

Local government in Ethiopia: Adequately Empowered?

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Chapter 1

Introduction

1 A Background

There is unprecedented interest in decentralised systems of governance in many African and other developing states. A number of them have established constitutionally entrenched system of local governance.¹ Various forces and desires drive the decentralisation programmes of the states. Yet, there are three drivers which are common for the decentralisation programme of many states. The first is the wish to enhance democratic system and public participation and the recognition that decentralisation is favourable for achieving this objective. The second is the urgency to improve the living standard of the population of the developing states and the conviction that decentralisation can bring development. The third is the urgency to accommodate diversity with a view to maintain a lasting peace.

1.1 Stating the Problem

Ethiopia, like other developing states, is in a process of implementing a decentralisation programme. The decentralisation process began in 1991 when the Ethiopian Peoples' Revolutionary Front (EPRDF) came to power. In 1995 a new Constitution was promulgated which formally established the country on a federal basis with a federal government at the centre and nine ethnically defined regional state at the periphery. The 1995 Constitution, in addition, laid the foundation for further decentralisation by requiring the regional states to establish and adequately empower local government.² The objectives that underpin the creation and empowerment of local government, as envisaged in the Constitution are, to enhance public participation, ensure the provision of efficient service delivery and accommodation of ethnic minorities.³ The regional states of the country, therefore, have a constitutional obligation to create adequately empowered local

¹ World Bank (1999) 107.

²Art 50(4) of FDRE Constitution (1995).

³ See Art 50(4) & 39(3) of FDRE Constitution 1995.

government. This study, therefore, inquires into whether the regional states are discharging their constitutional obligation of creating adequately empowered local government. It will attempt to do so by examining the decentralisation programme of four of the nine regional states of the Ethiopian federation.

1.2 Argument

The argument in this study is developed in the following manner. First, it will be examined whether decentralisation is favourable for democratisation, development and accommodation of ethnic minorities. Second, institutional frameworks will be identified which will be used to examine whether Ethiopia's local government is indeed empowered enough to achieve these objectives. Third, the structural organisation, powers and functions of local government of four of the nine regional states of Ethiopia will be described. The regional states are Amhara, Tigray, Oromia and Southern Nations and Nationalities and Peoples' regional states. Fourth the Ethiopian local governance system will be assessed in light of the institutional principles that are identified in chapter 2.

1.3 Significance

As was briefly indicated above, decentralisation is claimed to be favourable for democratisation, development and for accommodating diversity. If this claim is true, enquiring into the existence of an effective system of decentralised governance in Ethiopia is extremely significant. The country is one of the most impoverished states in Africa. Thus, a workable governance system which brings about development is exceedingly needed in the country. The country has been under decades of undemocratic monarchical and totalitarian rule. Therefore, democracy and public participation is critical for the country. By creating ethnic-based federalism, the country has attempted to answer in part ethnic related questions. However, as each regional state is inhabited by a number of ethnic groups. An inquiry into whether the interests of these ethnic minorities are accommodated is worthwhile.

1.4 Synopsis of the Study

The study is divided into six chapters. The first chapter is an introductory chapter to the study. Thus in this chapter the background, significance and arguments of the study are discussed. In the second chapter the concept of decentralisation will be dealt with. To that effect, the definitions and forms decentralisation will be discussed. The arguments in favour and against decentralisation will be raised.

Additionally, the criteria which will be used to gauge the adequacy of the empowerment of local government in Ethiopia will be set up. The third chapter will provide the highlights of the historical background of the governance systems of the country. Chapter four is devoted to the discussion of the rationales behind the ongoing process of decentralisation in the country. In chapter five the local governance system of the four regional states will be discussed in detail. This discussion will focus on the structural organisation, functions, powers and financial sources of local government. In the final chapter, the trend in adequately empowering local government in Ethiopia will be assessed and a conclusion on the discussion will be provided. Finally, in light of the assessments, recommendations will be forwarded.

1.5 Methodology

The methodology used in elucidating the concept of decentralisation and setting the criteria for gauging the adequacy of the empowerment of local government is a study of international literature. The third chapter, in which the background to the governance system of Ethiopia is dealt with, results from a study of literature on Ethiopian history and the country's governance system and its previous constitutions. Government policy documents are consulted in writing the fourth chapter. The regional constitutions of the Ahmara, Tigray, SNNP and Oromia regional states will be examined to write.

Chapter 2

Decentralisation: Conceptual Exposition

2.1 Introduction

The central aim of this study is to assess the trend in decentralising governmental powers and in adequately empowering local government in Ethiopia. It goes without saying this task requires the need to create a degree of clarity on the concept of decentralisation. In this part of the study, therefore, the decentralisation will be defined and its various forms of will be discussed. Also arguments both in favour and against a decentralisation will be deliberated. Finally, criterions which will help us gauge the adequacy of the power of local government in Ethiopia will be laid down.

2.2 Definition of Decentralisation

There is no commonly accepted definition of decentralisation. Nevertheless, almost all authors who attempted to define the concept often hold that decentralisation involves, even if in varied forms, transferring responsibilities, powers, functions and resources from a centre to peripheral governmental institutions.⁴ Yet, decentralisation is not meant to deprive the centre of all political powers.⁵ There are certain areas of authorities which are appropriate to the national actors and other areas of authorities which are appropriate to sub-national actors. “Both national and sub-national actors have a complementary role to play. However, their role needs to be “determined by analyzing the most effective ways and means of achieving a desired objective.”⁶

2.3 Forms of Decentralisation

Decentralisation takes various forms. The most known ones are deconcentration (also known as administrative decentralisation), devolution (democratic decentralisation) and delegation.

2.3.1 Deconcentration or Administrative Decentralisation

Deconcentration, also known as administrative decentralisation,⁷ is the transfer of responsibilities, authorities and resources from a centre to local units of the centre.⁸ Through deconcentration, powers and responsibilities are transferred to governmental institutions within the jurisdictional authority of the central government.⁹ Therefore, a local unit which enjoys deconcentrated power, is ultimately answerable to the centre; even if it may have certain discretion.¹⁰ Deconcentration may be either general or functional. General deconcentration takes place when a variety of tasks are deconcentrated to local level.¹¹ Functional

⁴ “[D]ecentralisation is commonly regarded as a process through which powers, functions, responsibilities and resources are transferred from central to local governments and/or to other decentralized entities howsoever defined.” Kauzya (2005) 4.

⁵ UNDP (1998) 1.

⁶ UNDP(1998) 1.

⁷ Manor (1999) at 5.

⁸ De Visser (2005) at 14; Assefa (2003) at 5; Rondinelli & Nellis (1986) at 5.

⁹ De Visser (2005) at 14; UNDP (1998) at 3; Manor (1999) at 5.

¹⁰ Degefa (2003) 5.

¹¹ UNDP (1999) at 7.

deconcentration on the other hand comes about when specific tasks are deconcentrated to field units of the centre.¹²

2.3.2 Delegation

Delegation refers to a situation where decision-making and administrative authority and responsibility for definite tasks are transferred from a centre to an autonomous sub-national unit.¹³ The central government defines the powers which are to be transferred. It also puts conditions under which the delegated powers are exercised. Moreover, the centre can take back the powers which are so transferred through delegation.¹⁴ Yet, the sub-national government is viewed as an autonomous entity. Hence, it is left with a wide range of discretion in the exercising of the powers and responsibilities transferred to it.¹⁵ The relationship of the central government and the sub-national government which is entrusted with delegated powers is characterised as a 'principal-agent relationship'.¹⁶ Therefore, the central government bears the ultimate responsibility for the decisions of the local unit.¹⁷

2.3.3 Devolution or democratic decentralisation

Devolution refers to a situation where a local level government is constituted legally as a 'separate governance body'¹⁸ and that powers and responsibilities are transferred to such unit on permanent basis.¹⁹ This form of decentralisation is referred to as "genuine decentralisation."²⁰

Devolution implies the autonomy of the lower level unit.²¹ The lower level unit has distinct and legally recognised geographical boundaries and legal personality.²² The powers and responsibilities are transferred to it through constitutional or other similar legislative instruments.²³ Hence, as De Visser states, the power so transferred will become an original power of the sub-national

¹² UNDP (1999) at 7.

¹³ UNDP (1999) at 7; De Visser (2005) at 14.

¹⁴ De Visser (2005) at 14.

¹⁵ De Visser (2005) at 14.

¹⁶ Degefa (2003) at 7.

¹⁷ Degefa (2003) at 7.

¹⁸ Manor (1999) at 6.

¹⁹ De Visser(2005)15.

²⁰ UNDP (1999).

²¹UNDP (1999); Olowu (2001) at 3.

²² Olowu (2001) at 3.

²³ Olowu (2001) at 3.

entity.²⁴ As a result, the sub-national entities will not be accountable to the central government for its decisions.²⁵

2.4 Why all the fuss about decentralisation?

Many countries are demonstrating unparalleled interest in a decentralised form of governance. The interest is even more conspicuous in hitherto centralised developing countries.²⁶ There are, among others, three key rationales behind this growing interest in decentralisation. The first rationale is the desire to achieve democratisation and enhance public participation. The second major rationale is the wish to reduce the prevalence of poverty in these countries. The third major rationale is that, in ethnically diverse states, decentralisation is viewed as a means to prevent or contain ethnic conflicts and to accommodate diversity within a unified state.

2.4.1 Decentralisation and democracy and public participation

There is a general agreement that there is a direct relationship between decentralisation and democratisation. This is based on a premise that decentralisation creates multiple electoral positions at multiple levels of government.²⁷ The existence of multiple representative institutions which results from decentralisation broadens the scope of the people's representation. Hence, decentralisation enhances democracy.²⁸ Also the extent of popular participation is influenced by the size of a political unit. The smaller the size of a political unit, the more favourable it will be for public participation.²⁹ One aspect of this reasoning is that public participation necessitates a direct or indirect personal contact of the community with the public institutions. This becomes possible only

²⁴ De Visser (2005) at 15.

²⁵ De Visser (2005) at 15.

²⁶ A joint study by World Bank and two United Nations organizations in the early 1990s reveals that sixty three out of seventy-five developing countries with a population of over 5 million had embarked on a program of transferring political power to their local government. Also eighty percent of developing and transition countries of the Eastern and central European countries and the former Soviet Union have started a process of decentralisation. Olowu & Wunsch (2004) 2; World Bank (2000) at 107.

²⁷ Chhatre 2008; 13; Crook 2003; 79.

²⁸ Crook (undated); 408.

²⁹ "If, then, democracy belongs to sphere of the political, of decision making for an association or collectivity, then a system of collective decision making can be defined as 'democratic to the extent that it is subject to control by all members of the relevant association considered as equal. Popular control and political equality are the key democratic principles. They are most fully realised in small groups or associations.'" Beetham (1996) 30.

when a political unit is smaller in size.³⁰ Decentralisation, by reducing the size of a political unit, brings government closer to the people and enhances public access to political institutions.³¹ Such access bolsters opportunities for public participation in political affairs. An active popular participation in turn results in an entrenched culture of democratic governance; not only at local level but also at national level.³²

The other aspect of this argument is that decentralisation creates small political units. This creates incentive for participation.³³ The reason is that the consequences of a political decision are more visible and immediate in smaller political units.³⁴ On the other hand the effect of the decisions which takes place at national level is relatively remote. The propinquity of the effect of the decisions of local political units on the lives of local residents motivates the local people to provide a close attention to such local units.³⁵ Also related to the public participation rationale is accountability. Scholars claim that decentralisation enables local people to control and evaluate the performance or underperformance of local authorities.³⁶ When an underperformance is detected, local citizens will hold local authorities accountable and take measures which are under their disposal.³⁷

2.4.2 Decentralisation, poverty reduction and development

The urgency in many developing states to reduce poverty and bring development is the second major reason behind the growing interest in decentralisation.³⁸ By development what is meant here an improved living standard of the local citizenry which results from efficient service delivery. As it was seen above, decentralisation has a direct bearing on democratisation and the ‘quality of governance’.³⁹ Good governance is considered as a key factor, both in its own

³⁰ Tuene (1995) at 15; Dowding (1996) at 53.

³¹ Tuene (1995) 53.

³² “Local political institutions would be an essential element in a system of democratic government, because they widen the opportunity to participate and provide the capacity to educate the citizens in practice of politics and government” Stoker (1996) at 5.

³³ Beetham (1996) at 30.

³⁴ Beetham (1996) at 30; Tuene (1995) at 25.

³⁵ Tuene (1995) at 25.

³⁶ Treisman (2002) at 4.

³⁷ Beetham (1996) at 31.

³⁸ Kauzya (2005) at 2.

³⁹ Beetham (1996) at 27.

right and as a means to reduce poverty.⁴⁰ Good governance which comes about with a genuine decentralisation positively encourages “both civil society and the private sector to invest and commit themselves to a country and its localities”.⁴¹ It also encourages foreign direct investment. International financial and development organisations will be keen to assist development activities when there is good governance in a country.⁴² Therefore, decentralisation, by augmenting democratisation and good governance, paves the way for poverty reduction and development.

Efficiency is the other development related argument in favour of decentralisation. Decentralised government units are believed to be conducive to the efficient formulation and the implementation of development plans.⁴³ As was seen above, decentralised government units are closer to the beneficiary of the development activities. Their size facilitates the involvement of the local citizenry in the formulation and implementation of development activities.⁴⁴ The involvement of the local citizens will make the planning and implementation of the development activities to be founded on first hand information and in accordance with the wishes of the people.⁴⁵ Furthermore, for the same reasons, decentralisation enhances efficient delivery of basic services to the local people.⁴⁶

Again, related to with the efficiency argument, it is claimed that decentralising policy making power to the local level allows various policies to be considered simultaneously.⁴⁷ In centralised system only one policy can be tested at a time. If, at all a new superior policy choices are discovered, the process will be slow and

⁴⁰ Braun & Grote (2000) at 5; Katsiaouni (2003) at 15.

⁴¹ Katsiaouni (2003) at 15.

⁴² Katsiaouni (2003) at 15.

⁴³ World Bank (2000) at 108.

⁴⁴ World Bank (2000) at 108; Tuene (1995).

⁴⁵ “The superiority of decentralized government over a centralized system derives... from superior information and increased participatory decision making. Local information flows should make the identification of more effective ways of providing services easier and increase government awareness of local needs and better targeting, while higher participation rates in local politics should give more voice to the poor in policy choices” Brosio (2002) at 5; Stoker (1996) at 5.

⁴⁶ “Public service delivery is more equitable, efficient, of a higher quality and better geared towards responding to local requirements and conditions as local authorities are by definition closer to the problems.” Stoker (1996) 5.

⁴⁷ Strumpf (2002) at 207.

involves a risk with broader consequences.⁴⁸ In contrast, the risk of policy innovation by a local unit is limited within a locality. Yet, the lesson which is derived from such experimentation will be useful to the rest of the country. To sum up, decentralisation transforms local governments into “laboratories of democracy”.⁴⁹

2.4.3 Decentralisation as a means to prevent ethnic clashes

The other rationale for decentralisation is empowering ethnic minorities and thereby preventing or mitigating ethnic conflicts.⁵⁰ Generally accommodating diverse ethnic groups within a single political unit is raised in connection with a federal system. Yet, it is maintained by many scholars that decentralisation may serve the same purpose. Thus, in a country with a diverse ethnic makeup, decentralisation may provide a territorial and political space to where ethnic minorities can be accommodated. This will allow ethnic minorities to exercise self-governance to maintain their culture and way of life.⁵¹ Their participation in the public sphere under decentralised systems will also have a ‘stabilising’ effect.⁵²

It is also argued that decentralised system establishes a political channel which serves as a forum for dialogue and reconciliation. In addition it allows minority ethnic groups to have a greater control over local issues, and to deal with them in their own way.⁵³ Therefore, in a decentralised system, it is likely that key concerns of ethnic minorities will be given due consideration.⁵⁴ Furthermore, decentralised system gives ethnic minorities the chance to use their language for work and education in their localities and to develop their culture. Through decentralised system of governance a flexible institutional mechanism which accommodates diverse concerns of diverse population within a single state or province can be created.⁵⁵

⁴⁸ Strumpf (2002) at 207.

⁴⁹ Strumpf (2002) at 207.

⁵⁰ Siegle & O’Mahony (2008).

⁵¹ Brancati (undated) 8.

⁵² Mahakanjana (2006) at 7.

⁵³ Tranchant (2007) at 3.

⁵⁴ Brancati (2008) at 49.

⁵⁵ Kauzya (2005) at 11.

2.5 Risks of decentralisation

Both of those who favour and disfavour decentralisation admit that decentralisation poses certain risks. One such concern is that a decentralisation is prone for capture by corrupt and non-accountable local 'elites'.⁵⁶ This may work against both decentralised democracy and development. Decentralisation may be used to promote divisive demands. It is further argued that it may even be used to promote secessionist agenda.⁵⁷ Rather than stabilising, decentralisation may lead to inter-ethnic competition and conflict.⁵⁸ Instead of bringing development, decentralisation may destabilise the macro economy and lead to an inequitable growth among different localities.⁵⁹

Those who are in favour of decentralised system, while accepting that decentralisation may pose some risks maintain that the risks are not typical to a decentralised system. Concerning the possibility of the capture of power by non-accountable and corrupt authorities, for example, they argue that the risk is also present in a centralised system.⁶⁰ They even claim that, as the corrupt activities of those in centralised system have the tendency of having a nationwide effect, they are even more harmful than those in a decentralised system. They maintain ruling out decentralisation for the fear of a risk of non accountable and corrupt local authorities is not the rational thing to do. Rather the effort should be directed at creating effective system in which corrupt authorities are held responsible.⁶¹

With respect to the argument that decentralisation may worsen inter-ethnic conflict and let loose secessionist groups, the opposite view is that centralised system is rather inherently repressive of ethnic diversity. It neither allows diverse ethnic groups to share power nor does it offer them the chance to administer themselves.⁶²

⁵⁶ Brosio (2000) at 4.

⁵⁷ Stoker (1996); Brancati (undated) 10

⁵⁸ Brancati (2008) 10.

⁵⁹ De Visser (2005) at 27.

⁶⁰ De Visser (2005) at 27.

⁶¹ "If corruption at sub national level is anticipated, it should be dealt with in the same way as corruption at central level is dealt with. It should be countered by establishing a culture of accountability and transparency within the local government structures and not by centralizing government, which will result in loss of the benefits of decentralization" De Visser (2005) at 30.

⁶² Jinadu (2007) at 25.

“In view of the salience of ethnicity as a political force, the decentralization or devolution of political power ... is a constructive way of dealing with it by giving ethnic groups local, sub-national spaces to run and control their own internal affairs. This political structure is problematic in that it may harden ethnic identity and antagonisms, aggravate separatist agitations and engender a new post-conflict cycle of violence, unrest and fragmentation. Yet, it is a better one than a centralized political structure, which gives no room for, indeed tends to stifle the expression of ethnic interests and demands and is, therefore, prone to even more violent forms of ethno-political conflict.”⁶³

Moreover as Jinadu argues, the majority-minority ratio of ethnic groups is most often unchanging.⁶⁴ A centralised system, therefore, keeps the ethnic majorities in power while marginalising the minorities. When ethnic minorities are kept marginalised, they will tend to resort to violence to have their interest recognised. Often the post colonial history of African states and the recent history of the former Soviet Union and the former Yugoslavia is presented to demonstrate how excessive repression of ethnic differences through excessive centralisation may end up in a violent break up of a country.⁶⁵ A Decentralised system, conversely, believed to furnish ethnic minorities with a space to take care of their own affairs make it possible for people of diverse identity to live together in harmony.⁶⁶

Others in response to the concern the argument that decentralisation may endanger the nationwide development of the country by affecting the macro economy leading to inequitable growth and service delivery among localities, argue that local governance is not a substitute to central governance.⁶⁷ Thus the central government will play a role to stabilise the macro economy and to maintain equitable development among the localities. The most important role that the central government plays in this regard is supervision.⁶⁸ De Visser says; the supervisory role of the central government has three elements. That is regulation, monitoring and redistribution.⁶⁹ Using its regulatory power, the central government puts forth a legal framework that creates a developmental local

⁶³ Jinadu (2007) at 25

⁶⁴ Jinadu (2007) at 19. That is true unless a given ethnic minority secedes and becomes a majority in the new state.

⁶⁵ Jinadu(2007) at 19.

⁶⁶ World Bank (2000) at 107.

⁶⁷ UNDP (1998) 1.

⁶⁸ De Visser (2005) at 43.

⁶⁹ De Visser (2005) at 44.

government.⁷⁰ By using its monitoring power it checks whether or not the local government is accomplishing its developmental mission.⁷¹ In the event that a failure to discharge this obligation is detected on the part of the local government, the central government takes measures which may range from simple warning to actual intervention.⁷² Furthermore, it counters inequitable growth among the localities through redistribution.⁷³

2.6. Adequately empowered local government

As has been discussed above, decentralised governance system has a number of advantages. It offers institutional mechanisms for democratic governance and enhanced public participation.⁷⁴ Decentralisation may be favourable for development⁷⁵ and to accommodate diversity.⁷⁶ On the other hand, as it was seen at the beginning, decentralisation may take different forms. The question here is; what kind of decentralisation does serve this purposes?

Based on what was discussed in the preceding sections it is submitted that any decentralised system which aspires to achieve the aforementioned objectives needs to sufficiently empower local government. A sufficiently empowered local government, for the purpose of this study, must have the following features. It must be democratically constituted. It must have exclusive functional competences in certain areas of governance, which are clearly defined by national or regional constitution or other similar legislation. Therefore it must have a definitive decision making power on matters within its competences. It must also allow locally concentrated ethnic groups to administer themselves. In addition, it must have its own adequate financial sources.

⁷⁰ De Visser (2005) at 44.

⁷¹ De Visser (2005) at 44.

⁷² De Visser (2005) at 44.

⁷³“Whether decentralization exacerbates income differences among regions or becomes a positive force in efforts to alleviate poverty depends on...horizontal equity or the extent to which sub-national governments have the fiscal capacity to deliver an equivalent level of service to their population... Tax bases vary substantially from region to region and from city to city, but tax rates cannot. A local government with a relatively small tax base cannot compensate by imposing much higher tax without losing business and residents to jurisdiction with lower taxes...To correct for such variation, most decentralized fiscal system include [*equalization grant*].” World Bank (2000) at 110; De Visser (2005) at 45.

⁷⁴ See above § 1.3.1.

⁷⁵ See above § 1.3.2.

⁷⁶ See above § 1.3.3.

2.6.1 Democratic local government

It was shown above that one of the main rationales for opting for decentralised system of governance is the need to create democratic system at local level.⁷⁷ A democratic local government exists when it is participatory, accountable and responsive for local interests.⁷⁸ In order to create such a democratic local government, therefore, local government should be constituted by elected official rather than by centrally appointed officials.⁷⁹

Holding periodical election of local authorities is a quintessential of democratic local governance. However it is not sufficient. A democratic system of local governance should also be participatory. Thus a system in which, the local people can take part in the decision making process of local governance system should be devised.⁸⁰ As De Visser states there should be a mechanism for “an ongoing process of debate, dialogue and communication between the local government authority and the community”.⁸¹

2.6.2 Functional competences

In order to claim that a local government is adequately empowered, functional competences in certain areas of governance should be devolved to it.⁸² The functional areas should be formally devolved to the local government. That is the powers devolved to local level should be clearly provided in a national or state/regional constitutions or in other similar pieces of legislation.⁸³ This helps to clearly identify the functional boundaries of the power of local government and to protect them from undue intrusion by the central government.⁸⁴ In that particular area, the local government should be able to exercise all governmental powers i.e. legislative, executive and administrative powers.⁸⁵

The functional competences devolved to the local government should be appropriate to it. The functions should be within implementing capacity of the

⁷⁷ See above at note 25.

⁷⁸ Beetham (1996) at 34-39.

⁷⁹ Beetham (1996) at 34-39.

⁸⁰ De Visser (2005) at 38.

⁸¹ De Visser (2005) at 39.

⁸² Adamolekun (1991) at 68; De Visser (2005) at 39.

⁸³ World Bank (2000) at 113.

⁸⁴ World Bank (2000) at 113.

⁸⁵ Olowu (2001) at 3.

local unit.⁸⁶ In addition they should be pertinent to the objectives that decentralisation is meant to achieve.

2.6.3 Self administration of territorially integrated ethnic minorities

In a country with diverse ethnic groups, genuine decentralisation should cater for ethnic minorities.⁸⁷ Thus an ethnic group should be allowed to establish its own government structure in the geographical area that it inhabits. Furthermore, these institutions should be provided with pertinent functional competences. The functional competences should be pertinent in particular to allow the ethnic groups to decide among other things on their cultural matters including the right to use their language for work and education.

In order to do so ethnic minorities should be territorially structured.⁸⁸ The local administration should, therefore, be established based on the settlement pattern of the ethnic groups.⁸⁹ Decentralisation may not be of use to accommodate territorially dispersed ethnic groups.⁹⁰

2.6.4 Adequate financial sources

Decentralising powers and functions to local government should be accompanied by fiscal decentralisation in a form of devolved taxing and spending powers.⁹¹ Hence local government should be given certain taxing powers which will enable it to collect as much revenue as is required to discharge its functions.⁹² Moreover, it should be allowed to collect fees in return for the services that it delivers to the local people. The reason behind the requirement for the financial independence of local government, in addition to enabling it to discharge its functions, is to

⁸⁶ “[I]t is unwise to devolve responsibility for complex development projects onto local level authorities because they tend to lack the inclination, the sophistication and the administrative capacity to implement them. It also makes sense to avoid devolving control of projects which extend spatially beyond a single local arena onto authorities in such arenas.” Manor (1999) at 81.

⁸⁷ Jinadu (2007) at 25.

⁸⁸ Jinadu (2007) at 25.

⁸⁹ Jinadu (2007) at 25.

⁹⁰ In Switzerland there is what is known as ‘bourgeois’ municipality where the main criterion is not territorial, but personal. In case minority ethnic groups are not territorially integrated this kind of municipal system may be an alternative way of maintaining the right to self determination of ethnic minorities. However it is the tenability of such system in Africa is questionable, as it, presumably, needs advanced system of information flow throughout the country, which African states lack. Bulliard (2005) at 125.

⁹¹ Fjeldstad (2001) at 1; De Visser (2005) at 41.

⁹² De Visser (2005) at 41.

maintain the autonomy of the local government and to ensure its accountability to the local people.⁹³

However, in transferring taxing power to local level, the appropriateness of the tax to local government should be taken into account. Anwar Shah provides us with three points which should be considered in determining the suitability of a tax to sub-national governments. The points are the efficiency of the common market, national equity and administrative costs.⁹⁴ He states, the internal common market is efficient if all resources can freely move within a state.⁹⁵ Some taxes, if assigned at sub national level, may result in distortion of the national market for resources which are mobile. Thus such taxes should be maintained by central government.⁹⁶ He also said, tax can be used as an instrument of redistributive equity. Taxes that are redistributive in nature, if assigned at local level, may result in inequity.⁹⁷ That is because those areas with good tax bases keep developing while those with poor tax bases remain destitute. He further said assigning certain type of taxes at local level may result in increased cost of collection. Thus in assigning a tax at sub national level, the cost of collection should also be considered.⁹⁸

2.6.5. Supervision

The central government should exercise supervisory power over local government.⁹⁹ Supervision has three elements. Firstly, the central government should set up a legislative framework within which local government can exercise its power. Central government should also continuously assess the effective functioning of local government.¹⁰⁰ If, the central government should assist the local government if it is found out that the latter is malfunctioning. If

⁹³ Devas (2005) at 3. De Visser argues there should be a link between the taxing and spending responsibilities of local government. He says “[s]eparating the responsibility to deliver services from the power to generate revenue creates a skewed accountability: local government do not have to justify to the local population how the money were spent and a propensity for commitment to national government as opposed to the local citizenry is created” De Visser(2005) at 41.

⁹⁴ Shah (2004)

⁹⁵ Shah (2004).

⁹⁶ Shah (2004).

⁹⁷ Shah (2004).

⁹⁸ Shah (2004).

⁹⁹ De Visser (2005) at 65.

¹⁰⁰ De Visser (2005) at 65.

the problem is persistent, the central government should be able to take other measures such as directly exercising the functions of the local government.¹⁰¹ So long as local government is effective, however, the central government should not meddle itself in local matters.¹⁰²

2.7 Summary

In this chapter, the meaning and the different forms of decentralisation are explained. In addition the arguments in favour of and against decentralised forms of governance are considered. Further, a number of factors which should be taken into account in determining the adequacy of the empowerment of local government are established. Accordingly, local government should be democratically constituted and it should have an exclusive area of governance. Also it should be autonomous in a sense that it should not be controlled by the central government. The role of the central government should be limited to supervising it. In addition it should be constituted in such a way that it allows locally concentrated ethnic minorities to govern themselves.

Chapter 3

A Background on the Ethiopian governance system

3.1 Introduction

It is hardly possible to understand the factors underpinning the decentralisation programme under implementation in Ethiopia without a brief discussion on Ethiopia's political history. This chapter, therefore, will provide a succinct historical account of the governance system of the country.

3.2 Towards centralisation and back

Historians agree that Ethiopia is among the oldest civilisations in the world. Ethiopia's origin as state is traced back to the Axumite Empire, which was formed some 2000 years ago in the northern part of the country.¹⁰³ Since the Axumite time various dynasties most notably the Tigrayans, the Agew and the Amhara dynasties had ruled and expanded the Empire southward.¹⁰⁴ As the Empire expanded, more and more diverse ethnic groups have been incorporated into it. The expansion of the Ethiopian Empire reached its apex and Ethiopia got

¹⁰¹ De Visser (2005) at 65 .

¹⁰² De Visser (2005) at 39.

¹⁰³ Markakis 1975; 1; Clapham (1971) at 8; Gebru 1991; 36.

¹⁰⁴ Clapham (1971) at 8; Solomon (2006) p10.

its present shape during the reign of Emperor Menelik II, in the last two decades of the 19th century.¹⁰⁵

Ethiopia had a decentralised governance system throughout much of its existence as a state.¹⁰⁶ This decentralised system was characterised by the co-existence of triple authorities: Autonomous kings¹⁰⁷ and provincial and local nobilities exercised powers within their area while at the same time recognising the imperial throne as the central authority.¹⁰⁸ Scholars maintain that the colossal size of the country, its rugged and broken landscape, the economic and cultural diversity of its people, and the absence of a modern means of communication were the root causes of the decentralised system and structure.¹⁰⁹ In the second half of the 19th century, however, Emperor Tewodros II (1855-1868) set the centralisation process in motion by bringing an end to the autonomy of regional and local nobilities.¹¹⁰ This process of expansion and the centralisation was pursued vigorously by Emperor Menelik II in which he created the country's current boundary.¹¹¹

The centralisation process was further pursued by Emperor Haile Selassie I. The Emperor used formal mechanism to centralise power. In 1931, the Emperor proclaimed the first written Constitution of the country.¹¹² The Constitution provided the Emperor with absolute power over the central provincial and local government. It also ended the autonomy of the nobilities and the provincial governors.¹¹³

Subsequently, in 1940s with declared intent to modernise and unify the country, the Emperor introduced a uniform local administrative system.¹¹⁴ The country was divided into a number of *teklay gizat* (provinces). Each *teklay gizat* (province) was divided into *awraja ghizat* and, *woreda ghizat* and *mikitil woreda*

¹⁰⁵ Solomon (2006) 15.

¹⁰⁶ Gebru 1991; 36; Assefa 2007; 16; Solomon (2006) 11.

¹⁰⁷ Semi autonomous kingdoms and kings (Negus) existed within the imperial system. To distinguish the emperor from these kings, he was called Neguse-Negest (King of kings). Solomon (2006) p10.

¹⁰⁸ Assefa (2007) at 16.

¹⁰⁹ Gebru 1991; 36.

¹¹⁰ Assefa (2007) at 20.

¹¹¹ Solomon (2006) 10; Young (1998) at 192.

¹¹² Assefa (2007) at 25f.

¹¹³ Assefa (2007) at 25f.

¹¹⁴ Daniel (1994) at 99f.

thereby creating a three tiered local governance system.¹¹⁵ Before this reform the country was divided into *ghizat* (province) and into a number of *awraja* (districts). The reform was proclaimed through decree No 1/1942 and decree No 6/42. The two decrees created a number *tekaly gizhat, awraja, woreda* and *mikitl woreda* thereby creating four tiers of local governance system.¹¹⁶ The power of local government was, nevertheless, limited to discharging administrative responsibilities such as collecting taxes and maintaining law and order.¹¹⁷

In 1974 members of the army constituted a committee which led the overthrow of the Emperor from the throne. They established a provisional military government which was to be known as the “*Derg*” government, after the committee which led the *coup*.¹¹⁸ The provisional government suspended the Constitution. It also accepted socialism as its political ideology.¹¹⁹ Consequently it nationalised the land and all private financial, industrial and commercial establishments and put the country under a command economy.¹²⁰

Derg adopted without change the formal structure of local governance system from the imperial era in its entirety.¹²¹ Therefore, under the *Derg* regime local government’s role was limited to implementing the policies and decisions of the centre.¹²² In 1987, *Derg* came up with a new Constitution. The Constitution provided that the country was a unitary state comprising administrative and autonomous regions.¹²³ The administrative regions were units of administration hierarchically established from the highest to the lowest.¹²⁴ The administrative regions were in turn divided into a number of *awraja*.

3.3 Back to decentralisation

The centralisation process which progressed in the country for over a century was at odd with the historical reality and social, economic and ethnic diversity in

¹¹⁵ Daniel (1994) at 99f.

¹¹⁶ Daniel (1994) at 99f.

¹¹⁷ Ministry of Capacity Building, Public Sector Capacity Building Program, District Level Program, Human resource Planning Survey in Selected Rural Woreda Tigray, Amhara, Oromoia, SNNP Regional Government, , 2007, p 20.

¹¹⁸ Assefa (2007) at 38.

¹¹⁹ Assefa (2007) at 38.

¹²⁰ Assefa (2007) at 38.

¹²¹ Solomon (2006) at 14.

¹²² Solomon (2006) at 14.

¹²³ Art 59 of the Constitution of the People’s Democratic Republic of Ethiopia (1987); Solomon (2006) at 13.

¹²⁴ Art 60 (1) of the 1987 Constitution.

the country. It led to the concentration of all political and economic powers within a group of specific ethnic and social background leaving the rest marginalised and disgruntled.¹²⁵ This in turn led to a half a century of protest and decades of civil war in the country.¹²⁶

After a long and horrendous civil war, on 29 May 1991 the Ethiopian People's Revolutionary Front (EPRDF) forces toppled the *Derg* and took power. Few days later, through a national conference held in Addis Ababa and with the participation of about 30 political parties, a Transitional Period Charter was adopted.¹²⁷ The Charter established the Transitional Government of Ethiopia (TGE)¹²⁸ and served as an interim constitution of the country until 1994.

The Charter began reversing the centralisation process. Accordingly, it recognised the right of “nations and nationalities” to self governance.¹²⁹ Consequently, it called for the establishment of regional and local government on the basis of the settlement pattern the various ethnic groups of the country.¹³⁰ Accordingly, a proclamation which was issued by the TGE established fourteen regions were delimited.¹³¹ Forty eight ethnic groups, out of the identified sixty four, were allowed to establish their own transitional self government at local and regional level.¹³² The rest of the ethnic groups were designated as minorities. The minorities had no right to establish their own government at local level. But they had the right to representation at the local councils.¹³³ In this way the Charter put an end to the centralist governance system of the previous regimes and laid down the foundation for the ethnic federal structure of the country.

3.3.1 Decentralisation under the federal system of Ethiopia

In 1995 a new Constitution was promulgated which formally established the country as a federal state. The Ethiopian federation was composed of nine ethnically defined regional states and two autonomous cities. The regional states are Tigray, Amhara, Afar, Oromia, Somali, Benishangul-Gumuz, Gambella,

¹²⁵ Kidane (2001) at 21.

¹²⁶ Kidane (2001) at 21.

¹²⁷ *Assefa* (2007) 47; Kidane (2001) at 21.

¹²⁸ Young (1998) 194.

¹²⁹ Young (1998) 194.

¹³⁰ Young (1998) 194.

¹³¹ Art 3 of Proclamation 7(1992).

¹³² Art 3(2) of Proclamation 7(1992).

¹³³ Art 3(2) of Proclamation 7(1992).

Harari, Southern Nations Nationalities and Peoples' (SNNPR) regions. Addis Ababa and Dire Dawa were structured as autonomous cities.¹³⁴

The place and status of local government in the federal system of Ethiopia was under debate at the drafting stage of the 1995 Constitution. There were two views regarding the place of local government at that stage. The first view was that the matter regarding local government should be regulated in the federal Constitution.¹³⁵ It was argued that unless the status of local government is regulated in the federal Constitution, the states will not be willing to devolve sufficient powers and resources to local level.¹³⁶ The opposite view was that the place of local government should be left to the states. The argument that forwarded in this regard was that as in each state there are diverse interests which need to be addressed in different ways, it was better to regulate the matter through state constitutions by taking into account the special situations prevailing in each state.¹³⁷

Finally a compromise was reached. It was agreed that local matters should be regulated in the states constitutions. However the states were constitutionally required to transfer adequate power to local level.¹³⁸ The Constitution, in addition stipulated that “[e]very Nation, Nationality and People in Ethiopia has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits and to equitable representation in state and Federal governments”.¹³⁹ Therefore ethnic related questions which were not answered through regional state formation were to be addressed through the establishment of local government.

Accordingly, in 1995, a number of regional states transferred powers to local level through their constitutions. The major devolution of power to local level took place in 2001. The Amhara, Tigray, Oromia and SNPP regions, in particular, transferred more power to local level through their revised constitutions. The four regions established *woreda* and *kebele* administrations below the regional

¹³⁴ Art 47 of FDRE Constitution (1995). Dire Dawa is not constitutionally established as autonomous city. It was rather established through federal proclamation.

¹³⁵ Assefa (2007) at 341.

¹³⁶ Assefa (2007) at 341.

¹³⁷ Assefa (2007) at 341.

¹³⁸ Art 50(4) of the FDRE Constitution (1995).

¹³⁹ Art 39 (3) of the FDRE Constitution (1995).

administration.¹⁴⁰ In effect, in a geographical area which is inhabited by one hundred thousand and more people a *woreda* is established. Each *woreda* is also divided into a number of *kebeles*. Nationality administrations in Amhara region and zone and special *woreda* in SNNPR are also established for the minority ethnic groups in the regions based on their settlement power.¹⁴¹

It is not clear what factors influenced the furtherance of decentralisation in these regions. However some reasonable conjectures can be made. The first factor, therefore, is the influence of donors, particularly the World Bank. The Bank has urged and provided financial and technical assistances for the furtherance of decentralisation in these regions. It follows up the working of *woredas* in the four regions.¹⁴² Therefore the influence of the Bank behind the strengthened effort of decentralisation in the four regions cannot be gainsaid. The fact that these regions are in a better position regarding institutional capacity and personnel skill than the other regions¹⁴³ might be the other factor behind the strengthened effort of decentralisation in these states. These factors might have encouraged the decentralisation process in these regional states.

Summary

Throughout the last century Ethiopia evolved to become one of highly centralised states in the world. The process of centralisation reached its apex during the *Derg* government. With the removal of the *Derg* government and the transfer of power to regional level, however, the first step in introducing a decentralised system of governance took place. With the federalisation of the country the constitutional foundation for a more decentralised system of governance is laid. Presently, through regional constitution, the process of entrenching decentralised system of governance is underway.

¹⁴⁰ There is zone administration above *woreda* administration in SNNP and Oroima regions. As it shall be discussed in the next chapter in greater length, this level of government, especially in Oromia region, is not a distinct level of government as *woredas* are. It is part of the regional government which enjoys powers and functions which is transferred to it from the regional government by way of deconcentration.

¹⁴¹ The structure, functions and powers of *woreda*, *kebele*, nationality administration, zone and special *woreda* administration will be discussed in detail in the next chapter.

¹⁴² World Bank (2001) at 5.

¹⁴³ Assefa (2007) at 256

Chapter 4

The rationales for the decentralisation in Ethiopia

4.1 Introduction

The historical factors leading to the present decentralisation process in Ethiopia have been briefly traversed in the previous chapter. It is critical to discuss the rationales behind the effort to decentralise power before dealing with the decentralisation programme in four regional states under consideration; namely Amhara, Tigray, Oromia and SNNPR. Therefore, in this part of the study, the poverty reduction and developmental, democratic and ethnic related rationales of the process of decentralisation in country will be discussed.

4.2 Poverty Reduction and Developmental Rationale

4.2.1. Poverty in Ethiopia

Ethiopia is also one of the most impoverished states in the world. According to a UNDP report, 45.9 % of the people live below national poverty line.¹⁴⁴ Its infrastructures and distribution of clean water, health care and other services are poor even compared to other low income countries.¹⁴⁵ The same is true with other social indicators such as life expectancy, adult literacy, school enrolment and gender equality.¹⁴⁶ On the other hand the population is growing at an alarming rate. The population which was 63 million in 2001 is now estimated at 75 million.¹⁴⁷

This impoverished state of the country is attributed to the centuries' long feudal system and the seventeen years civil war which followed with the coming to power of *Derg*.¹⁴⁸ The total dependence on rain-fed agriculture has exposed the population to constant production and market uncertainties. A Chronic episode of drought has caused and is causing untold suffering to the people of the country. The wars that the country battled with Somalia and Eritrea also have contributed as impediment against developmental efforts.

¹⁴⁴ UNDP (2008) http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_ETH.html, visited on 31/08/2008.

¹⁴⁵ UNDP (2008).

¹⁴⁶ UNDP (2008).

¹⁴⁷ Meles Zenawi The Prime Minister of Ethiopia, interview with the Financial Times, August 27, 2008.

¹⁴⁸ World Bank Country Office in Ethiopia, Country Department 6, African Region, Ethiopia: Woreda Study, vol 1, November (2001) 1.

4.2.2. Sustainable development and poverty reduction programme

The aforementioned state of the country forced the current government of the country to make poverty reduction and development its primary policy goals.¹⁴⁹ Accordingly, it has declared poverty reduction as its core goal which it aspires to achieve. The principal means which the government has chosen to achieve this goal is economic growth.¹⁵⁰ With this view, the government launched a program known as “Sustainable Development and Poverty Reduction Programme”. The overall objective of this programme is to reduce poverty while at the same time maintaining balanced macro-economy.¹⁵¹ To that effect, the medium macroeconomic strategies of the program are directed at “reorienting the budgetary resources towards poverty reducing sectors”.¹⁵² The specific objective in the medium strategy is to achieve a 7 percent annual GDP growth.¹⁵³ Maintaining equitable growth was also at the heart of the programme.¹⁵⁴ This is directed at reducing the gap in development among the regions. The SDPRP is also linked to and directed at achieving the Millennium Development Goal (MDG) which aims at, among other things, reducing extreme poverty and hunger by half by 2015.¹⁵⁵ The government hopes through SDPRP to achieve a minimum of five percent annual economic growth so that it can be able to reduce poverty in half by 2015.¹⁵⁶

4.2.3. Decentralisation as a means of poverty reduction

The strategy to reduce poverty is “built on four pillars.” one of which is decentralisation.¹⁵⁷ Accordingly, government has launched what is called a District Level Decentralisation Program (DLP). According to this programme, the government has adopted a policy to make local districts (*woredas*) to be the

¹⁴⁹ MoFED (2002) at 20.

¹⁵⁰ MoFED (2002) at 20.

¹⁵¹ MoFED (2002) at 47.

¹⁵² MoFED (2002) at 47.

¹⁵³ MoFED (2002) at 47.

¹⁵⁴ MoFED (2002) at 135.

¹⁵⁵ MoFED (2002) at 26; UNDP (2007) at 5.

¹⁵⁶ MoFED (2002) at 26; UNDP (2007) at 5.

¹⁵⁷ The first building pillar of the strategy is Agriculture Development Led Industrialisation and Food Security. The second pillar is the Justice System and Civil Service Reform. The third is capacity building. The last, and for this study the most important, pillar of the strategy is Decentralised Governance and Empowerment. MoFED (2002) at 38.

center of social and economic development.¹⁵⁸ It also intends to involve the people in its development programme at district level.¹⁵⁹

Through decentralisation the government aims to address the diverse service delivery need of the people. Majority of the Ethiopian people live in the highland areas while the rest of the people live in low land areas.¹⁶⁰ This diverse settlement pattern of the people has resulted in a diverse social and economic dynamics.¹⁶¹ “From settled upland *teff* cultures of the north to the *enset*-based farming system of South to a range of agro pastoralists and nomadic system along the margins of the Rift Valley, each with their own particular socio-economic dynamics”¹⁶² The diverse settlement pattern and the divers socio-economic dynamics have made the services which are needed by the people varied.¹⁶³ For instance the kinds of services which are needed by the people in the northern part of the country include fertilisers and seeds delivery. Conversely the people in the low land area are pastoralists. Therefore, veterinary services for their cattle and, as the parents move from place to place with their cattle, boarding schools for their children are among the services which are most needed by them. Decentralised form service delivery is therefore found to be the logical solution necessitating decentralised form of governance.

4.3 Democratisation and public participation

The other rationale behind the decentralisation process is democratisation and empowerment of the people.¹⁶⁴ The democratisation rationale is mainly articulated within the framework of development and poverty reduction rationale.¹⁶⁵ This is based on an apparent conviction from the part of the government that the success of any development endeavor depends on the participation of the people.¹⁶⁶ In addition it is seen as a way to allow the people to exercise their right under the FDRE Constitution to participate in developmental

¹⁵⁸ MoFED (2002) at 40.

¹⁵⁹ MoFED (2002) at 40.

¹⁶⁰ World Bank (2001) at 2.

¹⁶¹ World Bank (2001) at 2.

¹⁶² World Bank (2001) at 2.

¹⁶³ World Bank (2001) at 2.

¹⁶⁴ The Canadian International Development Agency (2005) at 9.

¹⁶⁵ MoFED (2002) at 20.

¹⁶⁶ The Canadian International Development Agency (2005) at 13.

activities and projects that will affect their lives.¹⁶⁷ By shifting decision making power from the center to district level, therefore, the government aspires to empower the local community, in particular the poor, to take part in and enjoy the full advantage of developmental activities.¹⁶⁸ Furthermore, it aims to enable the local community to ‘participate, negotiate and influence’ the decision making processes concerning local matters. In addition it aims to create system which allows the local people to control the local authorities and hold them accountable.¹⁶⁹

Decentralising power at district level is, therefore, is seen as a means to ensure that that the people can meaningfully participate in government. As part of the democratisation effort, empowering women and maintaining gender equality is also given emphasis.¹⁷⁰

4.4 Ethnic related rationale

Ethiopia has ethnically plural society. The plurality of the people is expressed in their diverse languages, culture, religion, settlement patterns and economic activities. To accommodate the diversity of the people within the country ethnic based federalism is chosen and is implemented.¹⁷¹ Accordingly the regional states are established by taking into account the settlement patterns of the different nations, nationalities and peoples of the country. However within these regional states a number of other ethnic minorities reside.

Affording some measure of self-governance to these ethnic minorities was found to be crucial. Accommodation of diversity within the country has thus influenced the decentralisation process.¹⁷² Therefore allowing ethnic minorities to administer themselves was taken into consideration in the decentralisation process Preventing and managing ethnic conflict is one of the rationales behind the progressing effort of decentralisation.¹⁷³

¹⁶⁷ Art 43(2) of the FDRE Constitution (1995).

¹⁶⁸ The Canadian International Development Agency (2005) at 28.

¹⁶⁹ The Canadian International Development Agency (2005) at 28.

¹⁷⁰ MoFED (2002) at 40.

¹⁷¹ Assefa (2007) at 14 ff; Fasil (1997) at 51.

¹⁷² Gebre-Ab (2003) at 20.

¹⁷³ Gebre-Ab (2003) at 20.

4.5 Summary

The effort in Ethiopia to decentralise power at local level has three main rationales. These rationales are poverty reduction and development, democratisation and ethnic related rationales. Decentralisation is one of the four building blocks of the poverty reduction and sustainable development program which has been launched by the government of the country. Through decentralisation the government has planned to foster a democratic system and to empower the poor and women. In addition the decentralised system is believed will help manage and mitigate ethnic clashes in the country.

Chapter 5

Decentralisation in the Amhara, Oromia, Tigray and SNNRP Regional States

5.1 Introduction

As was indicated in chapter 1, this study aims to inquire whether the regional states have transferred adequate power to local government. With that view in the previous chapter a background on the decentralisation process in Ethiopia and its policy rational and constitutional foundation were discussed. The trend to adequately empower local government in Ethiopia will be examined based on the local governance system of four regional states in Ethiopia. These are Amhara, Oromia, Tigray and SNNPR. In this part of the study, therefore, the local governance system of each of these regional states will be described.

5.2 The Amhara and Tigray National Regional States

5.2.1 Introduction

The Amhara and Tigray national regional states are found in the north western and northern most part of Ethiopia respectively. With an estimated area of 161,828 square kilometer, the Amhara region is the second largest state in Ethiopia. The state has an estimated population of 17, 214 056.¹⁷⁴ Around 92.1 percent of the people in the state belong to the Amhara ethnic group. There are also *Oromo*, *Himra* and *Awi* ethnic groups in the state.¹⁷⁵ Tigray regional state has estimated total population of 3,901 000.¹⁷⁶ The Tigray people make 97

¹⁷⁴ FDRE Population Census Commission 2007; 22.

¹⁷⁵ FDRE Population Census Commission 2007; 90.

¹⁷⁶ FDRE Population Census Commission 2007; 22.

percent of the total population in the region. There are also *Amhara*, *Irob* and *Kunama* ethnic groups in the region.¹⁷⁷

5.2.2. Structural Organisation of the Regional States

The revised constitutions of the Amhara and the Tigray regional states provide that the administrations of the regional states are structured at regional, *woreda* and *kebele* level.¹⁷⁸

5.2.2.1. The State/Regional Administration

The state administration is the highest political authority in the two regions. It has three principal organs. These are a Regional/ State Council (RC), a Regional Administrative Council (RAC) and a judicial body.¹⁷⁹ The RC is the legislative organ of the state governments. It comprises of elected representatives of the peoples of the two regions.¹⁸⁰ The RAC is an executive organ of the state government. It consists of the regional chief administrator, his deputy and heads of other executive bureaus.¹⁸¹ The state administration also has a judicial organ. The state governments have a number of powers and functions which are devolved to them by the federal Constitution.¹⁸²

5.2.2.2. Local Government in Tigray and Amhara Regions

As was indicated earlier, below the regional administration, *woreda* and *kebele* administrations are established in the two regions. Yet *woreda* is seen as the important local government unit while a *kebele* is simply an implementing agent of the *woreda*. A *woreda* is established on a geographical area in which 100,000 more people reside.

There are a number of towns and cities in the two regions. These urban centers, as it will be discussed in some length below, have their own councils.¹⁸³ In addition the ethnic minorities which reside in the Amhara region are entitled to their own

¹⁷⁷ FDRE Population Census Commission 2007; 87.

¹⁷⁸ Art 45 (1) of the Amhara Regional State (ARS) Constitution (2001); Art 45 (1) of the Tigray Regional State (TRS) Constitution (2001).

¹⁷⁹ Art 46 of the ARS Constitutions (2001).

¹⁸⁰ Art 48 (1) of ARS Constitution (2001); Arts 46 (1) & 48 (1) TRS Constitution (2001).

¹⁸¹ Art 57 (1) of the ARS Constitution (2001).

¹⁸² Art 52 of the FDRE Constitution (1995).

¹⁸³ Art 45(4) the ARS Constitution (2001).

councils.¹⁸⁴ Thus, as will be discussed below, the regional government has established ethnic based local units to the *Oromo*, *Awi* and *Himra* ethnic groups which are regarded as indigenous ethnic groups of the Amhara regional state. Those in the Tigray region, however, are only entitled to be represented in the regional and local governments.¹⁸⁵

5.2.2.3. Organs of *woreda* administration

As briefly indicated above, in the two regional states *woreda* administration has been established. The *Woreda* Administration (WA) in both the regions has three principal organs. These are the *Woreda* Council (WC), the *Woreda* Administrative Council (WAC) and the *Woreda* Court with first instance jurisdiction.¹⁸⁶ The *Woreda* Court, even though, it functions at *woreda* level, it is not part of the *woreda* administration.¹⁸⁷ Therefore, in this study only the WC and WAC will be dealt with.

5.2.2.4 *Woreda* council

WC is the highest political organ *woreda* level in both Amhara and Tigray regions.¹⁸⁸ Members of the WC in both regions are directly elected by the residents of a *woreda*. Members of a WC serve for a five year term.¹⁸⁹ Members of the WC are accountable to the people who elected them.¹⁹⁰

A WC has speaker and deputy speaker who convene and preside over its proceedings.¹⁹¹ A WC convenes once in every three months.¹⁹² However, the speaker may call an extra-ordinary session anytime when the WC is not due to undertake its regular meeting.¹⁹³ Under the Amhara regional state constitution, the speaker has an obligation to call an extra ordinary meeting if such meeting is demanded either by the *woreda* chief administrator (CA) or by more than half of

¹⁸⁴ Art 45(2) of the ARS Constitution (2001).

¹⁸⁵ Art 45 (2) of the TRS Constitution (2001).

¹⁸⁶ Art 83 of the ARS Constitution (2001).

¹⁸⁷ The courts are established and the judges are appointed by the State Councils and the *woredas* have no say in that. Arts 49 (3) & (7) the ARS Constitution (2001); Art 49 (3) (f) of the TRS Constitution (2001).

¹⁸⁸ Art 86 (1) of the ARS Constitution 2001; Art 74 (1) of the TRS Constitution 2001.

¹⁸⁹ Arts 85 (1) & 89 (3) of the ARS Constitution (2001); Art 73 (1) & 77 (4) the TRS Constitution (2001).

¹⁹⁰ Art 85 (2) of ARS Constitution (2001); Art 73 (2) of the TRS Constitution (2001).

¹⁹¹ Art 87 & 88 of the ARS Constitution (2001); Art 75 & 76 the TRS Constitution (2001).

¹⁹² Art 89 (1) of the ARS Constitution 2001; Art 77 (1) the TRS Constitution (2001).

¹⁹³ Art 89 (4) the ARS Constitution, 2001; Art 77 (2) TRS Constitution (2001).

the members of the WC.¹⁹⁴ However, in Tigray region only the members of the WC can request an extra-ordinary session.¹⁹⁵

5.2.2.5. Powers and functions of the *woreda* council

The constitutions of the two states provide that a *woreda* has the authority to plan and implement its own economic development and social services programs. It also has the duty to implement the policies and laws of the federal and state governments.¹⁹⁶ Matters of social services and economic development which are within the competences of *woredas*, however, are not clearly defined in the regional constitutions.

A WC is a legislative branch of the WA. As part of its legislative power a, WC has the authority to issue directives to ensure peace and security in the *woreda*.¹⁹⁷ It is also authorised to approve the budget of the *woreda*.¹⁹⁸ Upon recommendation by the WAC, it has the power to approve the sources of revenue which the WA can make use of from those sources which are not allocated and administered by the regional government.¹⁹⁹ It can also impose other service charges.²⁰⁰ In addition it has the power to examine and approve economic development, social service and administrative working plans of the *woreda* which are prepared by the WAC.²⁰¹

5.2.2.6. The *Woreda* executive council

A *woreda* executive council (WEC) is an executive body in a *woreda*.²⁰² It comprises of the CA, his deputy and heads of the principal sectoral offices in the *woreda*. The CA is elected by the WC from among its members upon the

¹⁹⁴ Art 89 (4) the ARS Constitution, 2001; Art 77 (2) TRS Constitution (2001).

¹⁹⁵ Art 89 (4) the ARS Constitution, 2001; Art 77 (2) TRS Constitution (2001).

¹⁹⁶ Art 84 (1) of the ARS Constitution (2001); Art 72 (1) of TRS Constitution (2001).

¹⁹⁷ Art 86 (2) (h) of the ARS Constitution (2001); Art 74 (2) (h) of the TRS Constitution (2001).

¹⁹⁸ Art 86 (2) (g) the ARS Constitution (2001); Art 74 (2) (g) of TRS Constitution (2001).

¹⁹⁹ As it shall be discussed below in detail, the regional constitutions of the two states authorize the WA to make use of the sources of revenue which are not managed and used by the state government. Accordingly the WAC is responsible for identifying, from the sources of revenue which are allocated to the states by the federal Constitutions, those sources of revenue which are not used by the states and recommend their use by the WA. It is the authority of the WC to approve the recommendations by the WAC to make use of such sources of revenue by the WA.

²⁰⁰ Art 86 (2) (g) of the ARS Constitution (2001); Art 74 (2) (g) and (f) of TRS Constitution (2001).

²⁰¹ Art 86 (2) (a) of the ARS Constitution (2001); Art 74 (2) (a) of the TRS Constitution (2001).

²⁰² Art 90 (1) the ARS Constitution (2001); Art 79 (1) TRS Constitution (2001).

nomination by the political party with the majority of seats in the WC.²⁰³ The deputy chief administrator (DCA) and the other members of the WAC are nominated by the CA and appointed by the WC. Thus, the WAC is composed of both elected and appointed officials. The WAC is chaired and represented by the CA.²⁰⁴ Under the Amhara Regional Constitution; the WAC is accountable to the WC and the state administration.²⁰⁵ However WACs which are found in Nationality Areas²⁰⁶ are not accountable to the regional administration. Under the Tigray State Constitution WAC is accountable to the WC and to the CA.²⁰⁷

5.2.2.7. The Powers and Functions of WEC

The WAC/WEC has the power and duty to enforce the policy, legislation, directives, plans and programmes of the federal and the regional governments.²⁰⁸ It also has the power to coordinate and supervise the different executive offices in of the *woreda*.²⁰⁹ The WEC is, in addition, responsible for preparing the annual budget and submitting it for approval to the WC.²¹⁰ Furthermore, it is responsible for the collection of rural land use fees, agricultural income taxes and other revenues.²¹¹ It is also required to recommend additional sources of revenue other than those which are administered by the state governments and seeks the approval of the WC.²¹²

The WEC has the responsibility to prepare social services, economic development and administrative plans to WC.²¹³ Upon approval by the WC, it implements the plan.²¹⁴ It maintains peace and security in the *woreda*.²¹⁵ To that effect, it has the power to direct and supervise security and police organs in the

²⁰³ Art 8 (2) (d) of the ARS Constitution (2001); Art 73 (2) of the TRS Constitution (2001).

²⁰⁴ Art 90 (2) of the ARS Constitution (2001); Art 79 (2) of the TRS Constitution (2001).

²⁰⁵ Art 90 (2) of the ARS Constitution (2001).

²⁰⁶ Nationality Area is geographical area which is inhabited by the Oromo, *Awii* and *Himra* ethnic minorities in the Amhara region. A governmental institution which is known as Nationality Administration is established to these ethnic groups in each nationality area. See below at §5.2.3

²⁰⁷ Art 79 (2) of the TRS Constitution (2001).

²⁰⁸ Art 91 (1) (a) of the ARS Constitution (2001); Art 80 (1) (a) of the TRS Constitution (2001).

²⁰⁹ Art 91 (1) (b) of the ARS Constitution (2001); Art 80 (1) (b) of TRS Constitution (2001).

²¹⁰ Art 91 (1) (c) of the ARS Constitution (2001); Art 80 (1) (d) of the TRS Constitution (2001).

²¹¹ Art 91 (1) (c) of the ARS Constitution (2001).

²¹² Art 91 (1) (c) of ARS Constitution (2001). See also above at note 29.

²¹³ Art 91 (1) (f) ARS Constitution (2001); Art 80 (1) (e) TRS Constitution (2001).

²¹⁴ Art 91 (1) (f) ARS Constitution (2001); Art 80 (1) (e) TRS Constitution (2001).

²¹⁵ Art 91 (1) (e) ARS Constitution (2001); Art 80 (1) (d) TRS Constitution (2001).

woreda.²¹⁶ It is also part of the responsibilities of a WEC to ensure the participation of the people in developmental activities.²¹⁷ It has also a duty to protect natural resources and heritages in a *woreda*.²¹⁸ In addition to the aforementioned duties and powers, the WEC may be given additional responsibilities by the regional governments and the WC.²¹⁹

5.2.2.8 Woreda chief administrator

The CA is the head of the WEC.²²⁰ As the head of WEC, therefore, the CA has special responsibility to coordinate and supervise the implementation of the social services and economic development programs of the *woreda*.²²¹ It is also the responsibility the CA to ensure the implementation of the policies, legislation and directives of the national and the regional governments.²²² Furthermore, he is charged with coordinating of the *kebeles* in the *woreda* and supervising of the *woreda* police forces are parts of the responsibilities of the CA.²²³ Additionally, the CA discharges other responsibilities that may be given to him/her by the President of the regional states and by the WC as well.²²⁴

5.2.3 Nationality zones in the Amhara Regional State

5.2.3.1. Introduction

As briefly stated above, in the Amhara regional state, there are three indigenous ethnic minorities which are found concentrated in certain geographical areas within the region. The Regional Constitution recognises the right to self-determination and self-government of these ethnic minorities.²²⁵ In effect, the Constitution designates a geographical area which is inhabited by an ethnic minority as “Nationality Zone”.²²⁶ It also requires the establishment of government institution in these areas. Accordingly, the three ethnic minorities in the region i.e. the *Himra*, *Awi* and *Oromo* ethnic minorities have their own nationality zones.²²⁷

²¹⁶ Art 91 (1) (e) ARS Constitution (2001); Art 80 (1) (d) TRS Constitution (2001).

²¹⁷ Art 91 (1) (g) ARS Constitution (2001); Art 80 (1) (f) TRS Constitution (2001).

²¹⁸ Art 91 (1) (g) & (h) ARS Constitution (2001); Art 80 (1) (f) & (g).

²¹⁹ Art 91 (1) (i) ARS Constitution (2001); Art 80 (1) (i) TRS Constitution (2001).

²²⁰ Art 93 (1) ARS Constitution (2001); Art 82 (1) TRS Constitution (2001)

²²¹ Art 93(2)(f) of the ARS Constitution (2001); Art 82(1)(e) of the TRS Constitution (2001).

²²² Art 92(2)(c) of the ARS Constitution (2001); Art 82(2)(c) TRS Constitution (2001).

²²³ Art 93 (2) (e) ARS Constitution (2001); Art 82 (2) (d) TRS Constitution (2001).

²²⁴ Art 93 (2) (i) of the ARS Constitution (2001); Art 82 (2) (h) TRS Constitution (2001).

²²⁵ Art 93 (1) (b) of the ARS Constitution (2001).

²²⁶ Art 93 (1) (b) of the ARS Constitution (2001).

²²⁷ Art 73 (1) of the ARS Constitution (2001).

Nationality zone has three principal organs. The organs are legislative council called nationality council (NC)²²⁸ and an executive council known as nationality executive council (NEC).²²⁹

5.2.3.2. Nationality Council

A NC is comprised of especially elected members of the WCs of the *woredas* which are found within the NAs. The members of the WC within the nationality zone elect from among themselves those who will be the members of the NC. In addition, those who are elected from a nationality zones to be members of the regional council automatically become the members of the NC.²³⁰ The Members of the NC serve for a term of five years.²³¹

5.2.3.3. Power and Functions of the NC

The NC, next to the House of People's Representatives²³² and the Regional Council, is viewed as the highest political organ of the ethnic group concerned.²³³ Under the Amhara Regional Constitution, the NC has certain powers and functions. It has the power to determine the working language of the organs of the Nationality Administration.²³⁴ It has the responsibility to protect the rights of the members of the ethnic group concerned to speak and write in their language.²³⁵ In addition it has the duty to protect the rights of the members of the ethnic minority to preserve, develop and promote their language and history.²³⁶

Furthermore, the NC has the power to issue laws for the nationality zones.²³⁷ Yet, the laws which are issued by the NC have to be in conformity with the laws enacted by the state and federal government.²³⁸ The NC has the power to approve the budget of the nationality zones.²³⁹ However, as it will be shown, the a nationality zone is almost totally dependent on the intergovernmental grants from

²²⁸ Art 73 (2) (a) of the ARS Constitution (2001).

²²⁹ Art 73 (2) (b) of the ARS Constitution (2001).

²³⁰ Art 74 (3) (g) of the ARS Constitution (2001).

²³¹ Art 76 (1) of the ARS Constitution (2001).

²³² The House of Peoples' Representatives is the legislative organ of the federal government of Ethiopia.

²³³ Art 74 (2) of the ARS Constitution (2001).

²³⁴ Art 74 (2) (a) of the ARS Constitution (2001).

²³⁵ Art 74 (2) (b) of the ARS Constitution (2001).

²³⁶ Art 74 (2) (b) of the ARS Constitution (2001).

²³⁷ Art 74 (2) (c) of the ARS Constitution (2001).

²³⁸ Art 74 (2) (c) of the ARS Constitution (2001).

²³⁹ Art 74 (2) (d) of the ARS Constitution (2001).

the state government.²⁴⁰ Therefore, in adopting the budget NA, the NC has to take into account what is allocated to the NA by the regional government.²⁴¹

5.2.3.4 Nationality zone executive council

A nationality zone executive council is comprised of a chief administrator (CA), a his deputy, and heads of other executive organs of the nationality zone.²⁴² The executive council has parliamentary form. Hence, the CA is elected from among the members of the NC following a proposal by a political party which has the majority of the seats in the NC.²⁴³ The other members of the administration are nominated by the CA and appointed upon approval by the NC.²⁴⁴ The NAC is accountable to the NC and the CA of the nationality zone.²⁴⁵ In addition it is also accountable to the Regional Council and the President of the regional state.²⁴⁶

5.2.3.5 Powers and Functions of the NAC

The executive council is entrusted with several responsibilities. As the executive body, it has the duty to ensure the implementation of the laws and decisions of the federal, the regional governments as well as the legislative council of the nationality zone.²⁴⁷ It is also authorised to determine the organisation of the departments and other executive bodies of the nationality zone.²⁴⁸ Furthermore, it has the power to formulate the social, economic and developmental policies and strategies of the nationality administration.²⁴⁹ In addition, it is responsible for the preparation and implementation of the budget of the Nationality Administration. However, matters of social services and economic development which are within the competences of a nationality zone are not clearly defines in the regional Constitution.²⁵⁰

5.2.3.6. Nationality Chief Administrator

The CA is the head of the executive council and the representative of the nationality zone.²⁵¹ As head of the executive council, the CA has special

²⁴⁰ See below at § 5.6.3.

²⁴¹ See below at § 5.6.3..

²⁴² Art 77(3) of the ARS Constitution (2001).

²⁴³ Art 79(1) of the ARS Constitution (2001).

²⁴⁴ Art 74(2) (f) of the ARS Constitution (2001).

²⁴⁵ Art 77(1) of the ARS Constitution (2001).

²⁴⁶ Art 77(2) of the ARS Constitution (2001).

²⁴⁷ Art 78(1) (a) of the ARS Constitution (2001).

²⁴⁸ Art 78(1) (b) of the ARS Constitution (2001).

²⁴⁹ Art 78(1) (d) of the ARS Constitution (2001).

²⁵⁰ Art 78(1) (c) of the ARS Constitution (2001).

²⁵¹ Art 80(1) of the ARS Constitution (2001).

responsibility to coordinate and supervise the implementation of the social and economic programs of the nationality zone as well as the policies, legislation and directives of the national and the regional governments. In addition he discharges other responsibilities that may be given to him by the President of the regional state and by the NC.²⁵²

5.2.4 Kebele administration

Kebele administration is the lowest administrative unit the Amhara and Tigray regional states.²⁵³ A *kebele* is a subdivision of a *woreda* in which around approximately 10,000 people reside. *Kebele* administration comprises *kebele* council, *kebele* administrative council and social court.²⁵⁴ The *kebele* council is composed of elected representatives.²⁵⁵ According to the constitutions of the two regions, a *kebele* administration has a sole authority on the social services and economic development of the *kebele*.²⁵⁶ However, matters of social services and economic development which are within the competences of the *kebele* are not clearly provided in the state constitutions of the two regions.

The *kebele* administrative council is constituted by the chief administrator, who is elected by the *kebele* council from among its members, and other members.²⁵⁷ The *kebele* administrative council is the lowest executive body in the hierarchy of the regional administration. Albeit at lower level, KAC has similar tasks with the WAC.²⁵⁸

5.3 Local Governance in the Oromia Regional State

5.3.1. Introduction

The Oromia regional state, with 359,619.8 square kilometer area, is the largest state in Ethiopia.²⁵⁹ It constitutes around 30% of the country's total area. The regional state is contiguous with all but the Tigray regional state.²⁶⁰

²⁵² Art 80(1) of the ARS Constitution (2001).

²⁵³ Art 96 (1) ARS Constitution (2001); Art 85 (1) TRS Constitution (2001).

²⁵⁴ Art 96 (2) ARS Constitution (2001); Art 85 (2) TRS Constitution (2001).

²⁵⁵ Art 97 (1) ARS Constitution (2001); Art 86 (2) TRS Constitution (2001).

²⁵⁶ Art 98 (1) ARS Constitution (2001); Art 87 (1) TRS Constitution (2001).

²⁵⁷ Art 101 (1) ARS Constitution (2001); Art 90 (1) TRS Constitution (2001).

²⁵⁸ Art 102 ARS Constitution (2001); Art 91 TRS Constitution (2001).

²⁵⁹The Oromia State Government, General Information,

<http://www.oromiagov.org/images/About%20Oromia.pdf> (visited on October 7th 2008)

²⁶⁰ *Ibid.*

It is also the most populous region in the country. The population in the region is estimated around 27, 158,471.²⁶¹ Around 87 percent of the people in the regional state are Oromo. A number of other ethnic minorities also reside in the region.²⁶²

5.3.2 Structural Organisation of the Regional State's Government

Government in the Oromia regional state is organised at regional, zonal, *woreda* and *kebele* level.²⁶³ As the Tigray and Amhara regions, the Oromia regional administration has a Regional Council, a Regional Administrative Council and a judicial body. The organisation, powers and functions of these organs is similar with their counterpart in the Amhara and Tigray regions.

The region is divided into 14 zones and 199 *woredas*. Each *woreda* is also divided into a number of *kebeles*. As shall be shown below, the zone administration is the representative of the regional government at zone level.²⁶⁴ Therefore the regional state can be said to have only two-tiered local governance system.

5.3.2.1 Zone administration

Zone administration (ZA) is an executive body which is organised below the regional administration at zonal level.²⁶⁵ It holds a number of *woredas* in it.²⁶⁶ ZA does not have elected council. It is not also a distinct level of government as the *woredas*. Therefore the power transfer from the regional government to the ZA can be said to have taken the form deconcentration rather than devolution.

The ZA is run by a CA and his deputy.²⁶⁷ The CA is nominated by the regional president and appointed by the regional council. The CA is also the representative of the regional President at zone level and is accountable to him.²⁶⁸

Zone administration has the responsibility to coordinate, support and follow up the effective functioning of the *woredas*, other departments and institutions in the

²⁶¹ FDRE Population Census Commission 2007;22.

²⁶² FDRE Population Census Commission 2007; 93...

²⁶³ Art 45 of the Oromia Regional State (ORS) Constitution (2001).

²⁶⁴ Art 71 of the ORS Constitution (2001).

²⁶⁵ Art 71(1) of the ORS Constitution (2001).

²⁶⁶ Art 71(1) of the ORS Constitution (2001).

²⁶⁷ Art 71(2) of the ORS Constitution (2001).

²⁶⁸ Art 72 (1) & 71(3) of the ORS Constitution (2001).

zone.²⁶⁹ It is also the duty of the zone administration to coordinate those institutions which provide service in more than one *woreda*.²⁷⁰ In addition, it has the responsibility to ensure the implementation of policies, legislation and decisions of the regional government in the *woredas* in the zone.²⁷¹

5.3.2.2. *Woreda* and *kebele* in Oromia region

The *Woreda* Administration in the Oromia regional state has a WC and a WAC.²⁷² Under the Regional Constitution of Oromia, a WC, a WAC and a *kebele* administration have similar organisation, functions and powers with their counterparts in the Amhara and Tigray regional states.²⁷³ This renders the detailed discussion of *woreda* and *kebele* administration in the Oromia region superfluous.

5.4 *Local Governance in the SNNPR*

5.4.1. Introduction

The SNNPR is found in the southern part of Ethiopia. It borders Kenya in south, Ilemi triangle in south west, the Gambella regional state in the north-west, and the Oromia regional state in the north and east. The region comprises 112,323.19 square kilometer area.²⁷⁴ The total population is estimated around 14, 901 900.²⁷⁵ The region is a home for more than 45 indigenous ethnic groups.²⁷⁶

5.4.2. Structure of the government

The state government is organised at region, zones, special *woredas*, *woredas*, and *kebels* levels.²⁷⁷ The structural organisation, the powers and functions of the regional government is identical with its counterpart in the regions discussed above. The region has 9 zones, 5 special *woredas*, 72 *woredas* and each *woreda* and special *woreda* is divided into a number of *kebels*.

5.4.2.1. Nationality zone and special *Woreda*

The SNNPR constitution provides that the nations and nationalities in the region will have their own zonal or special *woreda* administration.²⁷⁸ The ethnic groups with a large population settling on a large geographical area are allowed to have a

²⁶⁹ Art 72 (1) & 71(3) of the ORS Constitution (2001).

²⁷⁰ Art 71(3) (c) of the ORS Constitution (2001).

²⁷¹ Art 71 (3) (h) of the ORS Constitution (2001).

²⁷² Art 76 of the ORS Constitution (2001).

²⁷³ Arts 77-101 of the ORS Constitution (2001).

²⁷⁴ FDRE Population Census Commission 2007; 22.

²⁷⁵ FDRE Population Census Commission 2007; 98.

²⁷⁶ FDRE Population Census Commission 2007; 98.

²⁷⁷ Art 45 (1) the Southern Nations Nationalities and Peoples Regional State (SNNPR) Constitution (2001).

²⁷⁸ Art 45 (1) of the SNNPR Constitution (2001).

zonal administration while those with smaller population size are entitled to special *woreda*. Thus, ethnic groups with large population size such as *Sidama, Gurage, Hadiya, Gedeo* and the like have their own nationality zones. Ethnic groups with smaller population size such as *Burji, Amaro, Dirashe, Konso* and *Yem* have special *woredas*. The zones or the special *woredas* are delimited based on the settlement pattern, language, identities and consent of the people.²⁷⁹

Nationality zone or special *woreda* is second in the administrative hierarchy of the region.²⁸⁰ The regional constitution provides that a zone and a special *woreda* have three principal organs. These are a zonal or special *woreda* council (Z/SWC), a zonal or special *woreda* administrative council (Z/SWAC) and a judiciary.²⁸¹

5.4.2.2. Zonal or Special Woreda Council (Z/SWC)

The Z/SWC is the highest political organ at zone or special *woreda* level. It is constituted by representatives who are elected to Z/SWC.²⁸² In addition those who are elected to State Council from a zone or SW are members of the Z/SWC.²⁸³

5.4.2.3. Power and Functions of Z/SWC

The Constitution of the region provides Z/SWC shall exercise the highest political authority next to the House of Peoples Representatives and the State Council in a zone.²⁸⁴ Accordingly, the ZSWC has the power to determine the working language of the zone or the special *woreda*.²⁸⁵ It has a duty to protect the rights of the members of the nation or nationality concerned to write, speak and to develop their language.²⁸⁶

The Z/SWC has a “plenary” power to legislate on matters which are not covered by state laws and to publish its legislation in the *Debub Negarit Gazette*.²⁸⁷ However such legislation may not be inconsistent with the state and federal

²⁷⁹ Art 45 (2) of the SNNPR Constitution (2001).

²⁸⁰ Art 80(1) of the SNNPR Constitution (2001).

²⁸¹ Art 80 (2) of the SNNPR Constitution (2001).

²⁸² Art 80 (1) of the SNNPR Constitution (2001).

²⁸³ Art 80 (1) of the SNNPR Constitution (2001).

²⁸⁴ Art 80 (2) of the SNNPR Constitution (2001).

²⁸⁵ Art 80 (1) (3) (a) of the SNNPR Constitution (2001).

²⁸⁶ Art 80 (1) (3) (b) of the SNNPR Constitution (2001).

²⁸⁷ Art 80 (1) (3)(c) of the SNNPR Constitution (2001).

laws.²⁸⁸ The Z/SWC has the authority to approve its own budget based on what is allocated to it by the State Council.²⁸⁹

5.4.2.4. Zonal or Special *woreda* administrative council

Z/SWAC is the executive body of the zonal or special *woreda* administration. It is constituted by a CA, a DCA and heads of other executive organs.²⁹⁰

5.4 2.5 Powers and functions of the Z/SWAC

Z/SWAC, as the executive organ Z/SWA, is responsible for ensuring the implementation and observance of the state and federal laws and the decisions of Z/SWC.²⁹¹ In addition it has the responsibility to prepare the budget, to formulate the policies and strategies for the zone or the special *woreda* consistent with the state policies and strategies and implements them upon approval by the Z/SWC. It also performs other duties as it may be entrusted to it by the Z/SWC and Executive Council of the regional government.²⁹²

The Z/SWAC is chaired, coordinated and represented by the CA.²⁹³ The CA, as the head of the Z/SWAC has the power to direct and control the executive organs and other “sub-ordinate” organs and security and police forces.²⁹⁴

5.4.2.5 The *woreda* and *kebele* administration in SNNPR

The WA stands next to zonal administration in the hierarchy of the regional administration.²⁹⁵ It comprises a WC, a WAC and Courts.²⁹⁶ The regional constitution provides that the WA has the definitive authority to prepare determine and implement plans of social services and economic development.²⁹⁷ The *kebele* administration is the lowest administrative body in the SNNPR.²⁹⁸ The structural organisation, powers and functions of both the *woreda* administration and *kebele* administration are identical to their counterparts in the regions discussed above.²⁹⁹

²⁸⁸ Art 80 (1) (3) (c) of the SNNPR Constitution (2001).

²⁸⁹ Art 81 (3) (d) of the SNNPR Constitution (2001).

²⁹⁰ Art 84(2) of the SNNPR Constitution (2001)

²⁹¹ Art 85(1) of the SNNPR Constitution (2001).

²⁹² Art 85(9) of the SNNPR Constitution (2001).

²⁹³ Art 87 (2) of the SNNPR Constitution (2001).

²⁹⁴ Art 87 (2) of the SNNPR Constitution (2001).

²⁹⁵ Art 90 of the SNNPR Constitution (2001)

²⁹⁶ Art 90(1-3) of the SNNPR Constitution (2001).

²⁹⁷ Art 91(1) of the SNNPR Constitution (2001).

²⁹⁸ Art 103(1) of the SNNPR Constitution (2001).

²⁹⁹ Art 103-114 of the SNNPR Constitution (2001).

5.5 Urban administrations

The Amhara State Constitution provides, as was mentioned earlier, that cities and urban centers may have their own council.³⁰⁰ However it does not clearly regulate the structural organisation, powers and functions of the urban centers. The constitutions of the other three regional states speak of urban administrations only indirectly.³⁰¹

However each of the four regions has recently issued a proclamation in which they defined the structure, powers, functions and duties of urban centers.³⁰² They have adopted a Council-Mayor system to the urban centers in the regions. Thus each urban administration in the regions has a Council, a Mayor's Committee which is an executive body and a Mayor. Furthermore, the urban centers have professional city managers who are elected based on their merits. Yet, in the states under consideration, with the exception of some towns and cities, the great majority of urban and semi-urban centers do not have their own elected councils. In many instances these urban centers are put under the supervision of *woreda* administration. Urban service and development are thereby demoted to "secondary level"³⁰³

In practice, however, the urban centers play an important role in the area of education, health trade and industry as agents of the regional states. The urban centers also discharge function such as waste collection, sewerage, street lightning and the like.³⁰⁴

5.6. Local government finance in the four regional states

As was briefly alluded to in the previous sections, *woreda* administrations in all the four regional states have the power to collect certain taxes. A *woreda* administration collects rural land use fees and agricultural income taxes. It also

³⁰⁰ Art 45(4) of the ARS Constitution (2001).

³⁰¹ The Ethiopian Decentralization scheme including the 1995 Constitution did not recognise urban centers as independent entities to which powers and resources can be devolved. Tegene (2007) at 30.

³⁰² This based on an overview of ORS Proclamation No 65(2003); ORS Proclamation No 116 (2006); SNNPR Proclamation 103/2006; ARS Proclamation 33/2006.

³⁰³ Meheret (2007) at 84.

³⁰⁴ Meheret (2007) at 84.

imposes and collects service charges.³⁰⁵ The rate of the rural land use fees and agricultural income taxes is determined by the regional government.³⁰⁶ Furthermore, the *woreda* administration has the power to make use of any revenue source within the *woreda* which is not administered by the regional governments.³⁰⁷ That means, from the sources of revenue which the federal Constitutions has allocated to the states, if there is any source of revenue which is not used by the states, the *woredas* can make use of it.³⁰⁸

Nevertheless, *woredas* are not at liberty to spend the revenue they collect. The revenue is transferred to the treasury of the state governments.³⁰⁹ As was mentioned above, the state constitutions of the four regions provide that from the sources of revenue which are constitutionally assigned to the states, *woredas* can make use of the revenue sources that are not administered by the regional governments.³¹⁰ However, the states are administering and making use of all the sources of revenue under their jurisdiction. This means, the *woredas* are not given any significant internal sources of revenue.

5.6.1 Intergovernmental grants

The federal government has a scheme of intergovernmental revenue transfer which is known as a “block grants”.³¹¹ Through this scheme it transfers a considerable amount of money to the regional states. The grant is transferred according to a prearranged formula and it has no or minimum conditions attached to it.³¹²

However *woredas* and zones do not receive intergovernmental grants directly from the federal government. Instead, revenues are transferred to them by the

³⁰⁵ Art 86(2)(f) of the ARS Constitution (2001); Art 74(2)(f) of the TRS Constitution (2001); Art 79(2)(g) of the ORS Constitution (2001); Art 93(2)(f) of the SNNPR Constitution (2001) .

³⁰⁶ Art 86(2)(f) of the ARS Constitution (2001); Art 74(2)(f) of the TRS Constitution (2001); Art 79(2)(g) of the ORS Constitution (2001); Art 93(2)(f) of the SNNPR Constitution (2001).

³⁰⁷ Art 86(2) (g) of the ARS Constitution (2001); Art 74(2)(g) of the TRS Constitution (2001); Art 79(2)(h) of the ORS Constitution (2001); Art 93(2)(g) of the SNNPR Constitution (2001).

³⁰⁸ Solomon (2006) at141

³⁰⁹ Solomon (2006) at141.

³¹⁰ Solomon (2006) at141.

³¹¹Solomon (2006) at141; Art 97 of the FDRE Constitution (1995; Art 47(2)(8) of the ARS Constitution (2001); Art 47) (2) (h) of the TRS Constitution (2001); Art 47(2) (h) of the ORS Constitution (2001); Art 51(3) (i) of the SNNPR Constitution (2001).

³¹² Solomon (2006) at 148.

³¹³ Solomon (2006) at 148.

regional governments. The intergovernmental grant that *woredas* and zones obtain from the regional governments also takes the form of a “block grant”.³¹³ Therefore they get the grants from the regional government without conditions attached. The variables which are used to determine the grant are: population size (55 %), level of poverty (10%), expenditure needs (20%), revenue raising capacity and execution efficiency (15%).³¹⁴ *Woredas* and zones have full liberty as to how to spend the revenue which they receive in form of block grants.

5.6.2 Borrowing

The FDRE Constitution provides that regional states may borrow money from internal sources.³¹⁵ They are authorised to borrow money under terms and conditions that the federal government determines by law.³¹⁶ However there is nothing provided either in the federal or Constitutions regarding whether local government can borrow money.

5.7. Administrative power

As was seen above, *woreda* administration is authorised to run its own administration. Thus it has the power to hire and fire personnel. A shortage of skilled man power at *woreda* level is said to be one of the most critical problems of the local governance system in the four regional states.³¹⁷ With a view to address this problem skilled man-power is transferred from regions and zones at *woreda* level in the four regional states.³¹⁸

5.8 Supervision

There are provisions in the federal and the states constitutions which give some indication about the general regulatory roles of the federal and the state governments. The FDRE Constitution provides that the federal government has the power to establish and implement national standards and basic policy criteria in certain areas.³¹⁹ For instance, it sets standards in the area of public health, education, science and technology as well as for the protection and preservation of cultural and historical legacies.³²⁰ The Constitution also provides that states

³¹³ Solomon (2006) at 237.

³¹⁴ Solomon (2006) at 237.

³¹⁵ Art 51(7) of the FDRE Constitution (1995).

³¹⁶ Art 51(7) of the FDRE Constitution (1995).

³¹⁷ Ministry of Capacity Building (2007) at 5.

³¹⁸ Ministry of Capacity Building (2007) at 33.

³¹⁹ Art 51(3) of the FDRE Constitution (1995).

³²⁰ Art 51(5) of the FDRE Constitution (1995).

will issue laws regarding state civil servants and their working conditions which are approximate to the national standards.³²¹ The regional constitutions, similarly, provide that the NC (in Amhara) and Z/SWC (SNNPR) and WC should exercise their legislative power in line with federal and state laws.³²² Such standards and rules which are set by the national and state laws, to the extent they are relevant to local government can be construed as acts of regulation within the meaning of supervision.

Nonetheless, the legislative power of the states does not seem to be limited to regulating the *woreda*, the zone and the nationality administrations' legislative powers. As was discussed in the preceding chapter, the federal Constitution has divided powers and functions between the federal and the state governments.³²³ The Constitution left it for the states to decide, from the powers allocated to them, which powers and functions to devolve to local governments; provided that the powers and function devolved to local level are adequate.³²⁴ As mentioned earlier, the state constitutions afford WC, NC and Z/SWC legislative powers which are to be exercised in line with state and federal laws. Supposedly, the legislative power of the states on *woredas*, zones and nationality area should have certain limits.

However, firstly, as will be argued in the next chapter, there is no clear distinction between the states and local government matters. Secondly whatever functional competences local government may have, they lack exclusivity. That is, the extent to which the states can exercise legislative powers on local government matters, if there any such matter, is not clear. What is clear is that the local government cannot enact contrary to the proclamations enacted by the states. In contrast, the constitutions do not preclude the states from legislating on local matters. Given the limitless legislative power of the states on the state matters, the laws enacted by WC, NC and Z/SWC will stay in force only temporarily. If the

³²¹ Art 52(2) (f) of the FDRE Constitution (1995).

³²² Art 74 (2) (c) ARS Constitution (2001); Art 81(3) (c) SNNPR Constitution (2001).

³²³ Art 51 & 52 of the FDRE Constitution (1995).

³²⁴ Art 50(4) of the FDRE Constitution (1995).

state governments issue proclamations that contradict the legislation of the NC or the Z/SWC, the legislation of the NC and Z/SWC will automatically lose effect.

Under the state constitutions there is no clearly stipulated procedure according to which the state governments can assess local government. In addition there is no clear procedure of intervention by states when a local administration fails to discharge its responsibilities. However, zones and nationality administrations have the responsibility of coordinating the works of *woredas* within them. Furthermore, in practice, the Federal Ministry of Capacity Building and state capacity building offices assess the performance of the *woredas*. They also extend assistance to the *woredas*, for instance, through skilled staff decentralisation.

Summary

In this chapter, the local governance systems of the Amhara, Tigray, Oromia and SNNP regional state was discussed. The structural organisation, functions and powers of local government in these regions were dealt with in detail. It was also discussed that in the four regions *woreda* and *kebele* administrations are established as distinct units of government. In the Amhara and SNNP, in addition with the view to allowing the ethnic groups in the regions to exercise their right to self governance, government institutions such as nationality, zonal and special *woreda* administrations are established.

Chapter Six

Assessment conclusion and recommendations

6.1. Introduction

In the second chapter the criteria were laid down against which the adequacy of the empowerment of local government in Ethiopia is to be gauged. Democratically elected authorities, exclusive functional competences, and self-administration of ethnic minorities were set as criteria. The preceding chapter dealt with the structural organisation, powers, functions and financial sources of local government in the four regional states of Ethiopia. In this chapter, therefore, against the backdrop of the criteria set in chapter two, the trend in adequately empowering of local government in Ethiopia will be assessed. In addition a conclusion and recommendations will be put forward.

6.2 Assessing the form of decentralisation adopted in Ethiopia

In the opening chapter the different forms of decentralisation were canvassed. Delegation, deconcentration and devolution were described and their distinctive features were elucidated.³²⁵ With regard to devolution it was held that it is a form of decentralisation in which local government is constituted legally as a separate and autonomous governance body. In addition it was stated that in such form of decentralisation, powers and functions are transferred from the center to local government permanently through constitutional or legal means.

The federal Constitution enjoins the states to establish local government units and to transfer adequate powers to them.³²⁶ Consequently, as it was seen in the last chapter, zones (in SNNPR), nationality areas (in Amhara), *woredas* and *kebeles* are constituted as separate units by the constitutions of the states. The constitutions of the states recognise the *woreda* and zone (SNNPR) and nationality administrations (Amhara) as the highest political bodies at their respective level.³²⁷ In addition they provide that the *woreda* administration shall have such powers, and functions which are necessary to plan and effect social services and economic development programs. Therefore, from the above, it can be deduced that the form of decentralisation which is adopted in Ethiopia is devolution.

6.3. Decentralisation and democratisation

One of the criteria set to measure the adequacy of the empowerment of local government was its democratic character. As was stated previously, democratic local government has authorities which are directly elected by the residents of the locality rather than appointed by the central government.³²⁸ The administrative personnel is hired and fired by the local government without interference from the center. In addition a democratic local governance system is participatory.³²⁹ Thus it creates a favourable condition in which decisions concerning the locality are passed after the voices of the residents of the locality are heard and taken into account.

³²⁵ See chapter 2; §2.3.

³²⁶ FDRE Constitution, 1995, art 50(4).

³²⁷ See chapter 5; § 5.2.2, § 5.2.3.2, § 5.2.4, § 5.4.2.1

³²⁸ See chapter 2; § 2.6.1.

³²⁹ See chapter 2; § 2.6.1..

The constitutional framework of the local governance system of the four states in Ethiopia envisages such democratic features. As was pointed out in the previous chapter, authorities of zones (SNNPR), nationality administrations (Amhara), *woredas* and *kebeles* administrations are constituted by officials elected, directly or indirectly, by the local people. With regard to the public participation requirement, the federal Constitution unequivocally requires local government to be participatory.³³⁰ Furthermore, the regional states constitutions put an obligation on the organs of local administrations to create conditions which are favourable for participatory decision making process. This enables the local people to take part in the decisions of the local government. The constitutions also establish that *woreda*, zonal and nationality zone officials are accountable to the people who elected them. The practical reality in the regions may be different. However, the examination of the regional constitutions reveals that there is a constitutional foundation for participatory, accountable and, therefore, democratic local government is laid in the four regions.

6.4. Exclusive functional competences

The other benchmark for measuring the adequacy of the empowerment of local government is related to its functional competences. It was indicated that local government should be provided, through constitutional means, with certain clearly stipulated functional competences.³³¹ The functional competences should be, subject to framework legislation of the central government, exclusive to local government.³³² Local government should have final say on those matters. In addition, apart from setting legislative frameworks and effecting supervisory functions, the central government should not interfere in the routines of local government and should respect its autonomy.³³³

The federal Constitution of Ethiopia urges the states to transfer adequate power to local government. Consequently, the constitutions of the four states under consideration recognised zonal (SNNPR), nationality and *woreda* administrations

³³⁰ FDRE Constitution, 1995, art 50 (4).

³³¹ See chapter 2, §1.6.2.

³³² See chapter 2, §1.6.2..

³³³ See chapter 2, §1.6.2.

as the highest political authorities at their respective level.³³⁴ The constitutions also provided the *woreda* administration with the power to draft and implement its own plan regarding on matters of social services and economic development.³³⁵ Zones and special *woredas* in SNNPR and nationality administrations in Amhara region are also given the power to decide on certain matters with regard to the ethnic groups that they represent.³³⁶

Nevertheless, the constitutions of the four regional states lack clarity on the functional competences of *woredas*. As was mentioned above *woredas*, and *kebeles* have the competence to draft and implement their own social, economic and administrative plan. However ‘social and economic development matters are very broad subjects. A wide range of matters fall under this category . The regional constitutions do not plainly list, among the matters that can be considered as social and economic matters, the ones which are within the exclusive functional competences of *woredas*.

The South African and Nigerian Constitutions may be referred to in order to clarify this issue. The Constitutions of the two countries have long lists of matters which may be referred to as matters of social service and economic development which are set aside as functional competences of local government.³³⁷ Among those which can be considered as matters of social service, the Nigerian Constitution for instance, provides registration of birth, death and marriage, establishment and maintenance of cemeteries, burial grounds, schools, and the like as local government functions.³³⁸ From among those which can be considered as economic matters establishing and maintaining markets area within the functional competences of local government.³³⁹ Likewise, the South African Constitution has two lists of what may be considered either as social or economic matters. For instance, child care facilities, building regulation, local sport facilities and local tourism are within the functional competences of local

³³⁴ See chapter 2 § 2.6.1.

³³⁵ See chapter 2 § 2.6.1..

³³⁶ See chapter 2 § 2.6.1.

³³⁷ RSA Constitution (1996); Schedule 4B and 5B; FRN Constitution (1999); Fourth Schedule.

³³⁸ FRN Constitution (1999); Schedule 4.

³³⁹ FRN Constitution (1999); Schedule 4.

government.³⁴⁰ Conversely, it is absolutely unclear what social service and economic matter is the exclusive jurisdiction of *woredas*.

Clearly, stipulating the functional competences of *woredas* is essential and serves numerous purposes. It helps maintain the autonomy of *woredas* and avoid jurisdictional conflict with the state governments. It also helps *woredas* to foster democracy and development. This, in turn, will result in the fulfilment of the constitutional obligation of the states to provide local government with sufficient power. Otherwise, the quarterly gathering of elected *woreda* officials by itself will bring neither democracy nor development unless they have real and pertinent powers and functions.

From different documents it can be gathered that, in practice, *woredas* exercise certain powers in the areas of primary health care, primary education, rural water supply and rural roads.³⁴¹ Nevertheless, given the importance of these functions for development and democratisation, the content and limit of the competences of *woredas* in these areas should have been clearly provided in the constitutions. At present, whatever power *woredas* are exercising, this is not a result of a carefully contrived scheme of power division. Rather, it is a result of “political considerations”.³⁴²

The relegation of the matters relating to urban centres to ordinary pieces of legislation is the other point which creates concern. One cannot gainsay the importance of urban centres for economic and democratic development. However, all the four regional states chose to deal with matters relating to urban centres in their proclamations. Three of them did not even mention urban centres in their constitution save indirectly. The majority of the urban centers do not have even their own councils. This might have emanated from the rustic and agriculture-centered policies of the ruling party.³⁴³ Given the importance of urban

³⁴⁰ RSA Constitution, 1996, Schedule 4B and 5B.

³⁴¹ MoFED (2002) at 40; The Canadian International Development Agency (2005) at 22.

³⁴² Meheret (2002) at 92.

³⁴³ Agriculture Development Led Industrialization is the economic policy of the ruling party. This policy emphasises the importance of the rural area for economic development. See chapter 4, §4.2.

centres for development and democratisation, it is submitted, the structure and functional competences of urban centres should have been constitutionally entrenched.

The other matter pertains to the autonomy of the *woredas*. As was pointed out in the first chapter, in exercising their power and discharging their functions, local governments should be free of interference from the state governments. The role of the state governments should be restricted to supervision.

In the previous chapter, it was indicated that the state constitutions require local governments to exercise their legislative power in conformity with federal and state laws. On the other hand the states are not required to exercise their legislative power only with the view to setting framework legislation on local matters. In effect they can regulate local matters, even though it is not clear what those matters are, through their legislation. Therefore, whatever functional competences local government may have, they are not exclusive to them.

Furthermore, under the Amhara state constitution the *woreda* administrations are accountable not only to the *woreda* people but to the regional government. The *woreda* administrations in nationality areas have further accountability to the NC. It is not clear what their accountability to the state government and nationality administration entails. Therefore, it can be said that their autonomy is exposed to intrusion by the state and the nationality administration by way of holding the *woreda* administration accountable.

In Oromia region zonal administration is established over a number of *woredas*. Zonal administration is run by persons appointed by the president of the regional government. As was discussed, zonal administration coordinates and supervises the *woredas* in the zone. While the intention appears to be benign, some studies show zonal administrations exercise control and constant interference on *woreda* administrations. Such control has become of great limitation on the autonomy of

woredas.³⁴⁴ In short a system of supervision which provides sufficient protection to the autonomy of the *woredas* is not provided for.

6.5. Self administration of ethnic minorities

The federal Constitution of Ethiopia provides that “[e]very Nation, Nationality and People in Ethiopia has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits and to equitable representation in state and Federal governments”.³⁴⁵ In accordance with this principle the nine regional states were established.³⁴⁶ Based on the same principle, two of the regional states through, their constitutions, have recognised the right to self-government of ethnic groups. As a result, the Amhara regional state has established nationality areas for the three ethnic minorities in the region. In addition it has established institution of government i.e. the NA to the ethnic groups.

Likewise, in the SNNPR, zones and special *woredas* are established based on the settlement patterns of the nations and nationalities. The nations and nationalities in the region are afforded zonal and special *woreda* administration. Furthermore, the state constitutions provide that NA, special *woredas* and zone administrations are the highest political organs of the ethnic group concerned.

However a close perusal of the constitutions of the two regions reveals that the only real area of authority which is exclusive to these organs is determining the working language of the area, appointing certain officials and other related matters. Otherwise, these organs do not have any clear area of competences with regard to social services and economic development of the ethnic groups they represent. In particular, the distinction between the area of authority of the regional administration, the nationality or zonal administration and the *woreda* administrations in the nationality areas or zonal administration is fuzzy. It is provided that they can issue laws on matters not covered by state laws. Yet any legislation that they may issue can be repealed by a subsequent and differing legislation of regional governments. They also do not have their own internal

³⁴⁴ Meheret (2007) at 92.

³⁴⁵ Art 39(3) of the FDRE Constitution.

³⁴⁶ See chapter 3: § 3.3.

revenue sources. Even though they have the power to prepare their own budget, they do so based on what is allocated to them by the state governments.

In short the constitutional systems that exist in the four regional states do not allow the minority ethnic groups in the region to exercise their right to self-government fully and effectively.

6.6. Local finance

It was indicated in chapter 2 that internal financial sources are critical to enable local government to effectively exercise its power and to discharge its duties.³⁴⁷ In particular, the importance of providing local government with both revenue raising and spending power was discussed.

As was shown in the preceding chapter, however, *woredas* hardly have any internal sources of revenue. Even if the state constitutions provide that *woredas* can make use of sources of revenues which are not administered by the state government, the states have retained almost all revenues sources which they are authorised to impose and collect under the federal Constitution. *Woredas* collect land use fees and agriculture income tax. However the proceeds are transferred to the state treasury. Taxes on private properties, which are usually considered as appropriate to local government, are retained by the states. In short no significant source of revenue is left to the *woredas*. Therefore they are almost totally dependent on the intergovernmental grant from the states governments. Special *woredas* and zones in SNNPR and Nationality Councils in Amhara region have the power to prepare and approve their own budget. Nevertheless they are given no power to raise revenue at all. Therefore, they are also totally dependent on intergovernmental grants from the state governments.

It is not difficult to understand how such lack of internal revenue will adversely affect the implementation of social services and economic development activities by the *woredas*. Despite the fact that the intergovernmental grant is unconditional, it cannot be equated with internal revenue. The *woredas* do not

³⁴⁷ See chapter 2 §2.6.4.

have control over the amount of revenue that is transferred to them. They do not have the benefit of deciding on the amount of revenue they can raise in light of their plan. Rather they will be forced to limit their plan to the grant that they receive from the state government.

The other matter which raises concern is that under the state constitutions, the states retain the power to transfer certain duties to be discharged by *woreda* administrations. Nonetheless, it is unclearly stipulated in the constitutions how the costs of discharging such duties are to be covered. This exposes the *woredas* to unfunded or underfunded mandate. This problem is not only theoretical. In fact, the issue of unfunded mandates has been one of the challenges that *woreda* administrations are facing.³⁴⁸

Conclusion

The Constitution of the Federal Democratic Ethiopia directs the regional states to establish local governments and empower them adequately. It also recognises the rights of every nation, nationality and people in the country for self-governance. Accordingly the Amhara, Tigray, Oromia and SNNP regional states, through constitutional means, have established institutions of local administration at different levels.

The rationales underpinning the system of local governance which is designed by these states are fostering democracy, enhancing development and promoting the right to self-governance of the nations and nationalities and peoples in the regions. To that effect, *woreda* and *kebele* administrations, constituted by elected officials, are established as distinct and autonomous governance bodies in each of the regional states. They are also empowered to plan and implement their own social services and economic development programs. Furthermore, zones and special *woredas* in SNNPR and nationality areas in Amhara regional state are established as a response to the right to self governance of nations and nationalities in the regional states.

³⁴⁸ Meheret (2007) at 97.

Nevertheless, the areas of social services and economic development which are within the exclusive competences of *woredas* are not clearly spelled out in the constitutions of the states. Furthermore, the authority and functional relations between the state government and the *woredas* is not clearly spelled out. Such lack of clarity creates uncertainty about the content and scope of the authority of the local government. It also exposes the *woredas* to constant and undue interference from the regional administrations. Even if government institutions as NA, zones and special *woredas* are established with the view to enhancing the self-governance of minority ethnic groups, no real authority is devolved to them. Matters regarding urban centers are totally relegated to ordinary pieces of legislation. This undermines their role for democratisation and development.

Furthermore, *woredas* suffer from a lack of internal sources of revenue. They are almost entirely dependent on the grants they receive from the regional states. This is likely to compromise the effective planning and implementation of development programs of the *woredas*.

In sum, local government in the four regional states of the country is not sufficiently empowered. Seen in light of the local governance system of these regional states, the decentralisation process in the country does not show a trend of adequately empowering local government.

Recommendations

Based on the above assessments, the following recommendations are put forward.

*There should be a clearly and systematically defined division of power between the state governments and *woredas*. To that effect, the functional competences of the *woredas* in the areas of social services and economic development should be clearly listed in the constitutions of the regional governments.

* In addition to listing the functional competences of the *woredas*, the constitutions should restrict the competences of the state with regard to these

areas to the setting of frameworks. The constitutions should also clearly preclude the states from encroaching on *woreda* competences.

*Matters with regard to urban centers should be regulated in the constitutions of the states. Thus, the structures, functional competences and financial sources of urban centers should be clearly provided in the states' constitutions.

**Woredas* should be able to raise their own internal revenue. Thus the states should authorise them to impose and collect certain taxes. In addition they should establish a scheme in which the *woredas* share in the revenues they collect on behalf of the states. Furthermore, the states should be obligated to shoulder the financial responsibility when they transfer certain functions to *woredas*.

*The states which have established government institutions for the ethnic minorities residing in them should provide these institutions with powers that are pertinent for self-governance, development and democracy. Those states which have not yet established such government institutions should establish them.

*A clear procedure of supervision of *woredas* by the states should be devised. This procedure, in particular should provide a mechanism in which the states regulate, monitor, assist and when necessary intervene.

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