

Part IV. What an Ethnic Federation can and should be

Just as with decentralization, federation also has a system character. It has its own structure, specific functions to perform and distinct purposes to achieve. In any federal system, the general principle underlying the allocation of responsibility has been such that matters of common interest and concern to the country as a whole should be assigned to the Federal Government, and matters of a decidedly regional or local character should be assigned to the regional governments. The general pattern which emerges from this principle is that functions such as defence, foreign policy, currency, and external and interstate trade typically fall within the jurisdiction of the Federal Government, while more regionally or locally oriented matters such as public health, primary and secondary education, social services and municipal government fall within the purview of regional jurisdictional authority.

If one looks at functional arrangement, ethnic federation appears not to be different from other types of federation such as regional federation. A clear difference becomes apparent when one considers the purpose of the system of federation. The fundamental purpose of ethnic federation is to achieve unity and understanding among the constituent groups. It is specifically used in the context and strategy of resolving an ethnic conflict permanently. In addition to the common "federal functions" mentioned above, the problems of solving ethnic conflicts require additional structural elements and functions peculiar to the system of ethnic federation. In what follows, an extensive treatment of the objectives and peculiar functions of ethnic federation is presented.

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 of 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 shorthand 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 any thing 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”¹, 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 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 lifestyles 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. 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.² 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 per cent 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.

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 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.

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, in the case of Ethiopia, 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? Are 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	Bahir Dar	10	102	1
Oromia	20,012,952	360.0	Nazreth	12	176	
Somali	1,978,600	215.9	Jijiga	9	47	
Benishangul	492,689	46.8	Assosa	2	13	
SNNP	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	
Dire Dawa	277,245	1.6	Dire Dawa	4	23	
Total	55,765,765	1089.1		66	550	6

Source: Website of the Parliament of Ethiopia
<http://www.ethiopar.net/English/basinfo/reginfo.htm>

The Federal Government comprises 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 states. 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 charged with the responsibility of resolving those disputes in a fair, 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 issue now is how power should 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 office 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.

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 synchronize 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 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 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.

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 states can create a high degree of vertical fiscal imbalance. In Ethiopia the Federal Government is assigned buoyant taxes such as foreign trade taxes³ whereas direct taxes, whose economic base is limited, is under the jurisdiction of the regional states. 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 states 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 states in total national revenues. The total resources are divided between the Federal and the regional states 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.⁴ 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 individual 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 year, three indicators, with specific weights were used for the allocation 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 International Monetary Fund (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.⁵

Since transfers are the main sources 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; it should not be done by a certain department at the Ministry of Finance and Economic Development as was the 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.

7. Equitable Development and Inter-regional Cooperation

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 government, *Derg*. The Federal Government, therefore, has a greater responsibility in building up the self-government and economy of these lowland 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.

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 centralized or decentralized – on an enduring basis. However, some people 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 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 expressed 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 so as to preclude any effective right to secession, except formally.⁶

“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.”⁷ 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.

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 powers and functions.

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

- Organizing 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 or 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.

However, there are practical problems in solving the 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 levels through the formation of a coalition of parties or a front. Using the centralized 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).⁸ 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.⁹ 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.”¹⁰

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, and 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 republicanism and secessionism, eventually leading to a collapse of the federation as happened in the former Yugoslavia.¹¹ It is the promotion of a consociational type of democracy that breeds and sustains ethnic federation.

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¹ 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.

² 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.

³ See Gupta, S, Koch, M. et al (January 1996), Ethiopia: Issues in Intergovernmental Fiscal Relations. IMF. Fiscal Affairs Department.

⁴ 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.

⁵ See Gupta, S, Koch, M. et al (January 1996), Ethiopia: Issues in Intergovernmental Fiscal Relations. IMF. Fiscal Affairs Department.

⁶ See King, Preston (1982) *Federalism and Federation*, Chapter 9.

⁷ Brubaker, Rogers ((1998), *Myths and Misconceptions*, in Moore, M., ed., *National-Self Determination*. Oxford. P. 238.

⁸ 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.

⁹ See Sisk, T.D. (1996), p. 36ff.

¹⁰ For details see Lijphart, A. (1977), *Democracy in Plural Societies*. New Haven.

¹¹ One of the major reasons for the breakdown of Yugoslavian federation was the absence of democratic governance at the centre. 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 the 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.