

**International Studies Program
Working Paper 08-38
December 2008**

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Accountability in Ethiopia**

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International Studies Program
Andrew Young School of Policy Studies
Georgia State University
Atlanta, Georgia 30303
United States of America

Phone: (404) 651-1144
Fax: (404) 651-4449
Email: ispaysps@gsu.edu
Internet: <http://isp-aysps.gsu.edu>

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Local Government Discretion and Accountability in Ethiopia¹

Serdar Yilmaz and Varsha Venugopal
The World Bank

¹ Paper prepared for the Andrew Young School of Policy Studies, Georgia State University Conference on Decentralization: “Obstacles to Decentralization: Lessons from Selected Countries” September 21-23, 2008.

1. INTRODUCTION

Decentralization has been one of the fundamental features of Ethiopia's transition in 1991 from military regime to civilian rule. The Ethiopian People's Revolutionary Democratic Front (EPRDF), the current ruling party, which is a coalition of regional insurgent movements that overthrew Derg regime (military junta), identified decentralization as a precondition for transition to civilian rule. Given EPRDF's regional roots,² namely, the regional parties—Tigray People's Liberation Front (TPLF), the Amhara National Democratic Movement (ANDM), the Oromo People's Democratic Organization (OPDO), the Southern People's Democratic Organization (SPDO) and affiliated member organizations in the other regions, its affinity for decentralization is not surprising.

Ethiopia's current Constitution, ratified in 1995, establishes the federal structure based on nine ethnic regional states and gives them the right to secede (Article 39 of the Constitution). The regional governments are responsible for implementing economic and social development policies and for maintaining public order, including administering a police force, and the federal state is responsible for all powers not delegated to, or shared, with the regions.

The Constitution establishes several principles of intergovernmental fiscal relations. On the expenditure side, Article 50 (4) institutes the principle of subsidiarity by allocating service delivery responsibilities to the lowest possible level of government. On the revenue side, however, the Constitution assigns more buoyant sources of revenues to the federal government creating vertical imbalances. In order to address the vertical imbalance issue it mandates the federal government to institute formula-driven general-purpose grant system, often referred to as the "block grant system."

This paper analyzes local government discretion and accountability in Ethiopia in the political, administrative, and fiscal domains. It is based on literature review and interviews of local governments and community members in four regions (Amhara, Oromiya, Tigray and Afar), nine woredas³ and eighteen kebeles.

2. DECENTRALIZATION IN ETHIOPIA

Ethiopia's nine ethnic regional states—Afar, Amhara, Benishangul/Gumuz, Gambella, Harari, Oromiya, Somalia, Southern Nations, Nationalities and Peoples (SNNP), Tigray—have followed an asymmetric pace of decentralization with the four most populous regions (Amhara, Oromiya, SNNP and Tigray) decentralizing more rapidly than the other lagging regions (see figure 1 for Ethiopia governance structure). The four most populous and most decentralized regions are divided into 66 zones and 650 woredas⁴ (see

² For details on emergence of EPRDF and the role of opposition parties, see Vaughan and Tronvoll 2003.

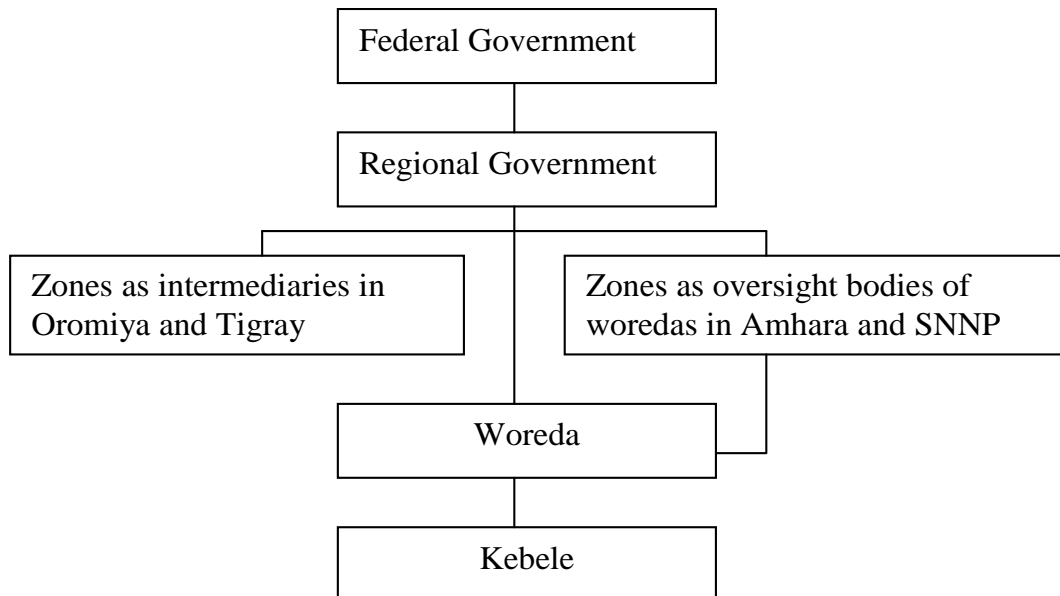
³ The woredas covered were Cheliya, Lome, Welmera (Holeta), Achefer, Fogera, Gonder Zuria, Asgede Tsembela, Kola Tembien, Ab'Ala (Shiket).

⁴ There is unclarity in the exact number of local governments. There is also varied use of terms in describing local governments, even periodically in legislation. Hence, some people would insist that all

Table 1). *Devolution* to woreda level in the other regions, on the other hand, is still in process.

In 2001, the government of these decentralizing four regions decided to move important sector departments (such as health, education, agriculture extension, water supply and social sectors) from the zonal to the woreda level. However, there is also asymmetry within these four regions with zones playing a different degree of oversight roles in each region. Zones are an active administrative institution in Amhara and SNNP and oversee the woreda functioning but in Oromiya and Tigray they do not play a significant role.

Figure 1: Ethiopia Governance Structure



local governments are “woredas”, whereas others would distinguish woredas from “urban or city administrations.”

Table 1: Breakdown of Urban and Rural Woredas in All Regions

Region	Rural Woreda	Urban Woreda	Total Woredas
Amhara	128	22	150
Oromiya	259	39	298
SNNPR	134	22	156
Tigray	34	12	46
Benshangul	20	1	21
Afar	29	0	29
Somale	52	0	52
Gambela	12	1	13
Hareri	3	1	4
	671	98	769

Source: Ethiopia World Bank Office, 2008

Below the zones and woredas are kebeles with an average population of 5000. Kebeles have a skeletal administrative structure of elected officials who are supposed to represent ordinary citizens. Kebeles are not budgetary units; they don't receive financing from woredas. Below the kebele, formal structures vary. In Oromiya and Afar there are no formal sub-kebele structures; in Amhara, communities are sub-divided into sub-kebeles (300-400 households), gotts (villages of about 100 households) and mengistawi buden, or government teams (30-50 households). In Southern Nations, similar sub-kebele units are termed kantas, below which are found ketenas.

A complementary element of the current phase of decentralization is the reform of municipalities or urban centers. In parallel to woreda decentralization, the Government launched efforts to modernize the legal, fiscal, and administrative systems of municipalities that govern urban centers and their rural hinterlands. The ongoing restructuring efforts seek to empower municipalities to undertake service delivery and economic development activities necessary for sustainable and complementary development of urban centers.⁵

3. SUB-NATIONAL GOVERNANCE STRUCTURES IN ETHIOPIA

In Ethiopia, the governance structures at the region, zone, woreda and the kebele level follow the same tripartite structure—an elected head of the administration, a council with an executive committee and a sector bureau.

The regional governments are responsible for implementing economic and social development policies and for maintaining public order, including administering a police force, and the federal state is responsible for all powers not delegated to, or shared, with the regions. Each region has at its apex a Regional Council, with its council members directly elected to represent woredas. Regions decide the number of representatives their

⁵ See World Bank 2001a for the analysis of municipal decentralization in Ethiopia.

woredas are allowed to send. For example, in Oromiya, each woreda elects three delegates and in Southern region four delegates to the regional council. Each regional council has a president elected by the council, and an executive committee and a regional sector bureau (which report to the committee) to implement the council mandate. The president selects executive committee members from among the elected councilors who are then approved by the council. The president also appoints heads of bureaus that are not elected council members. For example, the Oromiya Executive Committee is chaired by the Region's President (who is elected by the regional council) and consists of 21 members -- the twelve zonal administrators (drawn from the ranks of the civil service) and nine elected council members.

The governance structures in the zones vary—in Southern Nations, zones (and Special Woredas such as Konso) elect councils, which also form executive committees; in Amhara and Oromiya there are no such elected councils and zonal executive committee members are appointed by the Regional Council and include those from its own ranks. Zonal Executive Committees are chaired by the Zonal Administrator and comprise, in addition to elected representatives, civil servants from the technical bureaus and security officials. The Sector Bureaus have offices at the zonal level.

At the woreda level, the Woreda Councils consist of directly elected representatives from each kebele in the woreda.⁶ The Woreda Council has dual accountability: upward to its respective Zonal and Regional Executive Committees, and downward to its electorate. The Woreda Cabinet (also referred to as the Executive Committee) consists of around a dozen members of mostly sector bureau chiefs. Woredas also feature a court, which falls under the authority of the regional judicial apparatus.

The main constitutional powers and duties of the Woreda Council and its executive are

- (i) Preparing and approving the annual woreda development plans and budgets, and monitoring their implementation;
- (ii) Setting certain tax rates and collecting local taxes and levies (principally land use tax, agricultural income tax, sales taxes and user fees);
- (iii) Administering the fiscal resources available to the woreda;
- (iv) Constructing and maintaining low-grade rural tracks, water points and woreda level administrative infrastructure (offices, houses);
- (v) Administering primary schools, health institutions, and veterinary facilities;
- (vi) Managing agricultural development activities, and protecting natural resources.

The kebeles do not enjoy the same constitutional formality as regions, zones and woredas, but are in effect the prime contact level for most Ethiopian citizens (see table 2 for governance structures in regions, woredas and kebeles). Kebele administrations consist of an elected kebele council (in principle 100 members), a kebele cabinet (also referred to as the executive committee), a social court (comprising three judges) and the

⁶ There is a regional variation in the number of kebele representatives at the woreda level. In Oromia, for example, each kebele has three representatives in the woreda councils while in Tigray the number of kebele representative varies depending on the size of particular kebele population.

development and security staff posted in the kebele. The kebele cabinet⁷ usually comprises a manager, chairperson, development agents, school director, representatives from the women association and youth association. All the kebele cabinet members are members of the council. Three kebele council members are supposed to represent the kebele in the woreda council.

Kebeles commonly form community committees – for example, water users’ committees to oversee spring management and maintenance, health brigades to drain and spray malarial areas, or special women’s committees to raise consciousness, provide education and mobilize female labor. Each kebele also has parents-teachers associations and school boards to deal with the school management issues and complaints.

The kebele council and executive committee’s main responsibilities are

- (i) Preparing an annual kebele development plan;
- (ii) Ensuring the collection of land and agricultural income tax;
- (iii) Organizing local labor and in-kind contributions to development activities;
- (iv) Resolving conflicts within the community (through the social courts).

In municipalities, executive committees or teams of 2-7 members are usually appointed by a higher level of government to manage them. At times an elected municipal council supports these committees.

The major responsibilities of municipalities were defined in Proclamation No. 74 of 1945 and Proclamation No. 206 of 1981. More recently, regional governments have been reviewing municipal roles and introducing new legislation on the functions of municipalities in their jurisdictions. Allowable municipal functions (subject to appropriate regional approval) include:

- (i) Preparation of budget proposals
- (ii) Assessment and collection of allowable municipal revenues
- (iii) Preparation and implementation of development plans
- (iv) Provision of internal roads and bridges
- (v) Provision of markets, slaughter houses, terminals, public gardens, recreational areas, and other public facilities
- (vi) Regulation of cleanliness and provision of solid waste, water, sewerage and drainage services
- (vii) Delivery of miscellaneous services, including fire protection, libraries, public toilets, street lighting, nursery schools, ambulance services, etc.

⁷ The recently released ‘Good Governance Package’ by the Ministry of Capacity Building states that the kebele leadership will comprise seven cabinet members- four council members, a development agent, a health extension worker, and a chairman of the education board.

Table 2: Region, Woreda, and Kebele Government Composition

	Kebele	Woreda & Region
Assembly	<ul style="list-style-type: none"> • All residents make up the kebele association. • Association members meet when necessary– in an assembly. 	<ul style="list-style-type: none"> • N/A
Council	<ul style="list-style-type: none"> • Composed at each level – kebele, woreda and region - of about 100⁸ elected representatives. A greater number of women and young council members are found in the kebeles, than at woreda and regional level. • Councils meet between monthly and quarterly. • Council members are elected every five years. 	
Cabinet	<ul style="list-style-type: none"> • Cabinets are composed of kebele councilors. • In some cases, chairpersons have full-time posts, in most cases they are only paid a stipend. Other cabinet posts tend to be part-time. • Responsible for preparing kebele plans (with sector offices), and submitting these to the woreda. 	<ul style="list-style-type: none"> • Cabinets are composed of elected (councilors). The chairperson/ chief executive is often the woreda or region administrator. • Most cabinets have between 7 to 10 members, mostly full-time. • Cabinets (through committees with sector offices' support) prepare budgets and plans for approval by council.

Source: Authors' compilation

4. LOCAL POLITICAL SETTING AND ACCOUNTABILITY

The story of political competition and accountability in Ethiopia is typical of countries in transition. There is a gulf between the constitutional provisions of decentralization and the de facto exercise of these provisions. The Constitution allows multi-party system, however, at present the ruling party controls the executive and legislative branches of the national and local governments. At the local level as well, while the letter of the law is generally obeyed, the spirit of the law is mostly compromised. The separation of executive and legislature is blurred and all local government employees are beholden to the party administration. Women have reserved seats in woreda and kebele councils but they lack voice when it comes to local planning and decision-making.⁹ While the kebele assemblies and mass association should act as mechanisms of social accountability, in the current political system, they seem to function mostly as arms of central control at the local level.

⁸ In the recent elections in April 2008, the government had increased the kebele council seats to 300 as part of the “good governance” guidelines developed by the government after 2005.

⁹ For a detailed study of the role of women in electoral processes in Addis Ababa, see Wright 2002.

4.1 EXISTENCE AND QUALITY OF ELECTORAL SYSTEM

In Ethiopia, citizens at both the regional and woreda level vote for two types of candidates: independent candidates who are not affiliated to a party and individuals affiliated to a party. The electoral system is 'first past the post' system where the winning party takes all the council seats allocated through the election (see table 3 for breakdown of council seats by party membership). The opposition parties have demanded a change in the constitution allowing for proportional representation but so far the prime minister has not accepted this proposition.¹⁰ According to the Constitution, citizens are legally empowered to recall their elected representatives if their behaviors and actions are contrary to their responsibilities and mandates. But the recall measure seems to be used by the party to mobilize people to remove opposition party members or members who fall out of favor with the ruling party.

The electoral system is skewed against opposition party members in a number of ways. Firstly, members of the National Election Board (NEB), which organizes the woreda and kebele elections, are nominated by the prime minister and approved by the parliament dominated by the ruling party. Thus their impartiality is questionable. Pausewang, Tronvoll and Aalen (2002) state that the NEB has been co-opted by the party administration. Secondly, the government's recently released 'good governance package' has tripled the number of kebele council seats. This implies that each party has to put forward names of 300 candidates in each kebele and if there are three parties in a kebele, there will be 900 names on the ballot paper to choose from. This requirement on number of seats is an advantage for the incumbent ruling party who usually has more resources, capacity and clout to recruit party members at the local level. Thirdly, even if an opposition party were to win sufficient seats to win the local elections, the federal government can ensure that they remain powerless. For example, in Shako Majangir woreda the opposition Sakko Majangir Democratic Unity Party won the election of 2000. But the regional government controlled by the ruling party allocated minimal resources to the woreda and it was made to face extreme budget allocation problem through out its tenure (Edjeta 2008).

There are several provisions to increase women's participation at the local level. In the civil service, for example, all kebele health workers have to be women. Each kebele has a women association whose chairperson is sometimes a member of the kebele cabinet. There is also a cabinet member responsible for women's affairs. Despite these provisions and mandates, women's voice is not yet heard. As a World Bank study in 2001b (p.33) noted:

Women's participation in community planning and decision-making was found to be almost non-existent. Women were not equally represented with men at community discussions, especially when the gatherings were held at the community's own initiative (many husbands would not allow their wives to attend such meetings). Female presence at meetings organized by the woreda appeared to have been higher, as women were often "ordered" to attend. However, women claimed that they rarely expressed themselves within such fora. In a very few cases, women claimed to discuss community priorities at

¹⁰ Ethiopian News, Ethiopian Embassy newsletter, London, 4 February 2005.

home with their husbands, and at informal all-women gatherings. The extent to which these informal channels of expression fed into community decision-making, however, would depend on whether women's priorities conflicted with those of the men.

Table 3: Breakdown of Council Seats by Party Membership (2007)

No	Regions	No. of woredas	No. of woreda council seats	No of Kebeles	Party won	No. of woreda won	No of woreda seats won	No. of kebeles won
1	Tigray	43	8517	694	TPLF/ EPRDF	43	8517	694
2	Afar	32	1820	365	ANDP/EPRDF	31	1,754	352
					APDP	1	65	13
					Independent			
3	Amhara	132	11,464	2972	ANDM/	132	1	2972
					EPRDF		11,464	
4	Oromia	261	20,367	6972	OPDO/	261	20,367	6789
					EPRDF			
5	Benishangul Gumz	20	2202	458	BGPDUF	20	2202	458
6	SNNPR	124 +8 special woredas	11,421	3795	SEPDM/EPRDF	124+8 special woredas	11,415	3795
							6	
7	Gambella	12	636	212	GPADM	12	635	212
					Independent		1	

Source: Authors' compilation.

4.2 POLITICAL COMPETITION AND PARTY ADMINISTRATION

In theory Ethiopia is a multi-party system, in practice the country operates as a single party system. The ruling party, EPRDF, dominates the executive and legislative branches of the national and local governments and makes sure that there is no room for a real political competition at the national and local levels (Adem 2008).

EPRDF came to power, after winning a long and extraordinarily difficult insurgency war, with a commitment to improve local governance by devolving state powers (EPRDF, 1995). Over the years the party's capacity for sustaining countrywide peace, by enhancing "national unity through ethnic diversity" as its proponents argue, has been

significantly limited by most accounts.¹¹ This is further reflected in the absence of good governance observed in several regions. In the relatively peaceful Amhara region, for example, one study has noted a wide “disconnect between the formal decentralization of powers and authority envisaged by the constitution and its [everyday] exercise in practice” (World Bank, 2001: 8).

Part of the reasons for this limited, and regionally varied governance outcome has to do with the political objectives and specific strategies EPRDF leaders pursued in each region at different times (Vaughan, 2003). This includes consolidating control in areas newly freed from government forces by pursuing pragmatic initiatives that would garner popular support (Chiari, 1996; Hammond, 1997); organizing associations as forums for conducting political agitation and recruiting fighters while also providing a wide variety of wartime adjusted administrative services (Hammond, 1997); co-opting like-minded ethnically based political movements from different parts of the country; and running a very intensive propaganda daily broadcasted on radio in several languages. This way EPRDF strategically clamped down on any existing or possible competition and ensured its dominance in all the regions.

EPRDF has also ensured dominance at the local level. Even though political parties have been allowed to register for local election, if any opposition party is considered to pose a challenge, it has been the experience of repeated international election observer missions that these opposition parties find their offices closed, their potential candidates harassed or arrested, and their supporters warned against voting for them (Vaughan and Tronvoll 2003). A Human Rights Watch field research on the 2008 local elections reported that the government’s repression of opposition parties and voters largely prevented political competition in the elections.¹² The report documented systematic cases of targeting opposition candidates for violence, intimidation, and other human rights abuses.

Because of lack of any real competition at the local level, most council members in the local governments belong to the ruling party. The role of the national party in the selection of the local government undermines the capacity of local actors to exercise accountability on local elected officials, as the citizens’ choices for selecting representatives are limited. The party also exercises control over local government employees. The woreda cabinet members and the woreda administrator are selected from party lists. Local government officials should ideally provide information on grassroots political and economic development to higher levels of the government but, in practice, the centralized character and ideological underpinnings of the party result in the

¹¹ There are many studies providing important political and cultural insights on the problems ethnic federalism encountered in different regions. In Surma, Konso (see details in Abbink 2002), and minority homelands (see details in Akililu 2001), the system led to the establishment of “special districts,” while at the same time facilitating central control of local society through EPRDF co-opted ethnic elites. Additionally there are media reports of insurgency-related troubles and sporadic inter-ethnic clashes recently escalating in parts of Oromia, Somalia, Gambella and Afar regions. Armed clashes between ethnically based opposition groups and government troops are frequently reported both in mainstream media such as BBC (for activities of ONLF and OLF), and opposition website and internet radios and “military briefs” in Oromia and Ogaden (Adem 2008).

¹² See <http://hrw.org/english/docs/2008/04/10/ethiop18510.htm>.

accountability of local level party cadres to be upward and the flow of information to be downward.¹³

4.3 LOCAL COUNCIL OVERSIGHT OF THE EXECUTIVE

The local council that represents the citizens is expected to oversee executive policy implementation and service delivery and hold the local bureaucracy accountable for its performance. However in Ethiopia, councilors occupy dual roles as full-time executive functionaries dependent on, and accountable to, higher-up bureaucracies, as well as elected local officials. This creates a conflict of interest and undermines the councilors' ability to oversee.

Woreda councils have standing committees to oversee sector activities. Members of these committees sometimes lead the discussions in the quarterly meetings of the councils. But their capacity and effectiveness varies from woreda to woreda. Woredas in Amhara, Oromiya, and Tigray have four committees (Budget and Finance Committee; Social Affairs Committee; Security Affairs; and Women Affairs Committee) while woredas in lagging regions such as Afar are likely to have no committees.

There is usually a monthly reporting on finances and physical activities from sectors to councils, which provides the basis of discussions in quarterly meetings. Although the consolidated woreda accounts are presented annually to the woreda councils, discussion is said to be cursory (World Bank 2001b). Budget preparation and management are mainly handled by the bureaucracy and elected representatives focus more on tax collection and labor mobilization. There are sporadic cases of councils rejecting sector plans or dismissing sector heads based on observations of councilors and committees overseeing the sectors, but in general councils play an insignificant role in the planning and budgeting process.

Similarly, the council is very passive when it comes to the oversight of procurement. It is not involved in selection and awarding contracts. Also, the council neither receives any reports on procurement nor is it formally informed on who is awarded the contract and why.

The oversight functions of the council are seriously compromised due to conflict of interest as most cabinet members in all woredas are also members of the council and are thus unable to objectively oversee the cabinet. At the regional level, the conflict of interest is exacerbated by the fact that senior regional officials including the president are usually senior leaders in the party structure (for example the current regional president of

¹³ While there is a lack of inter-party competition at both the national and the local level, there may be some intra-party competition among members of EPRDF. In fact, EPRDF has a long tradition of closely assessing the ideological commitment and mobilizing skills of each and every member through different ways. One of these ways is the regular evaluation (*gim gemma*) of each member by fellow party members in a semi-public meeting. However, these evaluations are currently working solely as a tool of party control (Aalen 2002) and not as a mechanism of downward accountability. Should a party member show concerns for local needs that are not in line with EPRDF's priorities, the consequence will be either expulsion from the party or a low mark in the assessment.

Oromiya- Aba Dula Gemedo is also the Chairman of OPDO). At the woreda level, there is some variation across regions on the role of the cabinet members who are also councilors. In some woredas, the cabinet members vote on their own proposals whereas in other woredas, the cabinet members who are also councilors do not have a voting right.

There are additional impediments to the oversight function at the woreda level. The councilors are often unpaid and have low levels of literacy compared to the line agency heads who are salaried full-time civil servants. Another major constraint to oversight functions is the council's lack of capacity to properly overview the planning, budgeting, and service delivery processes. The councilors do not get adequate training to increase their understanding of local government decision-making, which impedes their oversight role. All these factors seriously jeopardize the role of the council reducing it to little more than a rubber stamp in the oversight process.

4.4 CITIZENS DEMANDING POLITICAL ACCOUNTABILITY

Several existing institutions such as kebeles, community assemblies and mass associations could potentially fulfill the role of ensuring social accountability. But so far they have not lived up to this expectation.

Kebeles are the first point of contact for citizens and can thus be viewed as mechanisms to ensure social accountability. But research indicates that this is not the case. There seems to be a high degree of uniformity in the agenda items discussed in kebele administration meetings (for example, security and good governance were cited as an agenda item in different kebeles across regions). In some kebeles in Afar and Amhara the woreda administration sends the kebele the agenda for kebele meetings. Thus, it is unclear whether the kebele administration reflects the demands of the citizens.

Regarding the kebele councils as a possible voice of the citizens, Pausewang et al (2002) state that the kebeles are controlled by cadres of the governing party, who make sure that the kebele chairman and leaders closely follow the EPRDF line and are thus not representative voices of the community. The newly created position of a kebele manager could be interpreted as a mechanism to ensure upward accountability. The managers are more qualified than the chairmen and are full time employees of the woreda administration. They attend kebele council and administration meetings. Since the managers are appointed and answerable to the woredas, it is unclear how their presence impacts the accountability of the kebele councils and administrations to the citizens.

In addition to the kebele council and administration, there are periodic public assemblies held in the kebeles. But these do not seem to represent independent voices as in a number of cases, these assemblies are chaired by the kebele or woreda administration or the agenda is provided by the kebele administration. Cases where the kebele community tries to hold the kebele or woreda administration accountable for service delivery are rare. One such rare case was in Oromiya, where the community tried unsuccessfully to influence the woreda decision on diverting a river away from its farms.

Membership-based mass organizations such as women and youth associations are perceived as an extension of the government structure at the local level. However, some analysts have identified signs that some of these organizations are adopting a more independent stance towards government. The EC Non-State Actors study (2004)¹⁴ notes, for example, that the women and youth associations in Tigray and Amhara Regions are engaging regional governments on issues of policy and are working more collaboratively with sector bureaus and less under their direction.

Why is there a dearth of social accountability in the political sphere in Ethiopia? Research shows the pattern of social interaction in Ethiopia sustains a strictly hierarchical stratification of society, where one is constrained by a large, invisible, but rigid system of collective sanctions, to obey the 'orders from above' (Vaughan and Tronvoll 2003,33). Intra-community debate is allowed until consensus is reached but once consensus is achieved, the community is expected to speak with one voice and dissent is ruled out (Vaughan and Tronvoll 2003), thus constricting the space to demand accountability from authorities.

In addition a large number of donor funded literature focusing on the role of CSOs in Ethiopia (Pratt and Earle 2004, Clark et al 2004, Plummer and Mussa 2006, CIDA 2005, Muir 2004, Silkin et al 2005) have found that the lack of a comprehensive framework for CSOs, limited perspective by the government of civil societies, lack of access to information from the government, and lack of open media inhibit downward accountability.¹⁵ Also, a number of so-called civil society organizations are affiliated to the government or the political party (for example an NGO called REST in Tigray). These organizations may be highly effective in community development activities but because of their very nature, cannot function as an effective social accountability mechanism.

These may be the reasons why Ethiopia has only 700-900 active NGOs (compared to 4,136 in Uganda, 2,962 in Kenya, and 38,000 in Bangladesh¹⁶). In spite of these trends, there are some organizations such as the Ethiopian Women's Lawyers Association (EWLA) and the Ethiopian Human Rights Council (EHRCO) that are truly independent of the government, provide much needed services, and have on occasion questioned the government's actions. Whether more such organizations would emerge in the near future and whether they would play a strong role in holding the government accountable is yet to be seen.

¹⁴ Quoted in Silkin et al 2005.

¹⁵ Clark *et al* report that concerns about efforts to stifle the free expression of opinions of disfavoured CSOs are not mere speculation. Recently, three members of HUNDEE, a well-known community development NGO, were arrested by local authorities under provisions of the criminal code concerning unrest and incitement to hatred, and were held in jail for nine weeks. The authors found that HUNDEE was simply attempting to mobilize local residents to participate in self-help development projects. Another well publicized case involves imprisonment of Daniel Bekele and Netsanet Demessie- two anti-poverty campaigners after the 2005 elections. They were recently released.

¹⁶ Clark et al 2004, p.6

5. LOCAL ADMINISTRATIVE DISCRETION

In order to have the necessary flexibility in delivering services and the opportunity to respond to local demands, local governments need to have administrative autonomy. In Ethiopia, the local governments hardly seem to have any such discretion.

In administrative functions such as enforcing regulatory decisions and governing the procurement system, the laws are in place providing discretionary powers to the local authorities but because of capacity constraints and party interference, de facto discretion does not exist. Local governments also seem to lack the power to control and manage their workforce as all hiring and firing have to go through zonal or regional offices (the degree of say these upper tiers of government have is different across regions).

At the kebele level, a number of formal as well as informal mechanisms exist to construct and maintain services and to hold the agents of service delivery accountable. Some of these such as the school management committees seem to function well. But overall, these mechanisms are geared more towards filling the service delivery gap (because of lack of capacity of the government to deliver services) than keeping the local government accountable.

5.1 LOCAL GOVERNMENT'S ABILITY TO REGULATE

As part of their administrative autonomy, local governments need to have a minimum set of powers and capacities to initiate regulatory legislation on critical issues affecting their jurisdiction. In Ethiopia, local governments in rural woredas have the authority to determine land use- they can decide the location of facilities such as schools, wells, health posts and clinics. They can also regulate co-ops and community volunteer activities. In municipalities, local government authorities can prepare and implement development plans and regulate markets, sanitary services, slaughter houses, fire brigades and mortuary and burial services. They also have the discretion to issue marriage and birth certificates, approve building plans, and register properties.

Most of these discretionary powers are on paper only and as most decisions on laws and planning seem to be top-down arising from the party at the national level, and conveyed through the regional and zonal structures to the local level. For example, Dom and Mussa (2006a) found that in Amhara, development agents remained primarily accountable to planning targets set at the woreda level which in turn are influenced by the region. A World Bank Study (2001b) in a woreda in Amhara reached a similar conclusion when the team observed that “the agriculture development agents were intent on promoting packages of seeds, fertilizer and credit on half acre teff demonstration plots in a manner identical to what could simultaneously be observed in teff-producing areas in Oromiya or Southern Nations Region.”

In addition to the discretion to regulate, local governments need the power to sanction and punish for non-compliance to ensure a meaningful level of administrative autonomy on local affairs. In Ethiopia, disputes over grazing rights and other land use issues are resolved by the social courts and the woreda courts. The local government can also use

the social court to take legal action on tax collection for amounts below ETB 1500 (above this amount decisions are taken by the woreda court). There were a number of observed cases where the social courts and woreda courts played a strong role in mediating, sanctioning or punishing citizens and resolving conflicts related to disputes over land and property. Thus, even though local governments in Ethiopia do not have the discretion to regulate, the system to enforce regulations through woreda and social courts seems to be functioning well.

5.2 LOCAL GOVERNMENT DISCRETION OVER PROCUREMENT

Increased mandates and responsibilities for new services require that local governments be endowed with discretion over procurement processes that cover procuring goods and services (i.e., including entering service or management contracts, leases, concessions, or joint ventures). In Ethiopia, woreda level implementation arrangements involve activities performed through works contracted out to registered small contractors and local artisans, and those carried out directly by the community. Agro-forestry and soil conservation projects are usually undertaken directly by the community, whereas other projects are awarded to private contractors (full contracts or labor contracts). The tendering and administration of all small projects (i.e., usually less than ETB 100,000¹⁷) is undertaken at the woreda level, with technical assistance provided by zonal sector departments. If the contracts are larger, the woreda delegates the zone or region to carry out the contracting functions.

Since there is a paucity of capital budgets in the woredas, examples of large-scale procurement purchases at the local level are rare. Procurement is independently carried out by the local administration and does not seem to require council approval in any region. In some regions, separate bidding committees are established to carry out procurement but there are no seats for NGOs or CSOs in the bid committees.

5.3 LOCAL GOVERNMENT DISCRETION OVER CIVIL SERVICE AND EMPLOYMENT POLICIES

While woredas' functional assignments indicate that they are responsible for recruitment and retrenchment, the practice is different across sectors and regions. There have been cases where zones have overruled woreda decisions about retrenchment. In other cases the party or the region has played a major role in such decisions.

Line agency heads, teachers, health workers and development agents are in general hired according to civil service regulations though the process is different across regions. For example, in Afar, the woreda administration sends its needs to the regional government that then assigns civil servants to the woredas and kebeles. Lack of woreda discretion over hiring is attributed by the local administration to the lack of capacity at the local level in Afar region. But even when a qualified candidate is present in the region, the woreda administration cannot make an independent decision to hire without the regional bureau's approval. In contrast, in Amhara and Oromiya, woreda administrations play a

¹⁷ 1US Dollar ~ 9.09 ETB

central role in advertising and selecting development agents, teachers and health workers at the local level. In all regions, the ruling party has a decisive role in high-level appointments including that of the administrator. Though the council is to approve party nominated candidates, it is not clear if it has the right to override party decisions.

In principle, woredas are responsible for firing and transferring staff, but their decisions are sometimes overruled by the regional bureaus or zones, without consultation. For example, there have been cases where zones in SNNP have overruled woreda decisions to retrench local staff. In some woredas, there have been unplanned transfers of frontline workers from the zones to the woredas without the woredas' discretion (World Bank 2007).

Thus, local councils' discretion in employment policies varies across regions but in general the ruling party seems to play a prominent role in employment decisions. Even when woredas have the discretion, they are in general, unable to hire sufficient staff because of either low attractiveness of the location, particularly in remote areas, unattractive salary, or the lack of candidates who meet the criteria for the jobs with open vacancies.¹⁸

5.4 PUBLIC ACCOUNTABILITY OVER ADMINISTRATIVE PROCESSES

Accountability for exercise of regulatory powers requires avenues for complaints and redress, accessible by officials and non-officials. In some regions there seems to be an emerging environment of downward accountability in service delivery. For example, a number of woredas in Oromiya and Tigray offer suggestion boxes and feedback forms in the administration office. Apart from avenues of general feedback there are well-defined institutional mechanisms of obtaining citizen feedback especially in the education sector. Parent-Teacher Associations and School Management Committees composed of local leaders, kebele officials and education bureau staff/teachers focus on providing feedback on teachers helping the kebele administration mobilize voluntary labor for school improvements and maintenance, and raising money from the community (to buy school supplies, pay salaries of community teachers, etc). A potential mechanism to ensure downward accountability is the social courts, which can be accessed by citizens to keep the local administration accountable. However, social courts are currently used to adjudicate over petty disputes on land and domestic violence and not to challenge local government decisions.

In spite of sophisticated mechanisms for redressal in certain sectors such as education (see Box 1 for details on the redressal mechanism in education), there is still no widespread use of downward accountability instruments. One can argue that a large part of this is attributed to lack of resources for capital projects. Further, a 2002 survey conducted by the Institute of Educational Research (IER) of Addis Ababa University states that accountability of service providers is affected by the lack of information on how and where to lodge complaints, disillusionment with the effectiveness of the national

¹⁸ See GTZ-Selam Development Consultants (2005).

integrity system, fear of retribution by perpetrators, and absence of legal protection for whistleblowers.

Box 1: Redressal Mechanism in Education

The structure of redressal in the education sector is usually as follows:

1. The education bureau obtains its report from supervisors (hired through civil service) based in the woreda education office.
2. Every school has a director who provides monthly reports to the kebele administration and in some cases the woreda education office.
3. Parents committees identify problems and report to the kebele administrator by means of an official letter. The main responsibility of parent committees is to check students and teacher absenteeism.
4. There seem to be additional feedback mechanisms in certain regions. For example, in Amhara woredas have the kebele and woreda education board comprising representatives from women's affairs, youth and sports, education and capacity building offices. Parent committees, in these cases, reported to the education boards which convey the information to the woreda administration. In Oromiya, parents or teachers routinely fill out feedback forms used by the education office in evaluating schools and teachers.
5. Woreda Education Offices also have paid inspectors who periodically visit schools and submit evaluations.
6. Finally the woreda administration discusses the issue and passes a decision.

5.5 CITIZENS DEMANDING ADMINISTRATIVE ACCOUNTABILITY

To ensure administrative accountability, citizens need to be directly involved in producing the information about local governments' administrative decisions and actions that is most relevant for local citizens' welfare—i.e., monitoring the quality of services and the way contracts and tenders are given at local level.

In Ethiopia, aside from site selection and the contracting of individual artisans, communities and user groups exercise little discretion over government staff, procurement processes or service evaluation. The major role of the citizens in service delivery seems to be to develop a list of needs and then determine needs that can be fulfilled by the community itself by contributing cash and/or labor. Most kebeles receive little or nothing of what they request through the planning exercise unless the need can be supplemented by their own contributions. This is because of severe capital budget constraints at the woreda level. When capital budget exists (either through federal programs or NGOs) the process of prioritizing needs by the woreda is opaque.

In a number of cases, the kebele citizens have themselves taken on the task of building schools, roads and water tanks.¹⁹ Citizens also often form user committees composed of beneficiaries and established to take care of the maintenance of water points and minor irrigation schemes. These efforts can be viewed as a failure of the state to provide

¹⁹ For examples of community mobilization for service delivery see Pratt and Earle 2004.

services forcing the citizens to take on additional role. At the same time, one can argue that communities providing materials, labor and funding for service projects are thus gaining an ever-increasing voice in the use of woreda and their own resources.

Apart from taking on service delivery, the community is also usually engaged in activities that may not directly benefit individual community members. Such activities include terrace farming and reforestation projects. The amount of community labor is notable, though the degree of voluntarism can be questioned since the work involves foregoing income generation opportunities. For example, in a kebele in Afar, the families elected and paid a total of 140 birr/month to a community of 'forest development workers' whose job was to ensure the upkeep of the forest. On questioning it emerged that the maintenance of these forests and the related payment of the workers was a directive from the woreda. In another case, community members in a woreda in Tigray were expected to provide 20 days of free labour every year. The recently released Ministry of Capacity Building's 'Good Governance Package' stresses on *convincing* people on the merits of participation instead of coercing them. Thus, social pressure is likely to remain present to ensure citizens contribute to community activities. This community contribution is currently not monetized or acknowledged as a source of revenue in the woreda plan and budget.

There are also community-based organizations in the form of funeral associations (iddirs), rotating credits (iquubs) and various church-related organizations. Their energy is generally directed towards specific activities (such as group savings and credit schemes, patrolling clan grazing boundaries and building churches) that fall outside the official development process. Studies have looked into involving such traditional informal institutions in social accountability approaches²⁰ and have concluded that in general the process needs to be voluntary and evolutionary and approached in a cautious manner.

6. LOCAL FISCAL DISCRETION AND ACCOUNTABILITY

In the fiscal sphere, local governments in Ethiopia have limited discretion over planning and budgeting. Lack of clear timelines, coupled with a lack of adequate capital budgets ensures that the planning process undertaken by the local governments is mostly about going through the motions. Expenditure responsibilities are in theory devolved to the local governments. At present in the four large regions, woredas manage 45% of the regional public expenditure (World Bank 2007) (for the trend from 2002-2005, see table 4). But since most plan resources available for woredas and kebeles are spoken for by the recurrent budget needs of the civil service over which local governments have no say, in practice the local governments do not have any discretion. Most tax rates are set at the federal level, and own-source revenue is a miniscule percentage of the local government revenue. In addition, a high degree of dependence on transfer revenues and a flawed transfer system shifts the focus of local government accountability away from citizens to central governments.

²⁰ See Dercon et al 2004, Clark et al 2004.

The primary fiscal instrument that regions used to ensure rapid decentralization of delivery responsibilities to woredas is a formula-driven, equity-oriented “block” grant. Implemented for the first time in the 2001-2002 fiscal year, this “un-earmarked” transfer was expected to empower local authorities and their kebeles to make critical allocative decisions and in the process, enhance the responsiveness of service delivery as well as downward accountability. However, block grants cover wage and salary expenditures without empowering local authorities and communities to make allocation decisions.

Table 4: Trend in Regional and Woreda Budget for the Four Regions

<i>Regions</i>	2002/03 Budget	2003/4 Budget	2004/05 Budget			Percent change 04/05 over 03/04
			Recurrent	Capital	Total	
Oromia	2244.2	2400.6	1899.8	809.7	2708.8	12.8
O/w Woreda budget share percent	47	53	63.4	22.2	51.1	1
Amhara	1482.3	1591.1	1295.8	557.3	1849.7	16.3
O/w Woreda budget share percent	51	59	68.2	70.8	69.2	
SNNP	1239.1	1366.2	1148.6	396.7	1545.3	13.1
O/w Woreda budget share percent	81	77				
Tigray	595	593.9	542.9	160	702.9	18.4
O/w Woreda budget share percent	45	52	70.9	23.3	60.8	

Source: World Bank 2005

6.1 EXPENDITURE AND REVENUE ASSIGNMENT: DEFINING THE ROLE OF LOCAL GOVERNMENTS IN SERVICE DELIVERY

Planning at the local level is largely subordinated to national and regional priorities. Most plan resources (85-90%)²¹ available for woredas and kebeles are spoken for by the recurrent budget needs of the civil service, over which local governments have no say. Explicit decrees to spell out local expenditure assignments only exist for SNNP and Tigray but even they have details missing. For example, in SNNP, regional, zonal and local authorities are responsible for “prevention and control of HIV/AIDS”, with no indication of exactly what is expected of them, how they are supposed to supplement each other, and how they are to divide their contributions. Priorities for the use of even small amounts of discretionary capital funds still tend to be set at the regional rather than local levels (CIDA 2005. 6).

Where off-plan resources are available (emergency food/cash funds, donor and international NGO contributions), these are generally programmed by outside agencies. Local governments are generally left to focus on the planning of capital projects, but capital budgets are very limited. As mentioned earlier, when capital budget is used for building of a school or a health center, the process of prioritizing is opaque. According to a woreda study by the World Bank in 2001, capital project selection is determined by civil servants at the zonal level, where priority is given to sector ministry objectives and to the national Five-Year Plan.

Own source revenue is a small percentage of the woreda expenditure. In a World Bank study conducted in 2001, woredas were found to collect from 11-48% of the expenditures through own-source revenues. In all cases, direct taxation provided over half of total own

²¹ DFID 2005:25, CIDA 2005

source revenue, with the taxes on the incomes of government employees stationed in the woreda consistently important. In woredas lacking a significant urban center, taxes on agricultural incomes and land use fees accounted for a major portion of revenue (as would be expected, they are of less account where the woreda includes a town providing significant sales tax revenue, and in pastoral areas). Non-tax revenue was proportionally higher in the woredas with a large town, reflecting incomes that could be tapped through user charges.

The various regional constitutions mandate a process of resource management in which the elected woreda councils are responsible for levying and setting tax rates and collecting taxes within the regional purview; preparing and approving woreda budget; and administering woreda budget. The legal structure of decentralized resource management thus identifies the woreda council as the gatekeeper of fiscal decentralization. However, in reality the zonal and regional technical bureaus call the shots. Most tax rates have been established at the federal level. The major exceptions to this are the fees levied on rural land use and taxes on agricultural income, which have been set through regional rural land use and agricultural income tax proclamations, and service user fees, which are variously established at regional, woreda and even kebele level (e.g. water user fee). Few if any direct taxes are retained by woredas to finance the capital and recurrent needs of state functions. Also woredas and municipalities cannot increase revenue without the necessary federal government legislation and/or regulations to allow implementation (IMCL, 2005:14). No reliable data exists on additional external resources (emergency food/cash funds, donor and international NGO contributions) that the woredas can access.

Unlike “rural” woredas, municipalities in Ethiopia enjoy full retention of own-revenues from direct and indirect tax sources ostensibly to finance municipal functions. The legal framework for municipalities assigns various municipal or own-source functions to these urban centers such as management of urban land use, central markets, and abattoirs, as well as waste removal, and street lighting. The basic revenue sources of municipalities, defined primarily in Proclamation No. 74 of 1945, include:

1. Property taxes collected in the form of land rents, lease income and building taxes
2. Business income taxes
3. Market fees (for stalls and use of markets)
4. Fees for municipal services, including: sanitary services, slaughter houses, fire brigade services, mortuary and burial services, registration of births and marriages, building plan approval, property registration and surveying, and use of municipal equipment, transport or employees.

Some municipalities have received permission to levy various other types of local fees as well, such as goods entry taxes and vehicle loading or unloading fees. Municipal functions receive no regular financial support from higher levels of government. There are also municipalities without the status of urban administrations, which may raise their own revenues to perform municipal functions. These do not perform "state" functions, and do not receive any revenues from higher-level governments; also, there is no tax-sharing program with municipalities.

6.2 FINANCING THE FISCAL GAP: INTERGOVERNMENTAL TRANSFER SYSTEM DESIGN

One advantage of Ethiopia's decentralized system is that regions are allowed to choose their own approach for making block grant allocations, as long as this is done in a non-discretionary, formula-based manner. Most regions use a three-parameter formula, explained further below, for making block grant allocations to rural *woredas* while some have experimented with other approaches.²² The block grant is intended to help *woredas* meet the recurrent and investment needs of state functions such as education, healthcare, and agricultural extension. In several regions, urban administrations are not treated like other (rural) *woredas* in the block grant allocation process and are subject to different rules when determining transfer amounts from regions, even though they officially have *woreda* status.

In 2004-05, the SNNP regional state's transfers to *woredas* accounted for more than 70 percent of total *woreda* expenditures, and the figure was nearly as high in Amhara, while the Tigray and Oromiya regional governments' transfers accounted for 60 percent and 50 percent, respectively (Spielman et al 2008). The regional governments also differ on the extent to which they reduce transfers from their own treasuries when *woredas* receive funding from aid donors (Dom and Mussa 2006a, 2006b).

The weighted formula mentioned above comprises three parameters—population, the development or infrastructure gap, and revenue performance. Given the overriding importance of equity considerations, regions heavily weigh the population variable in the formula and do not provide for existing operations or commitments as a variable. As a result, some *woredas* received under- or over-allocations vis-à-vis the previous year's budgets. Another downside to the formula is that the underlying data (on poverty and development level, etc.) used to apply the formula has not been updated since 2003, even though the formula has been used to make allocations every year since then (World Bank 2007). Additionally, the regional government usually announces block figures a few months into the fiscal year, further constricting their fiscal discretionary space.

6.3 MAKING LOCAL FINANCES MORE ACCOUNTABLE

The *woreda* planning exercise does not take into account its revenue projections. Thus it is an unrealistic wish list, with capital works projects, in particular, not being assessed for budget viability. This makes it difficult to hold the *woredas* accountable to their plans. Also, since a large percentage of the budget is meant to cover civil servants' salaries, there is rarely any funding left for capital expenditures. Additional factors that diminish financial accountability are the lack of clear and legal budget preparation steps; lack of a link between strategic plans and performance agreements; lack of a formal review of

²² For example, SNNPR's "unit cost" approach allocates recurrent funding—which accounts for the bulk of total funding—to *woredas* in a "needs based" manner, with higher per capita recurrent allocations generally going to *woredas* with higher per capita public service provision levels. Oromiya and Amhara have also recently adopted the unit cost method.

activities in the strategic plan by the woredas; lack of precise information on bilateral and NGO resource flows to the woredas because of multiple bank accounts; and finally lack of information sharing with kebeles on the budgeting process.

In terms of auditing, there are both inspection (physical inspection) and auditing (financial auditing) units operating under the finance and economic development unit of woredas. Both the inspection and auditing units submit annual plans and reports to the head of finance and economic development department. After the clearance of the report, it is transmitted to the woreda administrator, cabinet and woreda council. If the report presents unsatisfactory performance, the head of the sector can be questioned by the council. In case of corruption, the case is referred to the police and justice unit.

The community's role in planning and budgeting is perfunctory. There does not seem to be much evidence of kebele-level gatherings to discuss the composition or the delivery of the woreda budget; ordinary members of the public have little apparent awareness of how the *overall* budget is composed and has been spent. While generally aware of the capital projects planned for their particular kebele, community focus group members do not usually know their value. Nor do they perceive they have a role to play in monitoring service delivery. Further restricting the community's say in the planning process, the woreda officials at the kebele level such as the development agents are provided targets based on which their performance is evaluated. Thus there is little space for genuine grassroots priorities to find their way in the woreda plan.

Some nascent examples of donor initiatives to promote social accountability do exist. For example, a study by Plummer and Mussa (2006) describes the Older Citizens Monitoring (OCM) Initiative in Oromiya- a participatory public expenditure management project- which is supported by the NGOS- HUNDEE and Help Age International. The project covering 7-10 woredas engages with older citizen monitoring groups in participatory planning and budgeting work aimed at ensuring the concerns of older people and their communities are incorporated into the decentralised planning process and thus more targeted delivery of services. The sustainability and replicability of such projects is yet to be seen.

7. CONCLUSION

The progressive features of fiscal federalism in Ethiopia are not accompanied by similar political arrangements. Ethiopian local governments have a high degree of upward accountability mechanisms without the accompanying discretion and downward accountability mechanisms. Ethiopia's complex decentralization arrangements highlight horizontal political accountability of federal, regional and local level executives to their respective regional parties and EPRDF. The design of local government finances and administrative arrangements, which establishes hierarchical controls, rules out opportunities for real political competition. Local government structures in theory may be in line with the expectations of donors and multi-lateral institutions but the party structures seem to keep a tight control over the so called democratic institutions. The lack

of separation of executive and legislature coupled with the lack of political competition ensures weak discretion and accountability at the local level.

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