must be taken into consideration throughout the course of the program. In this case the responsible local government should be responsive to people's needs and demands.

Transparency

The process of decentralization can enhance the opportunities for participation if there is an information flow between the citizens and the local government. The free flow of information

(*transparency*) is vital for active participation in development activities. Processes, institutions and information must be directly accessible to those concerned with them, and enough information should be provided to understand and monitor them. Information about the economy, about market conditions, systems of ownership, about government policies and intentions are central to the economic activities of various stakeholders. In addition to its importance for economic efficiency, transparency is also a major weapon for fighting against corruption. More transparency in local government means less scope for corruption since dishonest behaviour would become more easily detectable and punished. Local governments, therefore, should not withhold any types of information except those types concerning state and national security, and local governments should be more open to public scrutiny.

The characteristics of good governance outlined above are interrelated and mutually reinforcing. Transparency requires that governments consult broadly to ascertain citizen interests, publicize plans and decisions, share information widely and in good time, and consistently act in an open manner. Accountability depends on governments taking full cognizance of responding to, and being monitored by, organized public opinions. Transparency and accountability encompass the concept of responsiveness, and are served by sharing decision-making with local government entities.

Notes

[1] For the kind of existing research works and international significance given to the issue of decentralization see the following websites: http://www1.worldbank.org/wbiep/decentralization/default.html; http://www1.worldbank.org/publicsector/decentralization/what.htm; http://magnet.undp.org/; http://www.worldbank.org/html/fpd/urban/decent/sn37142.pdf; http://www.fao.org/sd/rodirect/ROfo0000.htm; http://www.imf.org/external/pubs/ft/seminar/2000/fiscal/index.htm.

[2] For definition and concept of political ideology see Seliger, M. (1976), Ideology and Politics. London. pp. 119-120, and Heywood, Andrew (1992), Political Ideologies. London. For a broader discussion of nationalism as political ideology see Smith, A. D. (1983), *Theories of Nationalism*. New York. pp. 12-24, 47ff, 194-199, 259-267; see also Kedourie, E. (1960), *Nationalism.*

[3] Smith defines nationalism as "an ideological movement for attaining and maintaining autonomy, unity and identity on behalf of a population deemed by some of its members to constitute an actual or potential nation", see Smith, A. D. (1991), *National Identity*. London. p. 73. According to Gellner nationalism is "primarily a principle which holds that the political and national unit should be congruent". Gellner, E. (1983), *Nations and Nationalism*. Oxford. p. 1; see also Hobsbawm, E.J. (1990), *Nations and Nationalism since 1780. Programme, Myth, Reality.* Cambridge. p. 9.

[4] See Syde, A. (1965), The American Theory of Local Government. New York. P. 5.

[5] See Litvack, J. and Seddon, J. (1999), p.16; Rojas, F. (2000), "The Political Context of Decentralization in Latin America", in Development in Latin America and the Caribbean, Decentralization and Accountability of the Public Sector. Proceedings of a Conference held in Valdivia, Chile June 20 – 22, 1999.

[6] Burgers, M. (1993), "Federalism and Federation: A Reprisal", in Comparative Federalism and Federation. Competing Traditions and future directions. New York. p. 7.

[7] For a conceptual difference between federation (an institution) and federalism (as an ideology) see King, P. (1982), Federalism and Federation; Burgess, M. Gagnon, A.G. (1993), Comparative Federalism and Federation. Competing Traditions and future directions. New York, Part One and Chapter six

[8] For the problems in Nigeria see Gboyega, A. (1997), "Nigeria: Conflict Unresolved", in Zartman, I,W. (ed.), Governance as Conflict Management: Politics and Violence in West Africa. Washington. D.C. Chapter Five.

[9] Castells, M. (1998), The Power of Identity. P. 6.

[10] Castells, M. (1998), P. 7.

[11] Tsegaye Tegenu (2006), Evaluation of the Operation and Performance of Ethnic Decentralization System in Ethiopia: A Case Study of the Gurage People, 1992-2000. Addis Ababa University Press

[12] Thompson notes that some primordialist, claim that "there exist an unalterable biological need for deep-seated affective primordial relationships, a need that, under certain socio-historical circumstances can be satisfied by ethnic or racial identities", Quoted in Levien, H.B. (1998), Constructing Collective Identity, p. 17.

[13] See Coakley, J. (1993). "Introduction: the Territorial Management of Ethnic Conflict", in Coakley, J. (ed.), The Territorial Management of Ethnic Conflict. London. Pp. 1-22.

[14] See Gupta, S, Koch, M. et al (January 1996), Ethiopia: Issues in Intergovernmental Fiscal Relations. IMF. Fiscal Affairs Department.

[15] See Eshetu Chole, (1994), "Issues of Vertical Imbalance in Ethiopia's Emerging System of Fiscal Decentralization", in Ethiopian Journal of Economics, V.III, N.2.

[16] See Gupta, S, Koch, M. et al (January 1996), Ethiopia: Issues in Intergovernmental Fiscal Relations. IMF. Fiscal Affairs Department.

[17] See King, Preston (1982) Federalism and Federation, Chapter Nine.

[18] Brubaker, Rogers ((1998), Myths and Misconceptions, in Moore, M., ed., National-Self Determination. Oxford. P. 238

[19] For a discussion on consociational versus integrative approaches of power sharing see Sisk, T. D. (1996), *Power Sharing and International Mediation in Ethnic Conflicts*. Washington, D.C. Chapter Three.

[20] See Sisk, T.D. (1996), pp. 36ff.

[21] For details see Lijphart, A. (1977), *Democracy in Plural Societies*. New Haven.

[22] One of the major reasons for the breakdown of Yugoslavian federation was the absence of democratic governance at the center. Tito created the Yugoslavian federation after W.W.II and it remained for long under communist government. Tito and his followers in stead of adopting democracy they came up with an idea of what has come to be called a national communism not dependent on Soviet Union. This idea was used as legitimacy of communist rule. So long as the federation was under one communist party control committed to proletarian internationalism, there was no break down problem. But the absence of democracy made it difficult for the ethnic groups to genuinely understand each other's perspectives, interests or aspirations. It rather fostered ethnic nationalism. When an incipient democracy began to emerge after the death of Tito, the problems were further exacerbated. The attempt even to circulate the state leadership democratically at the later stage among the constituent members did not save the system from collapse. By then the federal government was weak and nobody came to its aid. Everyone resorted to the ethnic groups and the regions. Yugoslavia is a best example of collapse of federalism not founded on democratic governance at the center. See Schöpflin, G. (1991), "The Rise and Fall of Yugoslavia", in McGrry, J. And O´Leary, B. (eds.), The Politics of Ethnic Conflict Regulation. London. Pp. 172-203.

[23] For an insight in the different definitions see Frischtak, Leila (1994), Governance Capacity and Economic Reform in Developing Countries., pp. 11-16, 28-30. Zartman, William (ed.) 1997, Governance as Conflict Management. Washington, D.C. World Bank (1992), Governance and Development. Washington, D.C. Tukur, Mahmud (1999), Leadership and Governance in Nigeria. The Relevance of Values. London.

[24] See UNDP's Policy Document *Governance for sustainable human development,* January 1997.

[25] See UNDP's Policy Document *Governance for sustainable human development,* January 1997.