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Articles

Politico-administrative Reform and Political Transition in Nigeria, Ethiopia, and South Africa

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Introduction

A common challenge faced by the political leaders of transitional societies is to develop structural mechanisms of governance that allow them to effectively and efficiently pursue their development agendas, while at the same time addressing the social, political and economic concerns which matter most to the average citizen. This challenge is particularly acute in multi-ethnic societies.

Power-sharing formulae, including regional autonomy and federalism, are believed by many theorists and practitioners alike to be the ideal way to avoid ethnic conflict and achieve a measure of democracy.[1] Theoretically, then, under ideal circumstances, there is a balance of power in relations between the center and sub-national governments. However, there may be some cases where this relationship is asymmetrical, with the power equation favoring a certain level of government. In such cases, the structures in place may appear to be federal in nature, but in practice this may not be the case. Sub-regional governments that are relatively strong in terms of their revenue generating capabilities or their military capabilities may in fact have the upper hand in dealing with the center. On the other hand, where the power balance favors the center, incumbent elites are often

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[1] Roeder and Rothchild argue just the opposite. See, Philip Roeder and Donald Rothchild, eds. *Sustainable Peace: Power and Democracy in Civil Wars.* Ithaca: NY: Cornell University Press, 2005. p 11; Riker, William. *Federalism: Origin, Operation, Significance.* Boston: Little Brown, 1964; Horowitz, Donald, *Ethnic Groups in Conflict,* Berkeley: University Of California Press 1985; Olowu, Dele, "Centralization, Self-governance and Development in Nigeria," in James S. Wunsch and Dele Olowu, eds. *The failure of Centralized State: Institutions and Self-Governance in Africa,* Boulder: CO: Westview Press, 1990.

in a position to use their control over revenues and the instruments of co-ercion to enhance central control in politics as well as policy-making. Under such circumstances, the governing elite might be more interested in creating the appearance of federal power-sharing in pursuit of democracy and development, while masking their primary aim of central manage-ment and control.

In present day Africa, three transitional polities, Ethiopia, South Africa and Nigeria, stand out in their attempts at devising strategies for structurally transforming governmental administration and politics within the context of extreme diversity. The ruling regimes in each of these coun-tries have chosen as their instruments of rule structural approaches that ap-proximate varieties of decentralization. They are often claimed to be "federal" arrangements, but in most cases federalism exists only in rhetoric.

There is no pure form of federalism, and even the most well-known scholar of federalism theory, William Riker, has reminded us that in reality federalism is a fiction. He states, "No matter how useful the fic-tion of federalism is . . . one should not overlook the fact that it is a fic-tion. In the study of federal governments . . . it is always appropriate to go behind the fiction to study the real forces in a political system."[2]

The purpose of this essay is to critically analyze the construction of decentralized and quasi-federal systems as strategies for avoiding the ex-acerbation of ethno-regional or racial conflict in deeply divided societies, with a particular focus on Ethiopia, South Africa and Nigeria. The rela-tions between the sub-national and central governments tend not to be based on reciprocity, but instead on the basis of the preferences of the fed-eral government. In each of these cases new governments, as they at-tempted to implement new social contracts, have been constrained by a legacy of political instability and ethno-regional and/or racial conflict.

In the case of South Africa, in the early 1990s a broad-based pacted-democracy (an elite negotiated settlement) was hammered out, with a new, non-racial democratic constitution in which the citizenship rights of all are guaranteed. Rather than introducing a federal system,

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[2] Riker, William, "Six Books in Search of a Subject or Does Federalism Exist and Does it Matter?" *Comparative Politics*, 2, No. 2 (1969).

South Africa has pursued what is commonly referred to as cooperative government or cooperative governance,[3] with important involvement on the part of the central government in setting the national development agenda, but relatively substantial regional autonomy on the part of provincial and local governments. Here we consider this approach to be "quasi-federal" or of a "federal-type" in that it has some federal features. Following the overthrow of a Marxist-Leninist regime in 1991, Ethiopia also made an effort to use political pact making as a vehicle for arriving at a new social contract. Initially, all of the major ethnic groups in the country participated in the process of negotiating for a transitional government. However, within a year major groups had been purged from the pact and the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF), along with ethnically based parties of its own creation, ruled alone. Nigeria is the oldest state in Africa that claims to be governed by federal principles, and much can be gleaned from its experience in attempting to develop an effective and efficient form of federalism, one that addresses the issues of social equity and equal citizenship rights.

The aim of each of these systems of government is to maintain a measure of central control, while at the same time appearing to attempt to "multiply the points of power,"[4] in such a way that allows regional or provincial governments to manage their own affairs. As mentioned above, South Africa's approach has been to provide a semblance of autonomy at the provincial and local levels, while at the same time providing incentives for the creation of broad coalitions at the national level. In the process, ethnic and racial groups maintain a strong sense of racial or ethnic identity while at the same time developing a sense of multi-ethnic and multi-racial national identity. Ethiopia, on the other hand, even though in the first decade of the new constitution it has claimed to be following an ethnic federalism blueprint, created a system that failed to cultivate a widespread

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[3] The constitution uses the term "cooperative government," but the terms "cooperative government" and "cooperative governance" are often used interchangeably. However, it is this author's position that government does not necessarily equate with *governance*.

[4] Horowitz, Donald L. *A Democratic South Africa? Constitutional Engineering in a Divided Society*, Berkeley: University of California Press, 1991.

sense of national citizenship, and the result has been increasing ethno-
regional tensions, and, at times, open conflict along ethno-regional lines.
Despite frequent adjustments in its system of public management based
on power sharing and revenue sharing, Nigeria's so-called federal system is
still a only a form of quasi-federalism. Nobel laureate, Wole Soyenka, has
described it as a "cracked model" of federalism; further asserting

> The truth is that beyond the first four years of independence the
> federal principle was simply thrown overboard. A deliberate sub-
> version of the rational relations of the states to the center was em-
> barked upon, upsetting the balance between federal authority, the
> states and even local government.[5]

The primary questions this essay addresses are: What conditions
have to be met before any form of federalism or cooperative government
can serve as an agent of development and democracy in divided societies?
Is it institutional design that matters most, or the process of choosing ad-
ministrative structures of governance?

The remainder of the essay is divided into three major sections.
Section I defines the key concept of federalism and attempts to show how
even though some systems may have federal elements, we cannot consider
them to be anything more than "quasi-federal" in nature. Section II de-
scribes the context in which the politico-administrative strategies of the
three countries are applied and the particular features of the strategies each
has chosen. First, I discuss how each country arrived at its governance strat-
egy, and second, I discuss how the respective governments have used forms
of decentralized governance to simultaneously address issues relating to
ethnic diversity, poverty, development and democracy. The last section, the
conclusion, returns to a systematic comparison of the three cases, arguing
that given the historical and structural conditions found in each of these
multi-ethnic societies the politico-administrative approaches to public

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[5] This quote is from an article by Wole Soyenka, "The Federal Quest," Daily
Champion (Lagos), (March 22, 1999), p 27, quoted in Suberu, Rotimi T. *Federalism
and Ethnic Conflict in Nigeria.* Washington, DC: US Institute of Peace, 200. p 172.

management that were chosen, while not perfect, seemed appropriate. However, the real measure of their success or failure will only become manifest with the passage of much more time.

I. The Concept of Federalism and Theoretical and Empirical Considerations

What is federalism and how does it work? In its ideal form, federalism is a system of government that is the result of bargaining between the central state and constituent, territorially based groups. Theoretically, it involves a bargain into which the relevant parties enter willingly. Each party must weigh the advantages and disadvantages of such an arrangement, and base their decisions upon what appears to maximize their particular benefit. Leaders at both the national and territorial levels might want to enhance their control over the nation or the sub-national entity.[6] One of the most common justifications for entering into a federal arrangement is the desire to reduce group conflict, while at the same time demonstrating a respect for the diversity of the cultures of the given polity.[7] Ideally, then, the decision to enter into a federal bargain evolves organically among the relevant parties. However, in some cases that bargain may reflect a government that is seeking a way out of what seems to be an intractable situation of ethnic conflict. In this circumstance, the central government must be confident that it has both the coercive capacity and political acumen to make such an arrangement work.

Alfred Stepan, in an effort to refine some of the classical conceptualization of federalism, identifies three main variations of federalism. Particularly, he seeks to dispel the notion that federations are always

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[6] Riker, William. *Federalism: Origin, Operation, Significance.* Boston: Little Brown, 1964. p 12.

[7] Elaigwu, J. Isawa and Victor A. Olorunsola, Federalism and Politics of Compromise," in Donald Rothchild and Victor A. Olorunsola, eds. *State versus Ethnic Claims: African Policy Dilemmas.* Boulder, CO: Westview, 1983. p 282.

democracies.[8] The ideal type of federation identified above is described as a "coming together federation." According to this model, as occurred, for example, in the United States, individual polities already characterized by a sense of sovereignty and individual identity decide to join with similar polities, mainly for security and development purposes. They agree to pool their resources and form a federation. In the process, they surrender some of their individual sovereignty to the federal government.[9]

The second model of federation identified by Stepan is referred to as a "holding together federation." This occurs when cultural brokers in a unitary state made up of multiple ethnicities, religions or racial groups agree that, in the interest of preserving the national state, they should reach a consensus on forming a federation.[10] This was what happened in the lead-up to independence in Nigeria in the 1950's, when the leaders of the three main ethnic communities (Hausa-Fulani, Yoruba and Ibo) in that country agreed that independent Nigeria would be a federation.

The "coming together" and "holding together" approaches both have elements of democracy associated with them. However, Stepan argues that non-democratic systems can also have federal features. To take this into account, he describes how some federal systems were "put together," as was the case with the former Soviet Union and the former Yugoslavia.[11] As I will explain further below, the current regime in Ethiopia began as a holding together system that aspired to become a federation and soon became a "putting together" quasi-federation.

At a very fundamental level, federal principles involve a combination of *self-rule* and *shared-rule*.[12] Sub-national units are accorded rights to govern their own affairs, at least in prescribed policy areas, and they acknowledge the authority of the central government to rule on their col-

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[8] Stepan, Alfred. *Arguing Comparative Politics.* New York: Oxford University Press, 200. p 5-6.

[9] Ibid, p 320.

[10] Ibid, p 320-1.

[11] Ibid, p 322-3.

[12] Elazar, Daniel. *Exploring Federalism.* Tuscaloosa, AL: University of Alabama Press, 1987. p 5-6.

lective behalf in other clearly defined areas such as taxation and foreign policy. It is possible, then, to have a unitary state that grants wide latitude for self-governance to lower levels in the governmental hierarchy. Power is constitutionally diffused to the sub-national governments, while at the same time being constitutionally concentrated at the center.[13] To a large extent this is what a "quasi-federal" system looks like. Some federal elements are present, but the balance of power is biased toward the federal government rather than being equally shared between the center and the states.

There is no ideal-typical form of federalism. No one set, or any particular types of institutions characterize a federal system. In fact, the character of federal institutions varies widely. Elazar correctly notes that, "The essence of federalism is not to be found in a particular set of institutions but in the institutionalization of particular relationships among the participants in political life."[14] The only requirement is that the various institutions adopted be consistent with federal principles. That is, they must create conditions that allow for the self-rule of sub-national units, while at the same time allowing that politico-administrative authority be shared between the center and sub-national units.

Federal type arrangements succeed when the institutions introduced do in fact help manage or mitigate ethnic and other forms of social conflict in society.[15] For this to happen, competing elites have to agree that it is in their, as well as their constituents', best interests to enter into a federalist compact or at least a pact with some federalist elements. At the same time, there must be adequate resources at the disposal of the central and sub-national governments to afford the expanded welfare function of the state and federal governments, and the resource redundancies that are

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[13] Olowu, Dele, "Centralization, Self-governance and Development in Nigeria," in James S. Wunsch and Dele Olowu, eds. *The Failure of Centralized State: Institutions and Self-Governance in Africa*, Boulder: CO: Westview Press, 1990. p 197; Elazar, 1987: 5-6.

[14] Elazar, 1987: 12.

[15] Elazar, 1987.

needed to hedge against uncertainties.[16] While the prior existence of a federal political culture might serve as an asset to the architects of a new federal-type system, this is not necessary, as long as elite commitments are there and as long as resources available to those who govern are adequate.

Some observers claim that federalism works best when there is a multiplicity of sub-national states one step down from the central government (e.g. states, provinces) rather than only a handful. This has indeed been the case in Nigeria and India, but there is no guarantee that such arrangements will always work. A system with a proliferation of sub-national units below the region or state (e.g. local governments and municipalities) could result in huge political costs, particularly in countries with low GDP's or mal-distributed state revenues. For example, such a system tends to be complex and lacking in coordination both vertically and horizontally among the various governmental units.[17] Costs might also be incurred in maintaining electoral systems at the various levels (e.g. election fees, salaries for political personnel, maintenance of legislative assemblies and bureaucracies). However, in principle, this would seem a plausible assumption.

Horowitz has noted that one of the primary objectives of a federalist approach in multi-ethnic societies should be to "proliferate the points of power."[18] The idea is to scatter power among institutions not only at the center but also at the sub-national level. When this happens, sub-national elites come to feel that they have power and authority over the affairs of their people. The existence of federal councils, which make equal representation of the constituent units in executive and/or legislative bodies possible, will likely contribute to cooperation across sub-national units. When these sub-national units are largely based on ethnic identity, this

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[16] Caiden and Wildavsky, 1974.

[17] Brosio, Giorgio, "Decentralization in Africa," Washington, DC: International Monetary Fund African Department, 2000. p 12, 19; Rothchild, Donald. *Managing Ethnic Conflict in Africa: Pressures and Incentives for Cooperation.* Washington, DC: Brookings, 1997. p 57.

[18] Horowitz, Donald. *Ethnic Groups in Conflict.* Berkeley: University Of California Press 1985. pp 589-99.

arrangement will contribute to the development of intra-ethnic competition as well as cooperation—which is exactly the problem federal systems are attempting to solve. Rather than the intense competition occurring at the national level, it will take place at the regional or local levels as groups at those levels compete over what are perceived to be more relevant stakes and more proximate stakes.[19]

While getting federal-type institutions "right" may be important, one cannot over-state the importance of elite agency in the effective implementation of federal systems. The need for a federal system is often justified by the existence of real or potential ethnic or other forms of social conflict, along with a sense of insecurity among minorities within a polity. Minorities might tend to feel threatened by ethnic, religious or regional majorities, by external actors, or by the state itself. They need assurances that their human and political rights will be protected, and that they will be able to function as equal citizens within the context of a multi-ethnic federal state. In order for this to happen, incumbent elites and the elite representatives of constituent groups must agree to a compact, or they must have the power and authority to govern their own affairs. In the process, the constitutional rules of the political game are established, and this compact must hold and eventually give rise to a full-blown constitution if such a system is to function properly.[20] Incumbent elites must demonstrate not only that they are determined to use their authority to effectively govern, but also that they are committed to democracy and social justice beyond the procedural minimums. In the process they build legitimacy in the general population and not just in certain segments of society. Each individual and each group must be convinced that they have rights as citizens within a particular polity and that those rights are protected by constitutional writ.

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[19] Keller, Edmond J. and Lahra Smith, "Obstacles to Implementing Territorial Decentralization: The First Decade of Ethiopian Federalism," in Roeder, Philip and Donald Rothchild, eds. *Sustainable Peace: Power and Democracy After Civil Wars.* Ithaca, NY: Cornell University Press, 2005, pp 265-292.

[20] Przeworski, Adam. *Sustainable Democracy*, New York: Cambridge University Press, 1995. p 36.

II. Politico-administrative Decentralization in the Context of
Political Transitions: Three Cases

Nigeria, Ethiopia, and South Africa are all multi-ethnic African societies that are faced with the challenge of designing governance strategies that ameliorate the tendency toward social conflict, and finding ways to create enabling environments for democracy and development. In some ways these countries are similar and in others they are very different. Nigeria is the most populous country on the continent, with a population of over 100 million; Ethiopia is third, with over 70 million, and South Africa is fifth, with a population of more than 40 million. In addition to their population size, these countries are similar in that they are each deeply divided along ethnic, racial and/or religious lines.

Nigeria possesses between 350 and 400 distinct ethnic groups, with English as the national language. There are three major ethnic groups, comprising about 60 percent of the total population. These are the Hausa of the northwest (28 percent), the Yoruba of the southwest (18 percent), and the Igbo of the southeast (14 percent). The remainder of the ethnic groups number from a few thousand to several million people. Richard Sklar has described the Nigerian federation as "polyethnic in form" because most if not all of its 36 states have primary ethnic identities, although substantial minorities of them are multiethnic.[21] This diversity has contributed to the widespread demand among many of Nigeria's ethnic groups for a system which attempts to give various groups a measure of control over their own destinies within a federal framework. Nigeria is also diverse in terms of religion. Just under 50 percent of the population practices Islam; Christians number just over 40 percent, and the remainder practice traditional beliefs. However, only 35 to 40 percent of Muslim citizens are concentrated in the northern sector of the country.

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[21] Sklar, Richard, "Foundations of Federal Government in Nigeria," in Adigun A. B. Agbaje, Larry Diamond, and Ebere Onwudiwe, eds., *Nigeria's Struggle for Democracy and Good Governance: A Festschrift for Oyeleye Oyediran.* Ibadan, Nigeria: University of Ibadan Press, 2004a, pp 3-17; Sklar, Richard, "Unity or Regionalism: The National Question," in Robert I. Rotberg, ed. *Crafting the New Nigeria: Confronting the Challenge.* Boulder, CO: Lynne Rienner, 2004b, pp 54-84.

Ethiopia has between 80 and 100 distinct ethnic groups, who speak more than 70 languages. The largest single ethnic group is the Oromo people who represent about 40 percent of the population. The second largest group is the Amhara people who make up about 30 percent of the population, followed by the Tigreans who account for about 10 percent. The rest of the population includes the numerically smaller but nonetheless significant so-called "southern" ethnic groups (Hadiya, Gurage, Wolayita, Sidama, and the Omo); the Afar peoples who inhabit the northeastern part of the country, adjacent to Djibouti and the Republic of Somaliland, and ethnic Somalis who occupy the expansive, arid Ogaden desert region to the east and south.

About 50 percent of the population adheres to the Coptic Christian or Ethiopian Orthodox religion. Most of these are Amharas or Tigrayans. More than 40% adhere to Islam. The largest concentration of Muslims can be found in the south and east of the country, but they are also found in pockets in all parts of the country. The rest of the population adheres to some form of traditional religion.

South African society can be divided along racial as well as ethnic lines. There are four major racial groups: Africans, Whites, Asians, and mixed race, so-called coloreds. Within the African population, which accounts for about 77 percent of a total population of 43 million, there are five major ethnic groups, the Zulu who make up about 36 percent of the population; the Xhosa, who account for almost 12 percent; the Sotho, who make up just over 20 percent; the Tswana almost 7 percent; the Shangaan/ Tonga, almost 7 percent; and just under 3 percent come from a number of smaller ethnic groups. Among the whites, who make up about 13 percent of the population, the major divisions are along the lines of language and religion. Most Afrikaners adhere to the Dutch Reform religion, and most English speaking whites to some other form of Protestantism. The African populations mainly practice some form of Christianity or traditional religions. Muslims make up only about 2 percent of the total population and are concentrated mainly in the area around Cape Town.

As mentioned above, these three cases are interesting because of the similarity in their approaches to dealing with issues relating to their diverse ethnic, racial and/or religious populations and their inter-group relations.

However, their choices of governance structures and procedures are greatly influenced by the political and historical context in which they operate.

Nigeria. From its very inception, independent Nigeria proclaimed itself a federal state. However, there is some question about this raised by critics who counter that what has emerged over time in Nigeria is a "hyper-centralized," superficial, vulnerable and distorted federalism, driven by the central government's desire to exercise maximum control over the "national cake."[22] However, as noted in Section I, there is no hard and fast rule requiring that federal systems be decentralized.[23] In cases where the state is highly centralized, over time it will function like a unitary state, while at the same time maintaining a hierarchical, multi-tiered system in which the federal constitution makes the central government sovereign when differences occur with any of the other levels. In Nigeria, in spite of occasional digressions from the path, the central government has devolved powers and resources to the states and states in turn have monitored and funded local governments.

At independence, Nigeria was organized as a federal system with three large states. However, within less than a decade, this arrangement proved unworkable, and the society was thrown into intense and protracted ethnic conflict. This resulted in a military coup. The new military regime chose to address the problem of ethnic conflict by increasing the number of states in the federal system. As a result, twelve new states were created in 1967. This decision broke up the concentration of power in the hands of the three main ethnic groups, the Hausa-Fulani, Yoruba, and Igbo, and in the process created new governmental units at the subnational level that enabled various groups, including minorities, to govern their own affairs. In addition, minority rights were now protected in the national constitution, and the sense of security among minority groups

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[22]Diamond, Larry, "Forward" in, Suberu, Rotimi T. *Federalism and Ethnic Conflict in Nigeria.* Washington, DC: US Institute of Peace, 2001. p xiv-xv.

[23] Riker, William. *Federalism: Origin, Operation, Significance.* Boston: Little Brown, 1964. p 7.

and regions was enhanced.[24] However, this was not a final solution, as the constitution has been amended three times since 1967, in 1979, 1989 and 1999, and more and more states have been created. Presently there are 36 states and one federal territory, the capital city of Abuja.

In Nigerian federalism, states are not explicitly organized around the ethnic groups which predominate in them, but by default states tend to have ethnic identities.[25] Each time new states were created after 1967, the aim of the architects of reform was to create conditions that ameliorated ethnic tensions and displaced ethnic pressures from the central government to the states.

The federal government of Nigeria operates as a power unto itself, and the three-tier system that comprises it operates very much in a top-down fashion. Moreover, private sector groups, such as those in civil society, do not regularly interact as effective brokers with agents of the federal government or the states.

Ethiopia. In Ethiopia, when it initially assumed power, the EPRDF resembled what Stepan calls a "holding together federation." At first the new regime tried to present the public image that it had the political will to effectively address many of Ethiopia's past problems, including the national question. Its leaders moved quickly to fill the power vacuum caused by the collapse of its predecessor, the Marxist-Leninist regime headed by Mengistu Haile Mariam, and within a few weeks it had established a transitional government. A national conference for this purpose was convened in July 1991. This was an attempt on the part of the EPRDF to secure widespread acceptance. It resulted in the signing of a transitional

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[24] Horowitz, Donald, Ethnic Groups in Conflict, Berkeley: University Of California Press 1985. pp 603-4.

[25] Sklar, Richard, "Foundations of Federal Government in Nigeria," in Adigun A. B. Agbaje, Larry Diamond, and Ebere Onwundiwe, eds., *Nigeria's Struggle for Democracy and Good Governance: A Festschrift for Oyeleye Oyediran*. Ibadan, Nigeria: University of Ibadan Press, 2004a; Simeon, Richard and Christina Murray, "Multi-Level Governance in South Africa," in Berman, Bruce, Dickson Eyoh and Will Kymlicka, eds. *Ethnicity and Democracy in Africa*. Oxford: James Currey, 2004, p 281.

charter by representatives of some thirty-one political movements, the creation of Council of Representatives with eighty-seven members, and the establishment of the Transitional Government of Ethiopia (TGE).

By the end of 1993, the governing coalition had narrowed considerably. In April of that year, the Transitional Government ousted five political groups (calling themselves the Southern Coalition) from the Council of Representatives for endorsing a resolution adopted at a conference of opposition groups meeting in Paris, calling for dissolution of the Council. Consequently, the membership of the Council was reduced to the representatives of the EPRDF and the ethnically based parties it had created. Organized opposition inside the country by this time was generally repressed. Major ethnically based parties were completely shut out of the pact that now formed the transitional government or were forced out over the first two years of the transition. In the process, the Federal Democratic Republic of Ethiopia was transformed from a holding together federation into a putting together federation, as the EPRDF and its allies alone became its architects.

Even as the federal constitution was in the final stages of being drafted, the EPRDF issued a major policy statement outlining its intentions to administratively and politically reform the country.[26] The government declared that power would be devolved from the center to regional states and local governments. This was billed as a form of "devolved federalism," without extensive sub-national control over technical policies, laws, regulations and taxes.[27] The Constitution of 1994 clarified this policy further.

Evidence of the EPRDF's sensitivity to addressing problems that existed or might grow out of Ethiopia's social diversity can be seen in Article #39 of the Constitution which gives all "nations, nationalities, and peoples" the right to self-determination up to and including secession.

The Constitution further states that regional states may prepare their own constitutions, decide their own official languages, develop their

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[26] Prime Minister, Federal Democratic Republic of Ethiopia. System of regional Administration in Ethiopia. (Addis Ababa 1994).

[27] Cohen, John M., "Ethnic Federalism in Ethiopia," Harvard Institute for International Development Discussion Paper No. 519 (October 1995). p 10.

own administrative systems, establish separate police forces, and collect certain taxes. It must be noted, however, that the initiative for these arrangements came more from the center than from the constituent states.

The Constitution proclaims the establishment of the Federal Democratic Republic of Ethiopia, consisting of nine states. Five of these states (Afar, Amhara, Oromia, Somalia and Tigray) are dominated by a single ethnic group, and four (Harari, Beni-Shangul/Gumuz, Gambella and the Southern Nations, Nationalities and Peoples (SNNP)) are multi-ethnic states, with no one dominant ethnic group.

In implementing its so-called policy of "ethnic federalism," the EPRDF was clearly attempting to create institutions and initiate policies that would ameliorate or avoid ethnic conflict. The regime claimed to want to reduce the ethnic tensions and conflicts that had dominated the modern history of Ethiopia; to forthrightly tackle social and economic problems in such a way that all ethnic groups were treated as equals; to build a democratic society; and to construct effective, efficient and honest systems of governance.[28] In order to do this, there would have to be a new social compact for the polity. However, rather than such a compact being negotiated among elites representing the major groups in society, or rather than this compact emerging in an organic manner, it was imposed from the top. What has evolved, as in Nigeria, is an asymmetrical form of quasi-federalism that is "hyper-centralized." Except for the emphasis on ethnicity as a basis for organizing sub-national governments, the Ethiopian system is similar to that in Nigeria. The tendency toward "hyper-centralized" federalism can clearly be seen in Ethiopia's policy of revenue sharing, which is discussed in the next section.

In thinking about Ethiopia's approach to governance, one must bear in mind the fact that this system of ethnic federalism is being constructed from scratch and that state and other sub-national governments are short on administrative capacity to make the system work. Furthermore, there is a significant regional difference in the availability of skilled

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[28] Ethiopian Peoples' Revolutionary Democratic Front. "EPRDF's Five-Year Program of Development, Peace and Democracy," Addis Ababa, Ethiopia (August 2000).

administrative and technical staff, and this is a major constraint on their autonomous development.

South Africa. Until the early 1990s, South Africa was a federal system consisting of four "white" provinces and nine so-called black home-lands. In other words, at the national level, the only politics that counted in the formal political arena was "white politics." The dominant official ideology from the early 1940s until this time was *apartheid,* which called for the separation of the races and ethnic groups. Even as the majority of European colonies in other parts of Africa were gaining their independence in the 1960s, apartheid was becoming more entrenched. The Apartheid Regime, headed by the Nationalist Party, created a system of grand apartheid based on formal legislations relating to race relations. Initial attempts to challenge this system by black political parties throughout the 1950s failed. With the trial and incarceration of Nelson Mandela, the head of the African National Congress (ANC) in 1962, black political parties were banned, and it was not until 1990 that they were unbanned and Mandela released from prison. Over the years, the Apartheid Regime repressed the non-white population on a day-to-day basis, and periodically resorted to violence in the form of raids on innocent civilians, massacres and covert campaigns against black organizations and individuals.

Following the student uprising in 1976 in SOWETO, a suburb of Johannesburg, there were sporadic protests by various elements of the Black Consciousness Movement, mostly black student-based organizations which were not official political parties but which had political agendas. The regime responded with more and more violence until it reached a peak in the latter half of the 1980s.

As a result of international pressure and protests, the South African economy was in a shambles. The government withdrew from heavy intervention in the economy, and switched to a policy of opening up the market to free enterprise.[29] But it soon became apparent that this

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[29] Price, Robert M. *Apartheid State in Crisis: Political Transformation in South Africa, 1975-1990.* New York: Oxford University Press, 1991.

would not work unless there was a consequent expansion of the pool of skilled laborers. Whites alone could not meet this demand so local entrepreneurs came to feel that the government should dismantle apartheid, and thereby solve a whole host of problems that were bad for business. This is what initially inspired influential members of the white business community to enter into private discussions with the ANC, and to act as a go-between, creating communications channels for the government and the ANC to search for possible areas of compromise.[30]

This was the climate in which apartheid began to unravel. When President P. W. Botha suffered a stroke in 1988, an opening for the "soft-liners" in the NP appeared. He was succeeded by F. W. de Klerk, who, although also a conservative, was open to pressure from soft-liners within the NP. From early 1989 things moved very quickly, and a year later black political parties were unbanned, political prisoners were released, and other liberalization polices were put into place.

The stage was now set for dramatic changes. Both structural and human agency factors were ready for change. There were economic and political crises, and the army, which had been a critical support institution for the Apartheid Regime, had apparently come to feel that the train was moving too fast, and that it had better jump on board lest it be left behind. By the late 1980s, it was clear that elite compromises would be the key to political change in South Africa. The ANC decided to let go of its socialist agenda, and agreed to power-sharing, at least in the transitional period.[31] At the same time, the leadership of the NP agreed to reform its economic policies in order to create more opportunities for all South Africans, and to allow blacks full citizenship rights.

In 1994, the first all-race, all party elections took place and a new interim constitution was put into place. What was crucial for a peaceful transition in South Africa was for a transitional bargain to be struck that

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[30] Sisk, Timothy, *Democratization in South Africa: The Elusive Social Contract.* Berkeley: University of California Press, 1995. pp 77-78.

[31] Picard, Louis, "Constraints on Policy Implementation: The Challenge of Provincial Government," (Unpublished Manuscript, 1999), p 5.

was acceptable to elites representing various ethnic and racial groups, and that protected the equal citizenship rights of all South Africans. Some observers have described such agreements as "democracy by undemocratic means."[32] That is, the general population is not directly involved in the creation of a new social contract; instead, they have to rely upon elites they support representing their interests. The elites of various significant ethnic and racial groups and political organizations make deals with each other on behalf of their constituents, and engage in contingent compromises.

Despite strong opposition from the IFP and the Afrikaner far right, the process went forward. The Record of Understanding between de Klerk and Mandela, signed in 1992, held, and the two elites were the key builders of the contingent compromise that resulted in South Africa's first multi-racial national elections in 1994. They struck a deal that called for all political parties that received at least 20 percent of the vote in the process to claim a share of executive power for the five years of the transitional constitution. At the eleventh hour, the Afrikaner Resistance and IFP agreed to sign on. The key to getting their agreement was the implementation of a flexible federal formula that allowed states to keep some powers vis a vis the central government. The Zulus were also allowed to keep a form of their traditional monarchy. This compromise diffused opposition from those Afrikaner and Zulu elements. In the build-up to the inauguration of the new constitution, negotiators agreed that the four white provinces and the nine homelands should be amalgamated into nine new provinces. The powers of the new provinces were to be determined by the central government.[33]

A new democratic constitution was inaugurated in 1996. It called for, among other things, majority rule. This new constitution did not ex-

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[32] Hagopian, Frances, "Democracy by Undemocratic Means? Elites, Political Pacts, and Regime Transition in Brazil." *Comparative Political Studies,* (1990),23(2), pp 147-70.

[33] Pottie, David. "Provincial Government in South Africa Since 1994," in Proceedings of a conference on Provincial Government in South Africa, 16-18 August 2000, Johannesburg, South Africa, pp 37-48.

plicitly commit the country to a purely federal arrangement. Instead, the constitution created a form of quasi-federalism, allowing the central government to set certain national priorities, while at the same time giving the provinces a considerable amount of political and administrative autonomy. This arrangement is a *cooperative government.*

Cooperative government requires regular and focused consultations between the central government and the provinces. This is in part achieved through specialized or standing commissions, but the most important innovation for facilitating these consultations has been the National Council of Provinces (NCOP). In the Interim Constitution, the Senate, composed of ten members elected by each provincial assembly, served this function; but in the permanent Constitution, it was replaced by the NCOP.[34] The NCOP is composed of a single delegation of ten from each province, and was created in an effort to give life to the notion of cooperative government. The primary functions of the NCOP as a national legislative body are to give voice to provincial interests, and to work to ensure that in national legislation that affect the provinces, these interests are aligned with what representatives perceive to be the interests of their respective constituencies.

The Constitution calls for a system of government based on three "spheres" of government—federal, provincial and local—rather than three "tiers." This language was intentional. The different spheres are interdependent and yet functionally distinct.[35] This system emphasizes cooperation between and among the respective spheres. The federal government is responsible for creating mechanisms to facilitate such cooperation. The Constitution makes it clear that in matters involving provinces and the central government, the central government is

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[34] Southall, Roger, "The Centralization and Fragmentation of South Africa's Dominant Party System," *African Affairs,* Vol. 97, No. 387 (April 1998b), pp. 443-469; Moosa, Mohammed Valli, "Cooperative Government, Governance and Decentralization in South Africa (unpublished speech, 1997).

[35] Titus, Zam, "Keynote Address: Provincial Government in South Africa," in Proceedings of a conference on Provincial Government in South Africa, 16-18 August 2000, Johannesburg, South Africa, pp 17-20.

supreme.[36] Moreover, the Constitution vests the majority of fiscal powers in the central government, and, as in Nigeria and Ethiopia, this has resulted in an uneasy dependence of lower levels of government on the central government. As a result, what appears structurally to be a federal system of government is in fact only a limited or quasi-federal system.

Initially, the amalgamation of the homelands with the four white provinces was greeted with both enthusiasm and skepticism——enthusiasm on the part of ANC supporters and skepticism on the part of the supporters of the former old order. This change resulted in some unanticipated problems. In the rush to devolve powers, little attention was given to the administrative capacity of the newly created provinces.[37] This reality led directly to a bloating of the civil service, and it also exposed the rampant corruption and waste in the governments of the former homelands.[38] Problems also arose out of the fact that some of the civil servants held over from the apartheid regime engaged in political sabotage against the policy objectives of the new central government. In addition, some new appointees lacked the skill and experience to serve as effective civil servants. Over the past decade, however, the situation has begun to improve as some intractable civil servants have either resigned or been replaced, and as better trained individuals who support the new system are hired to replace them. In addition, the accounting and financial systems of the various provincial and local governmental units have now been harmonized with that of the central government.[39]

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[36] Constitution of the Republic of South Africa. Cape Town: Government Printer (February 1997); Southall, Roger, "Deepening of Democracy? Establishing Provincial Government in South Africa," *Africa Insight*, Vol. 28, Nos. 1/2 (1998a), pp 5-18.

[37] South African Presidential Review Commission. Developing a Culture of Good Governance: Report of the Presidential Review Commission on the Reform and Transformation of the Public Service in South Africa. (February 27, 1998), p 41. http://www.polity.org.za/govdocs/reports/presreview/index.html.

[38] Southall, 1998a: 5; Picard, Louis, "Constraints on Policy Implementation: The Challenge of Provincial Government," (Unpublished Manuscript, 1999), pp 3-4.

[39] Picard, Louis, "Constraints on Policy Implementation: The Challenge of Provincial Government," (Unpublished Manuscript, 1999), p 3.

III. Federalist Principles and Power-Sharing: Revenue Sharing and Fiscal Relations Between Federal and Sub-national Units.

Nigeria. In each of these cases, the central government dominates the process of revenue-generation and thereby controls how that revenue is redistributed. In Nigeria, for example, the center provides as much as eighty percent of the revenues of the states, except for the relatively industrialized Lagos State.[40] Over the past thirty years, Nigeria has implemented a number of fiscal reforms, all designed to strengthen the central government in relation to sub-national governmental units.[41] Since 1970, the federal government has collected the bulk of Nigeria's revenues, most of this coming from taxes on petroleum extraction, rents and royalties. Because of this control, the central government has been able to dictate how federal funds shared with states are spent in such policy sectors as agriculture, health, education and social welfare. Although sub-national governments have the power to raise some taxes and to carry out spending activities for public policy purposes in an autonomous or semi-autonomous manner, the predominant taxing powers rest with the center. Fiscal policies tend to be driven more by political considerations than by factors associated with the pursuit of economic development or administrative efficiency. The primary political concern is for the federal government to utilize the redistribution of resources in such a way as to ameliorate or avoid social tensions and conflict. A central aspect of this policy has been to devolve some power from the center to the states and local government, while at the same time maintaining relatively tight central control.

Resource redistribution in Nigeria is governed by a formula. The reforms of 1970 resulted in the inclusion of localities in the national revenue sharing scheme. The central government divides revenues among the states on the basis of the interstate revenue sharing formula. State

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[40]Suberu, Rotimi T. *Federalism and Ethnic Conflict in Nigeria.* p 48.

[41] Anyanwu, John, "Fiscal Relations among the Various Tiers of Government in Nigeria," Nigerian Economic Society Annual Conference Proceedings, (1999). p 120.

governments then transfer a portion of the allocation, along with ten per-
cent of their internal revenues, to the localities in their jurisdiction on the
basis of a formula devised by their state assemblies or some other appro-
priate state agency.[42] For a time, because of corrupt state leaders who re-
tained some of the funds intended for localities for their own purposes, the
central government switched to directly funding local government. How-
ever, this policy was difficult to implement and has now been abandoned.
State governments again have their clearing house functions in redistrib-
uting shared revenues to localities. As might be expected, many localities,
recalling past experiences, do not have confidence in this arrangement.

For more than fifty years Nigeria's revenue sharing formula has
been constantly adjusted and readjusted. One constant has been the six
main principles which underpin the formula. These are: equality of states,
population, a social development factor, land mass and terrain, internal
revenue generation effort and *derivation*. The main problem faced by the
architects of Nigeria's revenue sharing formula has had to do with striking
the appropriate balance between the equality principle and the derivation
principle, or the commitment of the federal government to returning a fair
share of the revenues collected to those states from which they originated,
such as the oil producing states of the southeast.[43] The other elements of
the formula have been less controversial. Suberu notes that the derivation
principle has been a constant impediment to the development of a rational
and equitable system of revenue sharing for Nigeria.[44] It has tended to ex-
acerbate tensions between the federal and state governments, and has led
to intense regional rivalries and conflicts over the distribution of shared
revenues. Consequently, a sense of national unity has failed to develop
throughout the country, and the "nationalities question" is as serious today
as it was in the past.[45] However, it should be noted that those who empha-

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[42] Suberu, Rotimi T. *Federalism and Ethnic Conflict in Nigeria.* p 75.

[43] Suberu, Rotimi T. *Federalism and Ethnic Conflict in Nigeria.* pp 64-5.

[44] Ibid, pp 64-5.

[45] Sklar, Richard, "Unity or Regionalism: The National Question," in
Robert I. Rotberg, ed. *Crafting the New Nigeria: Confronting the Challenge.* Boulder,
CO: Lynne Rienner, 2004b, pp 54-84.

size the need for "national unity" and those who call for more autonomy for nationality groups both see themselves as "patriots" who want to strengthen Nigeria as a whole rather than to break it up.

Ethiopia. As stated earlier, in practice the Ethiopian government operates very much like a unitary state rather than a federal one. At the same time, compared to Nigeria, tension between the federal and state governments is the exception rather than the rule. Citing the tendency toward policy consensus between the federal and state governments in most sectors, the World Bank (1999: 31–32) has described Ethiopia's system of governance as "cooperative federalism."[46] In part this is due to the fact that the EPRDF, until the recent national elections, has systematically neutralized political opposition and placed party members in positions of political and administrative authority at the state level.[47]

In Ethiopia, as in Nigeria, most taxing powers rest with the federal government, but most of the spending obligations of government are the responsibility of regional states, zones and *woredas* (districts). Despite the fact that the Constitution gives a good deal of power and administrative authority to regional states, the overwhelming amount of power rests with the central government. For example, the central government's responsibilities include collecting import and export taxes, setting national economic and social policies, establishing national standards in areas such as commerce and trade, finance, and transportation. Also, like central governments in all federal systems, it is responsible for the conduct of foreign policy, providing for national defense, control over monetary policy, and setting policy relating to inter-regional state transportation and commerce.

The dominance of the Ethiopian Federal Government in revenue generation has resulted in state governments relying extensively on

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[46] World Bank. Ethiopia Public Expenditure Review, Volume One. Report No. 20283-ET (November 30, 1999).

[47] Tronvoll, Kjetil and Oyvind Aadland, "The Process of Democratization in Ethiopia: An Expression of Popular Participation or Political Resistance," Human Rights Report No. 5. Oslo, Norway: Norwegian Institute of Human Rights, 1995. p 1.

transfers from the central government in order to meet their obligations. Ideally, a federal arrangement would be characterized by a fiscal balance whereby regional governments would have taxing powers sufficient for them to meet their service delivery and governance obligations. However, in Ethiopia as in Nigeria, this has not been the case. In fact, present-day Ethiopia has been characterized by vertical imbalances, with mismatches between their expenditure responsibilities and their revenue generating capacities. For example, in the 1993–94 fiscal year, out of a total expenditure of Birr 3,145 million[48] by the regions, only Birr 807 million (26 percent) was generated by the states; the central government contributed the rest in the form of grants and subsidies. These numbers highlight the fact that between 80 percent and 90 percent of all revenue is controlled by the central government. Moreover, the expenditure patterns of the states are centrally monitored, and thereby controlled.[49]

The World Bank has estimated that in 1994–96 the regional states collected only 15 percent of the total national revenues. By 1996–97 that figure had risen by two percent,[50] but this change did not represent a significant erosion of the dominance of the central government in revenue generation, and only served to highlight the relative weaknesses of regional states in such matters.

From the beginning, the EPRDF saw as two of its primary challenges finding ways to reduce the significant disparity in economic development from region to region, and providing the states with enough revenue for them to make a meaningful contribution to national and regional development. As in Nigeria, the Ethiopian federal government turned to a form of revenue sharing as a way of implementing an equity-based development strategy. Taxes are collected at the center, and then devolved to the regions according to a formula that has a significant equity component.

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[48] $1 US is equivalent to Birr 8.2.

[49] Chipande, Graham H. R., "Decentralization of Macroeconomic Management in a Post-conflict State: The Ethiopian Experience," Addis Ababa, Ethiopia: United Nations Development Program Ethiopia, June 1997. p 23.

[50] World Bank. Ethiopia: Review of Public Finances, Volume One. Report No. 18369-ET (December 30, 1998a).

A prominent feature of Ethiopia's approach to revenue sharing is the provision of "budgetary subsidies" or block grants from the center to the states. The dimensions of the grants are determined by a formula. The share of the budget subsidy that is accorded each region is based on such objective factors as the region's population share; its relative level of development; and its relative projected revenue generation capacity. It is important to note, however, that the way in which the government arrives at revenue sharing calculations is not transparent.[51] In fact, the formula has been in place since 1995–96, but, as in Nigeria, has been frequently revised.[52] In addition to the formula, an effort is made to capture important elements which vary from state to state and time to time that cannot be captured through the formula.

In addition to the fiscal imbalances that exists between the center and the regional states in Ethiopia, as in Nigeria, there are also imbalances between and among regions themselves. For instance, the city of Addis Ababa finances almost all its public spending from revenues that it independently generates. In fact, Addis accounts for approximately 34 percent of the revenues raised by all states. The state that collects the next largest percentage of revenues is Oromia (28 percent), followed by the Amhara Regional State (12 percent), and the SNNP State (11 percent).

South Africa. As in Nigeria and Ethiopia, in South Africa the central government has enormous taxation powers when compared to provincial and local governments. The country has a highly centralized system of tax collection, with more than 90–95 percent of all forms of taxation revenue accruing to the national government. Also, as in Nigeria and Ethiopia, the majority of governmental spending responsibilities lies with the provinces, which collect only about four percent of their budgetary

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[51] Brosio, Giorgio, "Decentralization in Africa," Washington, DC: International Monetary Fund African Department, 2000. p 25.

[52] Ibid, p 25.

needs from their own revenue sources. Provinces are responsible for providing educational, welfare and health services.[53] However, they can only collect such fees as those for hospital services in their jurisdictions or for motor vehicle licenses, and taxes on gambling.[54]

Moreover, the revenue sharing system that has developed in South Africa overwhelmingly favors the central government's ability to maximize the leverage it has in dealing with provinces on policy matters.[55] The end result is that provinces generally lack discretion in spending, and this in turn limits their autonomy and prevents them from being able to be accountable to citizens. For example, the central government requires that provincial governments spend 85 percent of their revenues on health, education and welfare. One glaring implication of this is that provinces are constrained from initiating new infrastructure projects such as highway and road development.

Provinces vary considerably in terms of their tax bases and their resource endowments. Consequently, as in both Nigeria and Ethiopia, there exist huge vertical imbalances in terms of their own revenue base. For example, Guateng, Western Cape and Orange Free State provinces inherited viable, modern economies and functioning administrations from the former white provinces and they therefore have more capabilities than the rest of the provinces that are largely amalgams of former homelands. Rich provinces are in a better position than poor ones to exercise a measure of functional autonomy from the central government. Northern Province is the poorest in the country, and it suffers from inferior infrastructural resources, low administrative capacity, as well as a hangover from the corruption which characterized the homelands from which it was composed.[56]

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[53] Moosa, Mohammed Valli, "Cooperative Government, Governance and Decentralization in South Africa (unpublished speech, 1997), p 6; Southall, Roger, "Deepening of Democracy? Establishing Provincial Government in South Africa," *Africa Insight*, Vol. 28, Nos. 1/2 (1998a), p 12.

[54] Brosio, 2000: 21.

[55] Dollery, Brian, "An Initial Evaluation of Revenue-Sharing Arrangements in the Fiscal Federalism," *Publius*, Vol. 28 No 2 (Spring 1998) p 14.

[56] Rapoo, Thabo. "A System in Dispute: Provincial Government in Practice," *Policy: Issues and Actors*, Vol. 8, No. 10, (September 1995), pp 10-11.

In general, the result is that most provinces have difficulty in following the direction of the central government in financial matters and in maintaining administrative discipline.

The Constitution of 1998 declares that each province is entitled to an "equitable share" of the income collected by the national government. This equitable share involves revenues collected from individual income taxes; value added taxes and other sales taxes, the fuel levy, a share of revenues from duties on property within a province, and other unspecified national revenues.[57] Moreover, as mentioned above, there are large differences from province to province in terms of their respective revenue raising capabilities. In order to address this issue, the government established Fiscal Capacity Equalization grants. These grants are designed to augment provincial revenues to compensate for the low fiscal or taxing capacities that may exist at that level. In other words, in awarding grants to provinces, administrators use a formula that considers what revenues a province raised against what it needed.

Considering the huge historical disparities between the richer and poorer regions of the country, achieving a measure of fiscal equity would under the best of circumstances be a large task. Given South Africa's history of discrimination and exclusion during the apartheid years, the new leaders of the country feel they have no choice but to forthrightly address the problems of poverty and inequality, while at the same time working to avoid the charge of reverse discrimination. As in the case of both Nigeria and Ethiopia, a major concern of the South African government is a reduction in regional as well as racial and ethnic inequalities.

The South African experience with revenue sharing and decentralization over the past decade presents a mixed picture. On the one hand, there is no doubt that more people than ever before in poor communities are benefiting from the fruits of development. For example, more villages now have piped water and electricity, and large amounts of wealth each year are transferred from rich areas to poor areas. In the process, the federal government, in concert with provincial and local governments, is able

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[57] Dollery, Brian, "An Initial Evaluation of Revenue-Sharing Arrangements in the Fiscal Federalism," *Publius,* Vol. 28 No 2 (Spring 1998) p 3.

to satisfy an increasing amount of the populations' welfare needs. However, the fact is that the national welfare system is inefficient and corrupt. In addition, the federal government continues to rely on provincial governments to deliver welfare services on its behalf. Provincial welfare systems are not only inefficient, but are also conflict prone and corrupt.[58]

There is no doubt that, in many respects, racial and ethnic relations have greatly improved over the past decade and a half. At the same time, there are serious challenges that still face South Africa, and most of these challenges are related to the chronic poverty which afflicts the country. For instance, widespread poverty is the major reason for high crime rates throughout the country. Also, South Africa's high rates of unemployment are directly correlated with the levels of poverty.[59] There is some question as to how long the incumbent regime can continue to expect popular support in light of such problems. The ANC regime must address effectively and expeditiously these interrelated enduring challenges.

In terms of effective public management, the South African system of cooperative government has much improved the communication between the state and the people, as compared to the apartheid era. This innovation also seems to have allowed for more input from average citizens, but in large measure it has been characterized by administrative reform, rather than by the development of new networks and relationships involving non-state actors and government. What drives cooperative government, as with quasi-federalism in Nigeria and Ethiopia, is the desire on the part of the in-

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[58] The Economist. "South Africa: From Apartheid to welfare State," (April 1, 2000).

[59] Recent estimates of poverty show that the proportion of people living in poverty has not changed much since the mid 1990s. At the same time, however, there is evidence that those living in poverty have sunk deeper into poverty and the gap between rich and poor has widened. Moreover, whereas in the apartheid era, there was a definite racial cast to the distribution of wealth and poverty, today, there is a growing stratification within African ethnic groups along class lines, with the nouveau rich on the top and the abjectly poor on the bottom (Africa Focus Bulletin, "South Africa: Poverty Debate," November 29, 2004, http://www.africafocus.org/docs04/big0411.php and Human Sciences Research Council. Fact Sheet: Poverty in South Africa, July 26, 2004, http://www.sarpn.org.za/documents/d0000990/index.php)

cumbent regime to forthrightly address the long standing grievances of groups that have historically been the subjects of discrimination, while at the same time growing the economy and reducing inter-group inequalities. In that sense, while the regime's governance strategy is not well formed and effective, it has at least led to some social, economic and political progress.

Conclusion.

This essay has systematically examined how quasi-federal strategies for development and democracy in three transitional, multi-ethnic societies (Nigeria, Ethiopia, and South Africa) have been conceived and how they operate. In some ways, the experiences of these cases with such strategies have been similar and in other ways, given the historical and cultural contexts in which they have been applied, have been quite different. It has been argued that these strategies were dictated by a desire on the part of regime leaders to find new and effective public management strategies equal to the task of ameliorating social conflict, while at the same time promoting economic, social and political development and democracy (See Figure I).

The politico-administrative choices made by the three regimes were highly influenced by history and culture, and also by the institutional frameworks in which they operated. Nigeria is the oldest federal system in Africa, tracing its origin back 46 years. Ethiopia's ethnic federalism and South Africa cooperative government are each just over a decade old. At the same time, all of these countries face the same governance challenges. Nigeria has yet to find the right mix of policies to resolve its social tensions once and for all. The creation of 36 states has succeeded in multiplying the points of power and devolving administrative authority to the sub-national level, satisfying some of the demands of ethnic groups. However, its revenue sharing formula is still seen by some ethnic groups as not being truly equitable. Moreover, even though Nigeria's constitution makers have consistently attempted to accommodate Muslims, tensions and conflict rooted in religious differences have continued, even as the country has become more democratic in form and practice.

From its beginning, the new regime in South Africa had to address demands on the part of some states for more autonomy. The South African constitution allows states to write their own constitutions. However, only

Figure I: Comparison of Nigerian and Ethiopian Federal Systems, And South Africa's Quasi-federal System

	Nigeria	Ethiopia	South Africa
Impetus for the creation of the Federal System	Independence deal involving colonialist and regional elite	Pact among ethnic elite after civil war	Pact among parties, ethnic and racial elites
System Transformation	Elite bargain strong center	Inclusive pact Dominant party rule	Power-sharing pluralist democracy
Primary Motivation for Creation of Federal System	Political	Political	Political
Defining Feature	Hyper-centralization based on control of revenue collection and distribution	Hyper-centralization based on control of revenue collection and distribution	Some centralization within the context of "cooperative government" with a dominant role for the federal government in revenue collection and distribution
Number of States/Provinces at Inception	Three (3)	Nine (9)	Nine (9)
Current Number of States	Thirty-six (36), and The Federal Capital Territory of Abuja	Nine (9)	Nine (9)

	Nigeria	Ethiopia	South Africa
Significance of the racial/ethnic factor in state creation	None initially, considerable now	Primary	Primary
Primary objective of federal system	Reduction of regional inequality	Regional equity/ popular empowerment	Eliminate racial and regional inequality and bring government closer to the people
Secessionist activity	Biafran War late 60's	Oromo, on-going	Kwa-Zulu-Natal 1996, none since
Irredentists Claims	None since early '70's	Somali, on-going	None
Primary Source of Revenue excluding taxes	Petroleum (80+%)	Coffee (85%)	gold, diamonds, manufacturing, services
Form of Administrative Decentralization	Deconcentration/ devolved	Deconcentration/ devolved	Sectoral de-centralization
Revenue Sharing Formula?	Yes	Yes	Yes
Controversy over Formula?	Derivation Principle vs. a mix of principles	None significant	None significant
Control Over Development Policy	Heavy central influence	Heavy central influence	Heavy central influence
Regional State Autonomy	Weak/limited	Weak/limited	Limited

two states, Kwa-Zulu Natal and the Western Cape provinces, have attempted to do so. These state constitutions have to be approved by the national Constitutional Court. The constitution of Kwa-Zulu Natal was not, primarily because it asserted the sovereignty of the Zulu Kingdom over the province.[60] Apart from these instances, the new regime in South Africa has not faced any serious challenges based on race or ethnicity. Its major problems seem to be related to chronic poverty and unemployment.

Ethiopia has been faced with persistent low intensity warfare involving segments of the Somali and Oromo populations, but there has not been a serious challenge to the state itself. At the same time, the EPRDF has over the past decade opened up more and more political space, and this has led to increasing political tensions. For example, national, state and local elections have regularly occurred since the early 1990s, but only recently have opposition parties presented credible challenges to the EPRDF regime in national elections. Between 1992 and 2004, opposition parties either voluntarily opted not to participate or were kept out by forces loyal to the EPRDF. But, in the build up to the parliamentary elections of 2005, more than sixty political parties were registered, and two, the Coalition for Unity and Democracy (CUD) and the United Ethiopian Democratic Forces (UEDF), proved quite competitive against the incumbent regime. Whereas in 2000, opposition parties were only able to garner 12 parliamentary seats, in the 2005 election opposition parties won almost two hundred seats out of the total of 547. Opposition parties claimed that there had been vote fraud on the part of the EPRDF, but the National Election Board investigated and found few irregularities.

Each of the three countries considered here face serious political, social and economic problems that their public management strategies

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[60] Pottie, David. "Provincial Government in South Africa Since 1994," in Proceedings of a conference on Provincial Government in South Africa, 16-18 August 2000, Johannesburg, South Africa, p 42; Simeon, Richard and Christina Murray, "Multi-Level Governance in South Africa," in Berman, Bruce, Dickson Eyoh and Will Kymlicka, eds. *Ethnicity and Democracy in Africa.* Oxford: James Currey, 2004, p 285; Williams, Robert F. "Comparative Sub national Constitutional Law: South Africa's Experiments," *South Texas Law Review,* 40 S. Tex. L. Rev. 625 (Summer 1999). p 17.

alone will not be able to solve in the short run. Nigeria is a huge country by African standards; by population it is the largest on the continent. However, it continues to be plagued by regional inequalities, poverty and underdevelopment, as well as periodic religious tensions and even conflict. South Africa is the fifth largest African country and has a diverse population but it is also one of the most economically well-endowed countries in Africa. Its GNP is 25 percent of the entire GDP of Africa. Ethiopia is the third largest African country, but it is also one of the poorest countries in the world. In addition, it has a long way to go to overcome a legacy of economic and infrastructural underdevelopment.

Federalism, or what is more appropriately termed quasi-federalism and cooperative government, seems to fit the context in which it has been introduced in Nigeria, Ethiopia and South Africa, respectively. None of these quasi-federalist approaches are perfect, but in each case, the governance strategy seems to have significant benefits. However, the true measure of the effectiveness of these strategies will only become manifest over the long term. For the foreseeable future the approaches these regimes take will appear to be characterized by a process of "muddling through," or more "satisficing" than "satisfying." They are certainly not fool-proof panaceas or "silver bullets."