

The Process of Decentralisation in Ethiopia since 1991: Issues on Improving Efficiency

Jin-Sang Lee*

Abstract

Ethiopia has a unique experience in political changes during the last 40 years. The country transformed from a feudal society to a communist regime in 1974. During the communist Mengistu rule, Ethiopia suffered civil war for 17 years until 1991. The Ethiopian People's Revolutionary Front took power and brought in a federal system. The new federal government has been devolving power to regional governments, and the decentralisation process took place to increase the efficiency of policy implementation. Nevertheless, most regional governments have experienced difficulties in policy implementation due to a lack of resources and limited capacity. In these regards, this research investigates constitutional and political frameworks for decentralisation and brings some technical suggestions to bolster the capacity of these regional governments. There are some issues raised during the decentralisation process, such as fiscal federalism and policy implementations in building up the capacity of regional governments in Ethiopia.

Keywords: Decentralisation, Fiscal Federalism, Woreda, Capacity Building

I. Introduction

A big push towards decentralization in African states began in the early 1990s, with changes in a number of areas in the process of policy implementation. Decentralization is perhaps less prominent in Ethiopia than in many African countries, or in cases of decentralization elsewhere in the developing world. Nonetheless, decentralizing may be seen in the zones, with the regional states, not the central government, overseeing the decentralization process. The roles of the zones vary from state to state, with some working on a decentralizing approach where the regions confer specified responsibilities to the zones, and others working on a more bottom-up approach, but in each case they are partially responsible for implementing regional initiatives.

* Specialist Professor, Center for International Development and Cooperation, Duksung Women's University, 33 Samyangro 144-gil, Dobong-gu, Seoul, 132-714, Korea; E-mail: jinslee0209@duksung.ac.kr; Tel: +82-2-901-8767; Fax: +82-2-901-8525.

Ethiopia attempted to impose political decentralization with the election of subnational politicians at the regional and district (or ‘woreda’) levels. The administrative decentralization, with the transfer of planning and administrative responsibilities in expenditure areas, was an important step for decentralisation in Ethiopia. The transfer of expenditures in major social service areas such as education, healthcare, and agriculture were the key policies toward decentralisation. The transfer of a significant portion of the national budget to different regions started in 1992 and at woreda levels in 2001.

Decentralisation in Ethiopia has been made through the establishment of the necessary institutions to lead and run government functions. Legislative, judicial and executive branches of government were created at federal, regional and local levels. The legislative bodies at subnational levels are regional and woreda councils.¹ Regional councils have the authority and powers of state legislatures found in certain other federations, including the ability to select representatives for the House of Federation (HF), which is the upper chamber of parliament and which has some influence on patterns of decentralization.

Woreda councils are assemblies that meet once every three months. They have the authority to approve woreda budgets and to review the work of different sectors and executive members. The judicial system is represented by the court and the executive branch is represented by the states and woreda administrations.

This paper identifies decentralisation and its consequences at the regional level in Ethiopia since 1991. The remainder of this paper is composed of the background of the decentralisation in section 2. In section 3, decentralisation processes and impacts will be discussed as subnational governments. It will include some issues on regional fiscal and budget problems. It will be followed by an explanation of government efforts on capacity building in section 4. Section 5 brings some concluding remarks.

II. Background of Decentralisation

One of the main objectives of decentralization is to improve social, political and economic efficiencies of both the central and regional government. Decentralization can exist when the regional government perceives power to raise some types of taxes and acts as an executing agency with minimising influence from the central government (Tanzi, 1995).

Ethiopia’s regional decentralization after 1991 can be seen as “big push” or “big bang” decentralization, in which substantial responsibility and resources, totaling about 40 percent of the government budget, was quickly transferred to the regions (Garcia and Rajkumar, 2008: 27). The reason for the big push can be understood from the perspective of the political imperatives of the time, as the sequence began with the emergence of regional identities that gave impetus to the regional decentralization to the national states. Political decentralization was advanced with initial regional elections held in 1992 and new elections held under the new constitutional charter, and with a consolidated list of regions in 1995. Up to the present, political, fiscal, and administrative decentralization

¹ Woreda is the smallest level of district office under the regional government in Ethiopia.

at the regional level have accompanied one another with the share of total spending at this level estimated at about 38 percent of total government expenditure, and about 45 percent or more of total non-discretionary expenditure (ibid: 31).

Decentralization could result in some regions lagging others in government activities and functions. The emerging regions, namely Gambella, Benishangul-Gumuz, Afar, and Somali, had shown capacity gaps in budget utilization, planning, budgeting and implementation of development activities. The lack of preparedness on the part of these regions was caused by limited infrastructure, which was available to a greater extent in other regions. This has prompted inter-regional cooperation in implementing decentralized functions; cooperation between Tigray and Afar regions, Amhara and Afar regions, and Gambella are cases in point. Such positive developments need to be supported by high-level policies pertaining to decentralization, as there were no formal or legal provisions for such inter-regional ventures. As Figure 1 shows, there are eight regions and two city zones in Ethiopia. There are 11 regions including two administrative cities, Addis Ababa and Dire Dawa.²

Figure 1: Map of Ethiopia with Subnational Boundaries



Source: Retrieved from www.ezilon.com/maps/africa/ethiopia-maps.html on Mar. 16, 2013.

At the subnational level, there was a tendency towards geographic decentralization with ethnicity. In regions, identity-based ethnic decentralization was primarily installed at the regional state level, whereas the more local subnational entities, namely zones, woredas, and kebeles, are merely geographical entities created on the basis of administrative expediency. In general, the creation of geographic units (woreda, zones, and kebeles) emphasizes service delivery, resource, distance, administration ease and economic development. However, there are two exceptions to the rule in which zones and woredas

² The regions are Afar, Amhara, Benishangul-Gumuz, Gambella, Harari, Oromia, Somalia, Southern Nations, Nationalities, and Peoples' (SNNPR) and Tigray.

follow an ethnic logic. Concerning regulatory legislation, local governments could regulate land use, co-operatives and community activities, while municipal local governments could regulate markets, sanitary and other municipal services.

III. Decentralisation Process and its Impact

There are several issues that affect the decentralization process at the national and subnational levels, as well as the international level in Ethiopia. At the national level, the key institutional feature shaping Ethiopia's decentralization is the structure of the leading political party, the Ethiopia People's Revolutionary Democratic Front (EPRDF). Despite the features of the constitution that apparently empower the many nations of Ethiopia, several observers find that this devolution of power has been significantly undercut by partisan realities (Chanie, 2007; Keller, 2002; Keller and Smith, 2005; Kidane, 2001; Merera, 2007). For several of these analysts, the near single-party dominance of the EPRDF has gutted the idea of democratic federalism. In this vein, Keller (2002: 31) argues that Ethiopia's structure was originally conceived not as a coming together federation of peoples from the bottom-up, but rather as a top-down holding together federation designed by the EPRDF to maintain some degree of unity in the multinational state. This lack of devolved power was exacerbated by the country shifting to become a putting-together federation led by a dominant political clique, in what might also be termed federation (Keller and Smith, 2005: 268). The official version of the Ethiopian federation is that it is created voluntarily by regional governments, which implies federation from below or coming together. Ethiopian decentralization, however, was driven by ethnic diversity, which is different from other African countries (Tanzi, 1995; Zhang and Zou, 1998).

The basis of decentralization for the national arena is therefore the recognition of the equal rights of the nations, nationalities and peoples of Ethiopia as manifested in the regional states. It is the open question about where power resides that leads to questions about the depth of decentralization. Therefore, the decentralization process in Ethiopia as levels of government in their own right has consolidated the subnational level, such as the region and woreda.

The political, fiscal, and administrative authority devolved to such units have empowered them to make decisions on matters under their respective jurisdictions. The decentralization processes created new forms of organization at the woreda and kebele levels, and there is an expanded activity and responsibility accorded to subnational government (SNG), especially at regional and woreda levels. Many offices which did not exist previously have been created, such as planning, capacity building, and public organization/mobilization offices (Kassahun and Tegegne, 2004). Regions and woredas continue to rely on the center for their financial resources and political guidance. The latter is due to the prevalence of the dominant political party, the EPRDF, throughout the country. The EPRDF has taken on a more integrated vertical structure in recent years. It has transitioned from being a loose coalition of regional parties led by the Tigray Peoples Liberation Front (TPLF) and allied parties such as the Oromia Peoples Democratic Organisation (OPDO), the Amhara National Democratic Movement (ANDM), and the

Southern Ethiopian Peoples' Democratic Front (SEPDF), to a more cohesive political force in which the major regions are now governed by EPRDF-allied parties.

1. Subnational Governments

At the subnational level, concerns about Ethiopia's dominant-party state are therefore replicated. One of the most conspicuous features of woreda and kebele administration is the sheer number of candidates required to staff all positions. Requiring a large numbers of cadres is a systematic advantage to the EPRDF politically, as it is the only political force capable of fielding large numbers of candidates across the country (Aalen and Tronvoll, 2008: 116). The local elections in 2008, with approximately 3.6 million local administrative seats, resulted in an overwhelming victory for the EPRDF that made Ethiopia virtually a one-party state at the local level.

This situation is rendered more suspect by the fact that there may be several hundred kebele council seats for just a few thousand inhabitants, conferring considerable political control at the local level to the governing party. Officials in Ethiopia's SNGs (region and woreda) have dual accountability to local electorates and to higher levels of government. With respect to the latter, there are several sources of accountability from above that shape their actions. These include formal and legal accountability, which is specified by law, and fiscal accountability through some degree of earmarking and guidance on expenditures. This is further rounded out by partisan accountability in the patron-client relations established in the EPRDF (Chanie, 2007).

In the case of cities and towns without independent councils, decisions are undertaken by woreda councillors. The managers of these cities are appointed and accountable to the woreda administration (Meheret, 2007). This practice brings upward accountability, which has the potential to neglect community interest. There is also a system of horizontal accountability between branches of government. Woreda councils have standing committees to oversee sector activities. This practice is also evident at the federal level, where the prime minister, as chief of the executive, and various sector ministers face parliament, which assesses their performance on the basis of reports. The oversight functions of councils, however, are compromised because of conflicts of interest, as cabinet members in all woredas are also members of the councils (Yilmaz and Venugopal, 2008).

After regional decentralization, woreda decentralization followed in 2001–2002. It was also nearly simultaneous across the political, fiscal, and administrative domains in each regional state, but it was asymmetrical with the first adoption coming in the country's three most populous states—Oromia, Amhara, and Tigray, which may actually be the fourth-most populous state, being roughly the same size as Somali. This decentralization was then followed in the remaining states and two urban municipalities. In all states, finance roughly followed function, with revenues and expenditures being transferred in parallel, along with administrative and planning authority.

2. Woredas

At the woreda level, in addition to representative accountability, there is administrative/

service delivery accountability (CIDA, 2005). This refers to woreda sector offices such as health, agriculture, education etc. which are headed by appointed professional civil servants. The main problem noted here is the blurring of lines between elected and appointed personnel. At the woreda level, those who run sector offices are both elected and appointed officials.

The woredas prepare plans autonomously, though they utilize the regional policy framework to ensure consistency. It is well established that the greatest benefits of decentralization occur when SNGs are autonomous and accountable, and it is in the area of autonomy that Ethiopia's massive decentralization begins to look more ambiguous. The limitations on subnational fiscal autonomy, especially in the form of limited own-source revenues and the resulting need to follow central directives in many areas of expenditure, hinder the ability of SNGs to target public services to the specific needs of each area.

The relatively limited nature of deconcentration in Ethiopia is especially noteworthy in one significant area where SNGs have greater autonomy than most of their African counterparts: control over the civil service. While Watson and Yohannes (2005: 15) note that the civil service is a federal institution, it seems clear that civil servants employed by SNGs actually respond to subnational units of government, not directly to national government. Fessha and Kirkby (2008: 259) mention that Ethiopia's regions have a separate civil service from the national civil service. This enables the regions to hire and fire personnel, including the large number of teachers each has under its purview. The full transfer of autonomy over personnel was crucial for the substantial 'big push' fiscal decentralization that occurred in Ethiopia, as many other countries decentralize expenditures yet retain centralized patterns of control over nationally contracted civil servants.

With regard to administrative autonomy, subnational units in Ethiopia are established as autonomous and are empowered to approve budgets, and prepare and implement development plans. The three organs of government at the subnational level—the legislature, judiciary, and the executive—are expected to operate without control and interference from the central government. The extent to which local governments have discretionary power to initiate regulatory legislation, undertake procurement, run the civil service and undertake employment policies are important areas of autonomy (Yilmaz and Venugopal 2008).

3. Decentralisation Evidence

In Ethiopia, regional governments have had autonomy in planning and budgeting from the first phase of decentralization. As this autonomy was limited to regions, woredas suffered from an inability to autonomously plan and budget until the implementation of the District Level Decentralization Program (DLDP) in 2002. As a result of this program, regions devolved considerable portions of their experienced manpower along with financial resources in the form of block grants to woredas by scaling down the role and resources of the zones, which hitherto served as intermediate tiers of administration linking woredas to regions (Kassahun and Tegegne, 2004). The significance of this is that woredas are responsible for their planning and implementation within the bounds of resources available to them without seeking authorization from higher levels of

administration. This has marked a significant improvement in the exercising of autonomy of planning and budgeting at the local level. Case studies in Tigray and Amhara woredas in 2004 showed that the finance and economic development offices of woredas are responsible for preparing woreda plans (Kassahun and Tegegne 2004). These are based on sector plans prepared by different sectors (such as health, education etc.). The finance and economic development office prioritizes sector plans and checks consistency with regional policy.

While the Ethiopian political system nominally guarantees considerable autonomy to the subnational levels, this formal autonomy is offset by the dominance of the EPRDF party, which overshadows politics at all levels. This dominance up and down the system may have the positive effect of facilitating communication vertically but it also presents an unofficial mechanism through which national-level leaders can exert influence over decision-making at subnational levels-political autonomy is circumscribed by the informal logic of party control.

One of the intended benefits of political decentralization is to promote accountability and responsiveness at the local level. Two fundamental issues in understanding accountability are to determine the patterns of accountability and the instruments used to ensure it. The pattern of accountability refers to identifying who is accountable to whom, the direction of accountability, and the legal basis for accountability among actors. With regards to instruments, in principle there are a range of accountability mechanisms such as administrative processes, consultation with technical staff, reports, formal political processes (eg voting in elections), consultation with elected officials, and the use of civic media, namely local press and radio, public forums organized by nongovernmental organizations (NGOs). In addition, the extent to which competitive/pluralist politics is found at local level is an indicator of transparency and accountability (Kassahun and Tegegne, 2004).

In Ethiopian decentralization, there is distinguishing accountability between levels of government and between the government and the people. At the various levels of SNG in Ethiopia, dual accountability exists. This takes the form of upward accountability to higher levels of government and downward accountability to electors.

4. Fiscal Autonomy and Problems

The conventional theory of fiscal federalism could be interpreted that fiscal policies of the central government could strongly maintain its role on financial issues despite the decentralization process. Subnational autonomy could be judged by looking at political, fiscal, and administrative autonomy. Political power in Ethiopia is more decentralized than in most African countries. The lower chamber of the national parliament, which is the highest political organ, does not involve itself in regional and local affairs. Parliament is limited to legislating laws of national importance and overseeing the national executives and departments. Regional officials are not expected to report to the national parliament. The House of Federation (HF), on the other hand, is established to address national issues. With its members from nations and nationalities, it can be regarded as a council of nationalities, and is composed of representatives of all ethnic

groups. The HF has a mandate to determine the allocation of intergovernmental transfer to different regions, without the involvement of regional governments, though they are consulted for purposes of information. The allocation formula is ultimately approved by members of the HF. As indicated above, regional governments have fiscal authority but the degree to which they have fiscal autonomy is more circumscribed. The distinction here comes down to the sources of subnational revenues, and particularly that between intergovernmental transfers and own-source revenues that SNGs collect from their own tax bases.

Fiscal decentralization in Ethiopia is substantial by African standards if one takes into account intergovernmental transfers such as block grants and conditional special purpose grants as well as own-source revenues. In addition, expenditure is quite decentralized, with regions responsible for as much as 37 percent of total expenditure as early as 1994, and increasing to well over 40 percent thereafter (Kassahun and Tegegne, 2007: 16-19; Garcia and Rajkumar, 2008). Moreover, revenue distributions are formula-based and therefore largely transparent.

Grants from the federal government to the regional states are reported as being based on four indicators, in declining order of importance—population (accounting for about half of the formula), development indicators, regional tax effort, and poverty indicators (Kassahun and Tegegne, 2007: 21). The use of gross indicators for a formula has changed recently. The recent budget allocation is based on assessment of expenditure needs and revenue potential of each region. From the regional state to woreda level, the formula used differs, but some regions employ the expenditure need approach.

While this is considerable, the limits to the fiscal autonomy of Ethiopia's SNGs begin with the limited tax base facing many regions and woredas, especially in rural areas. Along with the low levels of private sector economic activity in some areas, one of the reasons is the assignment of less yielding and narrower tax bases to regional governments. This leads to a heavy reliance of all levels of SNGs on intergovernmental fiscal transfers. Estimates are that in the 1990s, after the establishment of decentralization, the subnational government collected an average of 16–17 percent of total government revenue, with the center raising the remaining 83–84 percent (Keller and Smith, 2005: 273). The central problem for Ethiopia's fiscal federalism is that expenditures are decentralized while revenue collection is centralized (Meheret, 2007). This in turn gives the central government leverage over subnational expenditures. Transfers from the federal level to the regional states cover from 45 percent to 80 percent of regions' expenditure assignments (Tegegne, 2009). Such high dependency of regional governments on the federal government reduces the autonomy of the states and compromises their decision-making capability.

At the woreda level, the situation is even worse. Woredas rely heavily on regional governments, with the level of dependence on transfers from regions rising to over 80–90 percent (Tegegne, 2009). A study in eight woredas found that on average more than 90 percent of woreda budgets were made up of grants received from regional governments (Meheret, 2007). Finance from the regional state is insufficient to meet woreda expenditure requirements and they may seek revenues from other sources, including foreign assistance or earmarked central government funds. The reliance on regional state and external funding compromises local autonomy as the financing arrangement makes woredas

dependent on regional government and/or ad hoc special transfers. Greater own-source revenue, if feasible, would help rectify this situation. It should also be noted that the budgets transferred are generally used for recurrent expenditure, with nearly 91 percent of woreda budgets earmarked for administrative and operational expenditures (Meheret, 2007).

Most capital activities at the woreda level are financed from donors and aid agencies or from specific purpose grants from the federal government, such as food security finance. Reliance on donors and aid agencies to undertake capital activities raises issues of sustainability, and reliance on specific purpose grants to undertake specific development activities limits the woredas' abilities to address overall development outcomes; specific purpose grants reduce power to make discretionary expenditure decisions as a result of budget guidelines required by regional governments (Canadian International Development Agency, 2005).

IV. Capacity Building Efforts

1. Accountability and Transparency

The capacity of local government in formulating policies, implementing strategies and development activities is an essential part of the governance structure at local/regional level. The reasons for the presence of vacant positions is the lack of adequate budget to hire new staff and the inability to offer attractive salaries to prospective staff that might come to the woreda.

Public scrutiny remains one of the most important means of ensuring accountability but it is not a well-developed area in Ethiopian decentralization schemes. Ethiopian decentralization makes no reference to civil society and there is no provision for its members to represent their constituencies in local councils or at the national parliament (Kassahun and Tegegne, 2004). The tradition of scrutinizing plans, budgets, and other documents is not instituted in the decentralization drive. A survey conducted in seven regions in 21 rural woredas showed that 87 percent of the households have no information on woreda level government budget, 83 percent have no information on strategic planning of the local governments, 85 percent have no information about the agenda of their local governments, and 84 percent are not informed of the decisions made by the woreda council (Ministry of Capacity Building and Ministry of Ministry of Works and Urban Development, 2008).

This is a clear indication of the lack of accountability and transparency on the part of woreda functionaries to their constituencies. Though budgets are published in *Negarit Gazettas* (official journals/gazettes), the levels of literacy and awareness of the public remain obstacles for the people to scrutinize and hold the government accountable. Mechanisms such as participatory budgeting are also not well instituted in the country. Political competitiveness is an especially important criterion in ensuring accountability, but this is constrained at the local level. Party politics at the local level is critical and permeates many aspects of woreda administration including appointments and recruitment at local offices (Meheret, 2007). Yilmaz and Venugopal (2008) observed that there is a

gap in the constitutional provision which allows a multi-party system, since the ruling party controls the executive and legislative branches of the national and regional governments. The fact that the EPRDF dominates the political scene narrows the political sphere, leaving no space for alternative policies and programs for the local people. Local officials are loyal to party leaders rather than to the populace, which can reduce the incentive to address local development needs.

2. Capacity of Regional Governments

Various studies indicate that there is a clear capacity deficit in running and managing different responsibilities under the decentralized system. Apart from financial and budgetary problems, woredas are faced with a serious lack of competent and trained personnel. In terms of human resources, capacity has different dimensions. The first is related to the availability of a required number of staff in a particular situation. Meheret (2007) found that although there are some variations among woredas in this regard, administrators and councillors repeatedly suggested that there are many vacant positions that remain unfilled. This has serious implications for the delivery of local services and economic development.

The administrative capacity of woreda officials is worrisome. Local government officials are popularly elected individuals whose election is mainly due to party allegiance, as they are recruited and promoted by party structure. These individuals, however, are expected to lead the development activities and the policymaking process. Meheret (2007) looked at the level of education of woreda and sub-city executive committee members and found that most held diploma and certificate qualifications. These individuals were also formerly elementary or secondary school teachers with little or no formal training in the critical areas of public service delivery, good governance, and economic development (Meheret, 2007). Another study indicated the lack of capacity on the part of councillors at local level to review the planning, budgeting and service delivery functions (Yilmaz and Venugopal, 2008). A capacity gap is noted in many other areas of woreda planning. In the Kelet Awlalo woreda in Tigray region, for instance, there is no manual to guide planning activities in the woreda. The Finance and Economic Development Office in Kelet Awlalo woreda had only three experts—a planning expert, budget expert, and an accountant in 2004 (Meheret, 2007).

3. Capacity Building Efforts

Local government capacity building in rural areas is addressed by the District Level Decentralization Program (DLDP) and in urban areas by Urban Management components. A ‘super’ ministry called the Ministry of Capacity Building was established to run the country’s capacity building programs. The Federal Government of Ethiopia, with support from the World Bank, also initiated a five-year Capacity Building for Decentralized Service Delivery project (CBDSD). The main objectives of the program were to improve service delivery performance by building public sector capacity at the federal, regional, and local levels of the country’s decentralized government system.

The CBDS project supports three components: implementing civil service reforms, restructuring and empowering local government (RELG), and strengthening the Ministry of Capacity Building (Gutema, 2005).

There is neither guidance nor training given by the local government or any other body to the community or to the different sectors and planning offices on participatory planning. This is exacerbated by a narrow organizational structure that does not allow the office to reach the community. Though realities might have changed since 2004, there is no evidence that shows capacity gaps at the woreda level in particular have narrowed. In Amhara region, despite the fact that the Finance and Economic Development Bureau prepared a booklet on participation, evidence from the Fogera woreda indicates that it is not in a position to use the manual because of a lack of capacity to understand and utilize it (Kassahun and Tegegne, 2004).

They deploy internal auditors to examine the account books of the sector offices, which are expected to provide a clear picture of expenses incurred in view of approved budget lines for specified activities (Kassahun and Tegegne, 2004). Tracking public expenditures associated with capital budget is often too complex to be handled by the expertise available at the woredas, however, since capital expenditure involves technical skills to determine the amount of money spent on a specific aspect of a project. Zonal experts, such as engineers and surveyors, assist the woredas in assessing whether activities are performed according to plan and up to standard, and determine whether the amount of money requested by private contractors for their service is commensurate with plans and budget (Kassahun and Tegegne, 2004).

The capacity gap of local government is therefore pervasive and compromises the functions of service delivery, regulation and oversight. A national survey in 2004 showed that 56.3 percent of experts indicated local governments had a poor capacity to manage the various decentralized responsibilities, while another 17.5 percent believed they had no capacity at all. Those who suggested the local government had a limited capacity were about 22.5 percent while those who felt that the local government has some capacity were about 4 percent (Tegegne et al., 2004).

The National Capacity Building Program (NCBP) targets 14 sectors including civil service, tax and justice reform, district decentralization, information and communication technology, private sector, construction sector, urban management, cooperatives, textiles and garments, agricultural and industrial training of vocational and technical levels, civil society, and higher education.

Among the ministries that may support decentralization actively, yet have shown limited effectiveness in doing so, is the Ministry of Capacity Building, which, Watson and Yohannes (2005: 15) report says, is focused on national capacity building and on the provision of direct technical assistance, rather than on building subnational capacity in a self-reinforcing fashion.

V. Concluding Remarks

This study has focused on the process of decentralization in Ethiopia since 1991. There were several issues that inhibit the fostering of the objectives of decentralization.

The shortage of financial resources at the regional level makes it difficult to increase the empowerment of local governments in planning and implementing policies, and hence makes it difficult to build capacity in SNGs.

Decentralization in Ethiopia with democratic traditions has been criticised by many in the country. This raises the question as to the extent to which cultural, as much as political, social and especially ethnic-based regions and development factors, can be considered major barriers in achieving transparency and democracy in the process of decentralisation. These barriers may also figure in the clearly declining EPRDF interest in overhauling the still largely authoritarian federal government though decentralization, which started more than 20 years ago.

Decentralization has come with limited finances, manpower, natural resources and infrastructure in many of the regions, bureaucratic opposition, resilience of previous patterns of administration, imbalance between a powerful centre and weak regions, and the vagueness of the constitution in defining relations between the levels of government. Given limited own-source revenues and the need to dedicate transfers for recurrent expenditure, we argue that decentralization has resulted in less fiscal autonomy than the highly decentralized authority would suggest.

The woredas lack competitiveness in service delivery and economic development. The aspect of human resource capacity involves the capability of woreda administration in administrative, oversight, and planning functions. As most sector heads are not trained as planners, there is little understanding of the roles and procedures of planning at the woreda level. As Kassahun and Tegegne (2004) mentioned, the lack of information is an additional operational challenge in Ethiopia. In many rural woredas there is little evidence of participatory planning.

Ultimately, in Ethiopia, with its weak civil society, the absence of a tradition of respect for human rights, and a history where powerful men and not laws have defined the relationship between subjects and the state, the present constitution must be recognised primarily as a symbol of the new regime and part of an effort to achieve domestic and international legitimacy.

The government could launch training programs for the elected officials of woredas, zones and regions. Training modules could include agricultural development, basic management, financial management, integrated rural development, and ethics. The government could also address the capacity deficit and initiate different national programs.

A related area to planning capacity at the local level is the capacity to track public expenditure. One of the activities woredas perform is to track public expenditure to ensure it conforms to approved budget plans. It is also worth noting that the central government, cognizant of the capacity gap, could organise training programs for local officials in centrally-run formal institutions and also organize various symposiums and seminars.

This research has some limits in analyzing the details of regional governments and local government in woredas and kebeles. Perhaps it would be necessary to investigate more specific characteristics of regional governments at the woreda level and draw some suggestions to enhance the efficiency of decentralization in Ethiopia.

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