

## THE IMPLICATIONS OF FEDERALISM AND DECENTRALISATION ON SOCIO-ECONOMIC CONDITIONS IN ETHIOPIA

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### SUMMARY

This paper analyses impacts of the federal system and the decentralisation of functions to the district level on Ethiopia's socio-economic development. Firstly we will highlight the principles of the Ethiopian federal system as well as those of the 2001/2002 decentralisation process. Secondly we will show how the decentralisation has impacted on two of the decentralised sectors, health and education, by comparing pre-federal, pre- and post-decentralisation data.

In both cases an overall increase in allocated budgets and an increase in the scale of the services offered since decentralisation started in 2001 has been found. Studies also show that the increase in services is not homogenous across regional states. Within the four larger regions, strongly disadvantaged woredas at the outset of the decentralisation process have profited most, which shows that the constitutional imperative of equal access to services is being implemented. Some of the regions where decentralisation was started later have still not caught up with the other regions, a phenomenon which is mostly due to capacity deficits.

The article concludes that decentralisation in combination with consistent development policies has led to an overall improvement in service delivery, while some challenges regarding quality and equity still need to be addressed.

**KEYWORDS:** Ethiopia, federalism, decentralisation, woredas, development policy, equity

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