

# What is federalism ?

## Why is Federalism a high agenda in Ethiopia today

### Federalism in itself was not the cause of failure in Ethiopia

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Federalism is a system of government that establishes a constitutionally specified division of powers between different levels of government.

There are usually two main levels: (a) a national, central or federal level; and (b) a state, provincial or regional level. In some cases, however, a federal system may prescribe a three-fold distribution of power by recognizing the constitutional powers of local government (e.g. South Africa) or by creating complex forms of overlapping territorial and linguistic federalism (e.g. Belgium).

Federalism thereby allows distinct communities, defined by their territorial boundaries, to exercise guaranteed autonomy over certain matters of particular importance to them while being part of a **larger federal union** through which shared powers and responsibilities are exercised over matters of common concern. ( Defense, Monetary System and Foreign Policy)

**Identity federalism** occurs when two or more culturally, linguistically, religiously or otherwise distinct national communities have enough commonality of interest or identity to make them want to live together in one polity, but enough distinctiveness of interest or identity to make them demand substantial autonomy within that polity.

**Efficiency federalism** occurs when a culturally homogeneous but geographically large nation wishes to improve democratic representation and accountability by **decentralizing power** and giving greater control over resources and policies to the different geographical regions of the country, **while maintaining national unity and the ability to act coherently in matters of national policy** (e.g. Germany, Argentina). Federalism attempts to reconcile a desire for unity and communality on certain issues with a desire for diversity and autonomy on others. The question of whether federalism is suitable for a given country (and, if so, what form federal institutions should take and to what extent the federal principle should be applied) therefore depends chiefly on the balance between common interests or identities, on the one hand, and divergent interests or identities, on the other.

#### **Federalism as unity in diversity**

The components of a federal system include, in addition to legislative and executive (and sometimes judicial) institutions at each level of government, a relatively rigid constitution that sets out the distribution of powers among the various levels of government and a supreme judicial body that is responsible for adjudicating disputes between them. There are two main contexts in which federalism may be considered. The rationale for federalism

**Federalism is offered as an institutional solution to the problems associated with scale and diversity.**

**Scale** The origins of democracy can be traced to ancient and medieval city states( Ancient Greece) where citizens were able to participate directly in political life. Historically, it was thought that democracy was possible only in small states, where decisions were made through face-to-face discussions in the town square. The development of representative institutions enabled democracy to be practiced on the scale of the nation state, but the problem of scale remained.

Increasing the size of the political unit has a number of consequences. As the geographical distance between the government and the people grows, the more difficult it becomes for the people to make their voices heard, the more elites at the Centre begin to dominate the political process and the less likely it becomes that the rulers will understand the needs, aspirations and priorities of the people. This can lead to unpopular, inappropriate and unworkable policies, as well as to a sense of alienation and frustration that can damage the reputation of the political system as a whole.

Federalism can help resolve this problem, since it enables substantial powers to be exercised at the state or provincial level, in order to give people greater opportunities to exercise democratic control and to tailor policies to their own needs, while entrusting to the center only those powers that need to be handled centrally.

### **Advantages and disadvantages of federalism**

**Diversity** One of the main benefits of federalism is that it provides a framework for the recognition of ethnic, religious, linguistic or other cultural communities, reflecting their desire to be recognized as a people with a distinct identity and interests. By guaranteeing substantial autonomy to such groups, federalism can allow them to exercise partial self-government through state, provincial or regional institutions while still sharing certain functions with other communities through federal or national institutions. By satisfying demands for autonomy and recognition, a federal constitution may protect minorities, prevent conflict, increase the legitimacy of democratic institutions and reduce pressure for secession. However, federalism (at least as it has traditionally been understood and practiced) is appropriate only where these communities are territorially concentrated; if ethnic, religious or linguistic communities are not concentrated in particular geographical areas, other ways of combining self-rule with shared rule might be preferable (see section 10 of this Primer on possible alternatives to federalism). Federalism is therefore 'suitable for some countries, [but] not all' (Anderson 2008: 12). Small and homogeneous countries, if viable as independent units, will generally have little reason to consider federalism. In a large country, or one with distinct territorially concentrated minorities, federalism is likely to be high on the agenda.

### **Coming together and holding together**

Historically, small states that were confronted by common enemies or existential challenges would sometimes come together in unions, leagues or confederations that were bound together by a treaty or founding agreement. This would enable these states, without sacrificing autonomy in most aspects of domestic policy, to share certain powers and functions, particularly in relation to foreign affairs, defense and trade.

In several respects, however, these early unions were more like today's intergovernmental organizations than modern federal countries. Their confederal assemblies were conventions of delegates from the states, not truly national parliaments. The United States, under the Articles of Confederation (1781–89), was initially such a loose union. Congress had no direct ability to levy taxes and was dependent upon the state governments to execute its decisions. In response to these shortcomings, the US Constitution created a new type of federation that was able to produce a more cohesive union while still respecting the reserved rights of the states in many domestic matters.