



**ADDIS ABABA UNIVERSITY SCHOOL OF GRADUATE STUDIES
COLLEGE OF SOCIAL SCIENCES DEPARTMENT OF POLITICAL
SCIENCE AND INTERNATIONAL RELATIONS**

**THE POLITICAL ECONOMY OF DEMOCRATIZATION AND FEDERALIZING
MULTI-ETHNIC STATES IN SUB SAHARAN AFRICA: THE POST COLD WAR
YEARS IN REFERENCE TO ETHIOPIA AND NIGERIA**

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**The Political Economy of Democratization and Federalizing Multi-Ethnic States in
Sub Saharan Africa: The Post Cold Years in Reference to Ethiopia and Nigeria**

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Abstract

In the study of International Relations, the end of cold war marked a turning point, inaugurated a new era, and undoubtedly disclosed the need to puff out and contend with recent set of political and economic practices and developments in international relation. With significant changes that ranges from the undermining of state sovereignty and the Westphalian state system to the disappearance of bipolar geopolitics, the end of cold war, transcending the usual core categories of the nation-state, blurred the sharp distinction between internal and external causes of national development, and replaced it by a notion of interaction within larger systems. Democratic revival and/or “wave” of democratic transition is mentioned at the forefront among the fascinating endings of the cold war years. This has, indisputably, consequential connotation in the “Third World” in general and sub-Saharan Africa in particular. Nevertheless, the end of cold war, as well, witnessed the consolidation of global capitalist order that long been contemplated as unfavorable to political and economic advancement of Africa south of the Sahara. The ideology of ‘neo-liberalism’ with its political component of liberal democracy and its economic component of free-market/enterprise became the dominant modes of thought and action within the global political economy. Hence, sub-Saharan African states, which are characterized by the problems of political instability, economic backwardness, ethno-cultural division and political and economic inequality, state building and national consensus, and state weakness and inefficiency found themselves in international position and under international scrutiny and the post cold war democratization has got unprecedented implication. Consequently, with the failure of centralized nation-state regimes and/or institutions, federal political system have been viewed as an alternative to strengthen democratic transitions in ethnically divided states and thereby bring about political and economic change through power sharing and regional autonomy. Thus, this thesis has endeavored to look at the interplay of the democratization and federalization in multi-ethnic states of sub-Saharan Africa in a political economy approach, and the post cold war years in a reference to Ethiopia and Nigeria in a comparative analysis. Before a resort to discuss the reinforcement, an attempt is made to briefly discuss and appraise the problematic of the nature of state, and internal and external influences for democratization in the sub-continent. A comparative analysis of Ethiopia and Nigeria is carried out based on their federal constitutional arrangement, fiscal federalism and the party system. To carry out the analysis, the 1995 Ethiopian and the 1999 Nigerian constitutions are used in supplementary with secondary sources. The analysis of the thesis found out that there is a reinforcement and interplay of democratization and federalizing ethnically divided states in sub-Saharan Africa, and a federal structuring and restructuring of institutions increases the possibilities for state efficiency, regional autonomy of ethno-cultural groups, power decentralization and political and economic equality and hence strengthens popular democracy. However, externally sub-Saharan African states are compelled to the ‘neo-liberal’ version of electoral and elitist democracy that appears inadequate to redress the inherent political and economic problems in ethnically divided and economically backward states of sub-Saharan Africa. Internally, although the federal system in both Ethiopia and Nigeria is rightly formalized in the constitution and aims at enhancing democratizing the state and pacifying ethnic tension, still there is a kind of power centralization at the center, which encumbered accountability of the government to the mass. The meager power of the regional states, concentration of fiscal power on the federal government, and domination of power by the ruling party at the center led to a disjuncture between a political superstructure manifested by elitist and electoral democracy and the promises of federal political system; regional autonomy, equitable resource distribution, mass empowerment and popular democracy at the base.

CHAPTER ONE

INTRODUCTION, OBJECTIVE AND METHODOLOGICAL ISSUES

1.1. Background

Coming up with a different set of political and economic practices, the changes the end of Cold War has brought to international system and the study of International Relations seems intolerable to deny at this moment in time. For sub-Saharan African peoples that have been dominated externally through the historical processes of imperialism, colonialism and neo-colonialism and internally by unaccountable elites, the end of the cold war has come up with a new set of opportunities and challenges. On the one hand, the world has experienced a democratic revival; dismantling of authoritarian regimes and replacing them with democratic ones. On the other hand, the end of the Cold War has removed the ideological, economic, and political and security hurdles to the consolidation of the global capitalist order. Therefore, it is important to note here that, today the sub-continent is in the interplay of opportunities and challenges.

The end of the Cold War in the early 1990s led some scholars in the Third World to believe and optimize that new opportunities had emerged to advance agendas of social justice, national liberation and democratization locally and in the global system. Moreover, with the collapse of the Soviet bloc the Third World would no longer be a staging ground for East–West rivalries (Robinson, 2004; 47). The end of the cold war witnessed an end to the east-west rivalry that characterized the cold war period and ‘neo-liberalism’¹ became the dominant modes of thought and action within the global political economy. Moreover, Merera writes that “liberal democracy and the attendant free enterprise have become the ideological hamburger both for the legitimating of the state by the regime in power and the social movements fighting to redefine the state” (Merera, 2007; 2).

¹ A ‘neo-liberal’ model involves both political and economic component. The political component includes democratic government and power limitation, individual liberty, freedom, human right and so forth. An economic component embraces privatization, elimination of state intervention in the economy and the regulation of individual nation-states over the activities of capital in their territories, and seeks to achieve conditions that permit the total mobility of capital.

The modern system of independent nation-states and distinct national economies is being replaced by transnational political economy and national governments have seen their sovereignty and control over domestic political and economic affairs rapidly eroding (Kieh, 2008; 1). This is because, as Solington states, “both constructivist and rationalist literatures recognize that the theoretical premise of sovereignty² as the basic structuring principle of international society is strongly challenged in practice” (Solington, 2009; 226). And he argues that the autonomy of domestic structures has always been compromised through external coercion, imposition, contracts, or conventions and globalization lubricate mechanisms of intervention (Ibid). In effect, the neo-liberal discourse influenced several aspects of existing state policy such as state building, development, aid, investment, trade and good governance.

Furthermore, the end of cold war lowered the geostrategic importance of sub-Saharan Africa. Thus, sub-Saharan African leaders who had benefited from the east-west rivalry during the Cold War era “found themselves in a precarious domestic as well as international position and the nature of their domestic societies is placed under increasing levels of international scrutiny” (Taylor and William, 2004; 7). Given its unrestrained dominion, the new era is rendering these leaders and/or states incapable of designing and implementing their own independent national development agendas, and controlling the various transactions that are taking place within their respective territories (Kieh, 2008). Moreover, the emergence of a new global financial order and international division of labour, with important implications for the nation-state and centralist state as a form of social, political and economic organization throughout the world, soon has necessitated the importance of local political structures and good governance for any modernization of underdeveloped economies (Gentili, 2005b). Thus, it is hardly surprising that sub-Saharan states and their leaders are pressurized to encounter the imperatives of democracy and state restructuring.

It is a fact that while good governance, political stability and economic growth is witnessed in most parts of the world, sub-Saharan Africa continued to vacillate with bad governance, political

² Solington, by sovereignty he means “the state’s absolute authority within its borders and the absence of any higher authority beyond its borders”.

volatility and underdevelopment. Since the end of the Cold War witnessed democratic revival and delivered it to African coast, the demand for Western-style multi-party democracy was much harder to resist and the solution was to be found in liberal democracy, which was expected to ensure the election of governments that were responsive to the needs of their voters (Clapham, 1996). However, in spite of the subscription to the ‘liberal political philosophy’ trajectory, controversy often arises on the question of democratization and democracy under situations of ethnically divided societies where political demands and their enunciation easily take ethnic fault-lines (Merera, 2007).

The version of liberal democracy pressed on sub-Saharan African states was a disciplined one in which capitalism, the ‘free market’ was sacrosanct, and there was not ‘too much’ democracy attending to issues of distribution and inequality (Abrahamsen, 2000). For instance, Robinson asserts that the urge by USA to “‘promote democracy’ [was] the rearrangement of national political systems so as to maintain elite-based status quos in an unjust international system, and to suppress mass aspirations for more thorough-going democratization of social life in the new world order”³ (Robinson, 2004; 48). What global development institutions do not understand was the particularity of African societies of multi-ethnicity, especially, the relationship between processes of ethnic construction and colonial and post-colonial states in sub-Saharan Africa. As Berman (2010) asserts, neo-liberal reforms have led to horizontal ethnic cleavages that in turn forms material basis of ethnic conflict and on the access of ethnic communities to the sources of wealth and power in state and market⁴.

It is important to note that as long as a modern and functional state⁵ is non-existence without government and democracy intrinsically related with governance, it becomes all the more impor-

³ Robinson, moreover, states “what US policy makers mean when they use the term democracy is actually what political scientist Robert Dahl (1971) has termed *polyarchy*, a system in which a small group actually rules and mass participation in decision-making is confined to leadership choice in elections that are carefully managed by competing elites”.

⁴ Berman also stated that “all nations now confront the issues of the meaning of nation and identity, democratic development and accountability, citizen and communal rights, the balancing of multiethnic mosaics versus integrationist melting pots amid intensifying conflicts of cultures, classes and genders” (Berman, 2010; 32).

⁵ I used this term (functional state) because of the reason that in some cases state may exist without government (e.g Somalia immediately after 1991), but often named as a ‘failed state’.

tant to be concerned about the nature of state while discussing democracy and democratization in today's world. This is more potent in sub-Saharan Africa where state formation is externally motivated and/or imposed that in turn made almost all states in the sub-continent, multi-ethnic in composition, unstable, weak and inefficient. Although some sub-Saharan African countries have made some progress in the transition to democratic governance and in economic development in the post cold war years, it remains incomplete and tenuous.

Harbeson asserts that “the evidence pointing to important divergences in democratic accomplishment among sub-Saharan African countries does indeed shed light on the complex, fundamentally important issue of the interrelationships obtaining between democratization and state viability and strength” (Harbeson, 2009; 136). The problem is that African governments have not been able to broadcast their power, exercise effective control over large areas of their territory and devise any strategy of their own for solving a host of their problems. Of course, it “points us in the direction of asking what exactly we mean by ‘the state’ in many parts of Africa” (Taylor and William, 2009; 6).

The sub-continent all too often had the ‘wrong *kind* of state’ and the monopoly of power by unaccountable elites gave them a vested interest in maintaining domestic political economies that were deeply adverse to development and at the interests of the masses (Clapham, 1996). If we put into context the predicament of African countries we can see how the new, fragile polities burdened by strong colonial legacies and where the difficult and certainly immature processes of nation building and state formation are facing the storm that shakes the same foundations of the nation-state model all over the world (Gentili, 2005b; 40). It clash with and shaped by the struggle for the appropriation of transnational resources in this phase of deregulated globalization (Ibid).

Thus, it can be said that for sub-Saharan Africa to realize successful transition to democratic governance, to cope with the post cold war political and economic practices and trends as well as

to recuperate from the inherent problems⁶ that characterize the sub-continent, it needs to manage state weakness and develop the required institutional structures. Beyond the observed importance of these prerequisites for sub-Saharan Africa, what should be questioned here is the fundamental theoretical importance on how ethnic complexity, state strength and democratization do relate to one another? Indeed, “sub-Saharan African countries are uniquely suitable arenas in which to discern how strategies, policies, and evolving political processes have been serving to undermine or strengthen positive reinforcement between advancing democratization and the strengthening of weak states” (Harbeson, 2009; 136).

Bratton and Chang, moreover, confirmed that no evidence is found that the mere presence of the territorial radius of an official institutional infrastructure of states, that is centrally sponsored network of political and economic services, has any role to democratization. Hence, across sub-Saharan Africa, democratization has enjoyed bright prospects only in the context of relatively effective states (Bratton and Chang, 2006; 1080). They also stated that states that penetrate the periphery of their territories are just as likely to represent authoritarian or hybrid regimes as democratic ones and hence, what matters instead for democracy are other state characteristics such as institutional capacity which can be thought of as the empirical dimensions of ‘good governance’ (Ibid). Rose and Shin, furthermore, elaborated that without the basic institutions of the modern state free elections are not sufficient for democratization (Rose and Shin, 2001).

Countries in sub-Saharan Africa, by implication, face a challenge of completing the construction or reconstruction of the state for successful transition to a full-fledged democracy. Thus, state reconstruction in the sub-continent of Africa must be undertaken to enhance the ability of the people to govern themselves and allocate their resources efficiently and equitably on the way they play a crucial role in the effective management of ethnic conflicts and to discourage external actors from meddling in their affairs (Abegurin, 2009; 108). In order to overcome these issues of ethnic problem and strengthen the transition to democracy and economic development, institutions that bring about power sharing and regional autonomy are suggested as a way out. It

⁶ An instance of these problems includes bad governance, ethnic politics (lack of national consensus), power monopoly, centralization, state weakness and fragility, and systemic pressures (especially in the post cold war years).

is under this situation that some sub-Saharan states, which almost all of them are multi-ethnic in composition, such as Nigeria⁷, Ethiopia and South Africa have devised a federal state structure as a solution. Some other states such as Kenya and Tanzania also are considering it.

It is assumed that democratization is a process that largely affects the political system, increases popular participation, further political stability, enhances political equality and mass welfare, and hence, creates suitable condition for economic progress and/or development. However, democratization in plural society, especially in ethnically divided societies, take places on the plank in which political competition is overtly drawn along ethnic lines, economic matters are highly intertwined with political affairs as well as reconciling ethnic diversity with a requirement to an overarching loyalty to the state. That is why it is assumed that democratization and state building should be viewed as occurring together in ethnically divided and weak state. This is because as long as democracy is a form of governance of state and related with 'stateness', no modern polity can democratically consolidate unless first the state itself is consolidated with a legitimate and viable order.

For that matter, federalism is viewed as best alternative for power distribution, to limit the power of those who rule, to give wide opportunity to each ethnic group for political participation and representation, and contribute to foster economic advancement and democracy in divided societies. Moreover, with power decentralization, federalism can settle the problems of state inefficiency and power centralization which is intrinsic in sub-Saharan Africa. This is because the creation of state capacity requires the decentralization of government authority and establishment of rules governing the relationship between citizens and state (Bratton and Chang, 2006). In a decentralized system, it would be easier to resolve divergent local interests by negotiation, thereby reducing the risk of these problems escalating into conflicts (Gerti and Dijk, 2005).

Federalism is a political organization in which the activities of government are divided between regional governments and a central government in such a way that each kind of government

⁷ Although the military has designed the 1979 and 1989 federal constitution after independence, Adeola argues that "An imposed federal constitution that disregarded the inputs of the people could neither be democratic nor federal ... the fourth republic began in 1999 with the adoption of the 1999 federal constitution" (Adeola, 2004, 6).

holds some activities on which it makes final decisions. A sound argument for federal political system is that it makes the government accessible to the mass with decentralization, and keeps unity and diversity simultaneously. The transfer of central decision-making to local and regional bodies gives citizens multiple points of access, thereby enhancing opportunities for public participation, increasing the accountability and responsiveness of officials to local citizens, and hence providing incentives for more responsive democratic government. Some scholars even consider democratization as a process of federalization to make dual identities compatible and complementary. A federal solution in divided society tends to facilitate and foster democracy and protect diversity through a combination of self-rule and shared rule within a framework of power sharing.

However, “for federalism to work division of powers and functional constitutional procedures must complement each other in such a way that they reinforce a credible level of political legitimacy” (Kalu, 2008; 51). Moreover, “the successful establishment of democratic government in divided societies requires two key elements: power sharing and group autonomy” (Lijpart, 2004; 97). It should be designed in a way it can ensure the devolution of powers from the centre to the states and local governments which are more accommodative of the peoples’ interests. Fiscal federalism or fiscal power decentralization is also necessary to ensure equitable resource distribution, to moderate economic inequality among collective groups and enhances state efficiency at local level. Particular to a federal political system, the party system and the role played by political parties is important determinants of the operation of the federal system. They have important role to bring about territorial representation and channel diverse interests, and they are usually decentralized in their structure in order to enable them to place peripheralizing pressures on the federal system.

This thesis, particularly, discusses the Post Cold war political economy of institutionalizing democratization and federalization in multinational states of sub-Saharan Africa with a reference of Ethiopia and Nigeria in comparative analysis to analyze the post cold war trends. Ethiopia and Nigeria are located in sub-Saharan Africa and both are large countries with large populations and encompass ethnically diverse communities. Ethiopia is a country of more than 80 ethno-cultural groups. Similarly, Nigeria is a multi-ethnic and multi-cultural society with more than 250 ethno-

linguistic groups. Both countries are major forces in their respective regions in the sub-continent to set off regional security and/or regional instability.

In Ethiopia, although the Ethiopian Peoples Revolutionary Democratic Front (EPRDF) regime oversaw the restructuring of the country from a unitary centralized state into an ethnic federation, all Ethiopian regimes before 1991 sought the building of a centralized unitary state (Asnake and Hussein, 2007). The EPRDF government introduced a new constitution and a federal system in order to halt the strong and suppressive central governmental structures to rectify ethno-cultural grievances (Habtu, 2003).

Nigeria, with the amalgamation of the Northern and Southern Protectorates, became a united political entity with a federal structure firmly put in place by the British colonial administrators in 1914. And, eventually became independent in 1960 with its attendant problems, including the structural imbalance between the North and the South, which made it impossible for the South to control political power at the center for many years (1960–1999) (Abegunrin, 2009). The experiences of state formation, ethnic diversity, experiences of strong central and authoritarian regime, active foreign policy arrangement to the western world, regional power status, levels of development and other common features and attributes make a comparative analysis of the political economy of democratization and federalization in Ethiopia and Nigeria imperative.

1.2. Problem Statement

Joseph contends that “democratization was not supposed to happen in [sub-Saharan] Africa ... [I]t had too little of what seemed necessary for constitutional democratic polities [and these] countries were too poor and too culturally fragmented” (Joseph, 1997; 363). On the other side of the coin, a democratic revival that followed the end of the cold war and the prominence of a neo-liberal discourse apparently affected the parameters within which the major external powers should interact with the sub-continent. Western aid to the region has begun to be conditioned by enlightened self-interest and the principles of ‘good governance’. However, Brown indicates that “political conditionality often encourages a transition to a democracy that is merely electoral, sometimes fomenting rivalries, at times unleashing interethnic violence in the struggle to retain

or achieve power (as in Kenya, Rwanda and Burundi), and otherwise impeding democratization” (Brown, 2005; 182).

On the other hand, in economic terms it is necessary to take into consideration the assertion made by Chuan who asserts that the introduction of democracy in multiethnic societies is likely to lead to conflict; democracy, popular vote, empowers economically excluded ethnic majority groups against “market-dominant” minorities, who control a disproportionate share of economic resources (Chua 2003). The conflict between these two groups with opposing interests produces instability, authoritarian backlash, and violence. Unequal distribution of economic resources across social groups is a pervasive fact throughout the democratic world, but not all groups are believed to threaten democracy for this reason as the case it is in multiethnic societies (Chandra, 2009; 385).

In such societies, Horowitz argues, democracies are destabilized by the permanent exclusion of some minority groups from power. Because, ethnic divisions are fixed, and hence elections based on ethnic divisions, produce permanent winners and permanent losers based on ethnic demography. Consequently, the politicization of ethnic divisions threatens democratic stability (Horowitz 2002). On the same vein, Geertz looks ethnic dissatisfaction differently and affirms that classes and economic groups are economically specialized and are not associated with territory. Consequently, “economic or class disaffection threatens revolution, but disaffection based on ethnic identities threatens partition, irredentism, or merger, a redrawing of the very limits of the state” (Geertz 1973; 261).

What we can comprehend from the above assertions, and to put the problems differently is the fact that the preoccupation with elections has obscured the role of other critically important democratic processes and institutions outside of electoral arenas in establishing both democracy itself and in contributing to state building in sub-Saharan Africa. The impacts of political institutions on democratization in ethnically divided states is not given due attention, the inattentiveness to the predicament of ethnicity and its mismanagement is the worst problem and democratic transition and democratic governance remained hard to get hold of in large part of the sub-continent of Africa. Even in the circumstances of rising economic growth but economic immoderation, eth-

nicity often overcome class issues and exacerbates ethnic conflict. Under conditions of intense economic competition, ethnicity makes it problematic for social harmony in multicultural societies. Put differently, the study of democratization of the state itself is undermined, especially in sub-Saharan African states which are ethnically divided and administratively weak.

For the sake of summarizing the above discussion, Joseph argues that “pluralist and competitive democracy in Africa has tended to take the form of competition among communities rather than individuals, parties, and administrative subunits ... [i]t is no wonder that power-sharing formulas and consociational systems are everywhere being actively encouraged in the post-1989 transitions” (75,366). However, the validity and soundness of power-sharing and consociational systems is questionable and it is under researched area of inquiry. Therefore, this thesis attempts to study and understand whether federalizing the state and democratization are reinforcing each other in multi-ethnic states of sub-Saharan Africa, and identify the failures and successes in reference of the post Cold War years Ethiopia and Nigeria.

1.3. Objectives of the study

The thesis has the following general and specific objectives that it endeavors to deal with.

General Objective

- To explore the reinforcement between the political economy of democratization and federalization of ethnically divided states in the context of sub-Saharan Africa, and examine and analyze the post cold war years in Ethiopia and Nigeria.

Specific Objectives

- To briefly discuss and appraise the problematic of the nature of state in sub-Saharan Africa in view of democratization.
- To pinpoint and briefly discuss the internal and external influences for democratization in sub-Saharan Africa in a political economy approach.

- To examine whether the post cold war federal constitutional arrangement and the party system in Ethiopia and Nigeria ensures power sharing between levels of government, encourages regional autonomy and promotes democratization.

However, it does not mean that the general and specific objectives are indifferent. There is a consistency between the general and specific objectives and methodologically the general objective is dependent on the analysis of specific objectives. To deal with and carry out the aforementioned objectives, the study raises the following *Research Questions*:

- How are states formed and evolve in sub-Saharan Africa?
- What domestic and external political and economic influences necessitate democratization in sub-Saharan Africa?
- Are there any political and economic reinforcement between democratization and federalization in the context of sub-Saharan Africa?
- Does the federal system and constitutional arrangement in Ethiopia and Nigeria ensure power sharing and regional autonomy, and make any difference to let ethnic groups and/or peoples to govern themselves in the post cold war years?
- How the party system affects the working of the federation in Ethiopia and Nigeria? And, do political parties in Ethiopia and Nigeria have decentralized structure and reflect segmental interest?

In dealing with the research question, *the study hypothesizes* that the end of the cold war and the survival of democracy as the only ideology, and ethnic complexity and ethnic pressure have inspired many sub-Saharan African states to appraise democracy as a best political system. In addition, the fact that Ethiopia and Nigeria are multi-ethnic states makes federalization imperative for democratic transition, shortcomings notwithstanding.

Therefore, the *significance of the Study* lies in the fact that as democracy is the remaining most appraised political system in contemporary world it is worth to deal with it explicitly. Many sub-Saharan African states and their leaders claim to be democratic, making their own calculations

and propagation for democratic transition. However, mainly the nature of the state, ethnic complexity and institutional gap is the main problem of these states. Hence, some states are undertaking reconstruction and restructuring of state and are considering a federal alternative as a way out from the inherent problems they are swallowed up in for the past several years. Hence, it is important to study the reinforcements between democratization and federalizing ethnically divided states and evaluate successes and failures. Studying and understanding whether state reconstructing and restructuring is reducing institutional gaps and ensuring the interests of diverse groups in diversified society is necessary, and helps to diagnose underlying hindrances to realization of democracy and betterment of overall development endeavors. It also helps all concerned bodies to contemplate what adjustment is necessary to avoid shortcomings for the furtherance of democratic governance, and it opens the way for further research and facilitates comparative studies across regions in sub-Saharan Africa.

1.4. Methodological Issues and Structure of the Thesis

This study entails qualitative research at large but not with a total exclusion of quantitative methods -- putting in simple terms, quantitative methods seek to show differences in number between certain objects of analysis and qualitative methods seek to show differences in kind. This is because of the reason that the study has centered on political economy approach to discuss the interplay of democratization and federalization. The importance of a political economy approach to understanding of multi-ethnic federal states is, as Burgess asserts, “if federations are founded upon the principles of difference and diversity, it is important to examine precisely how the federal constitution and the political process relate to the nature and distribution of economic power and resources in the state”⁸ (2006, 144). Hence, it employed qualitative methods by large and quantitative method to deal with economic aspect such as fiscal issue that often requires quantifiable data (differences and/or similarity in number or amount). As long as the focus of this thesis is to explore and analyze the reinforcement of institutionalizing democratization and federalization in ethnically divided states of sub-Saharan Africa, the fact that Ethiopia and Nigeria are fed-

⁸ Burgess, moreover, states that “political debates and arguments about constitutional reform, fiscal federalism, regional resources and the division of powers that address the distribution of competences in federal states can be construed in terms of the nature of economic power” (Burgess, 2006; 145).

eral and ethnically divided states indubitably helps to deal with the post cold war years trends. Moreover, the geographical location of Ethiopia and Nigeria makes across region analysis imperative.

Regarding data collection and analysis, the study is predominantly based on document analysis. The 1995 and 1999 Ethiopian and Nigerian federal constitutions, respectively, are used as a primary document/source. The 1995 Ethiopian and 1999 Nigerian constitutions are inferred because of the reason that the study emphatically deals with the post cold war years trends. Secondary data is largely assessed through the review of relevant books, conference proceedings, reports, scholarly writings, journal articles, magazines, official publications, and relevant internet sources.

Methodologically, the study adapted conceptual and theoretical approach, and explanatory approach as well as institutional and document analysis to finalize the objective of the study. Conceptual and theoretical approach is employed to explain concepts, to give theoretical explanations, and finally to provide frameworks of the study. Thus, chapter two has dealt with conceptual framework and theoretical perspectives. In chapter two, it is theorized that democratization and state building should be viewed and better to occur together in the case of sub-Saharan Africa. This is because as long as democracy is a form of governance of state, no modern polity can democratically consolidate unless first a state. It is asserted that apart from falling short on classic social and economic preconditions for democracy, sub-Saharan African countries lack a key political precondition: a viable state. Therefore, chapter three begins with the discussion of the backgrounds of state building and state formation in sub Saharan Africa.

An investigation of the correlation between democratization and federalization in sub-Saharan Africa is the preceding area of inquiry as far as this thesis is concerned. To seek an answer for this question, explanatory approach (both structural and agency driven accounts) is employed and the thesis departed to briefly discuss the internal and external factors that render transition to democratic government in sub-Saharan Africa, a necessity. Explanatory approach entails explanation and description of events that are well featured and readily understood. However, explanations can be carried out based on different levels of analysis (the micro/individual/agency lev-

el, and the macro/system/structural level). Micro-analysts believe that the world of politics is shaped by the actions of 'structureless agents', while macro-analysts believe that world is shaped by the unstoppable processes of 'agentless-structures' (Landman, 2003; 18). This thesis does not privilege one level of analysis in order to explain and get the full features of the multitude of causes/influences that necessitate democratization in the sub-continent. Indeed, it is noted that the influence for democratization in sub-Saharan Africa is fuelled by a combination of national and international forces. The discussion on both cases of internal and external influences has uncovered the problematic of the nature of state in sub-Saharan Africa.

Institutional and document analysis is employed in chapter four and an attempt is made to comparatively examine Ethiopian and Nigerian federalism in view of institutionalizing democratization in order to refer to the analysis of the post cold war trends in sub-Saharan Africa. The necessity of comparative analysis lies in the fact that, as Landman states, "if the research strives to make larger inferences about politics through some form of comparison and uses concepts applicable to more than the country under study, then it is comparative" (Landman, 2003; 23). Moreover, Landman asserts that "focus on one country or a few countries means that the researcher can use less abstract concepts that are more grounded in the specific contexts under scrutiny ... [f]or example, the study of democratic institutions" (Ibid).

Hence, this thesis takes the federal constitution, the levels of government (dual polity), and the political parties and/or party system as institutional variables. For the sake of clarification, by institution, the thesis entails an established norm in the constitution and the formal institutions. To understand the motives and wishes behind the federation chapter four begins with the discussion of a backdrop to federation. Then, an analysis of the 1995 and 1999 federal constitutions of Ethiopia and Nigeria respectively is made to examine constitutional power decentralization to lower units of government. And, an assessment of fiscal federalism is made to figure out the fiscal and economic decision making power of the lower units. Beside this, the party system is discussed in order to identify whether it positively affects the operation of the federal system in view of democratization. Finally, bearing in mind the objectives of the study, the last chapter discusses the post cold war trends with a referential analysis of Ethiopia and Nigeria in combination with concluding remarks.

1.5. Delimitation of the study

The preceding inquiry of this thesis is to objectively explore and analyze whether federalizing multi-ethnic states in sub-Saharan Africa reinforces the institutionalization of democratic transition and consolidation and discusses and analyze the post cold war trends. Put differently, it discusses democratization in line with the attributes of federal institutional arrangement in the framework of ethnic complexity. The post cold war trend (that the thesis emphatically discusses and analyze) is analyzed based on a comparative analysis of Ethiopia and Nigeria anchored in the variables, that are explained in the methodological part, attributed to federal institutional arrangement in view of institutionalizing democratization. The study is manly conducted and limited to the analysis of documents and scholarly writings, and empirical research is beyond the reach of the researcher. Indeed, the large dependence on secondary data is a handicap to the thesis, yet, it was adopted in view of financial and time constraint. In dealing with the reinforcement between democratization and federalization in multi-national states of sub-Saharan Africa, one can come across dealing with several aspects and angles of explanation, viewpoint and analysis such as economic, cultural, social, political, attitudinal, and so forth. However, this study distinctively discusses and takes into account the political and economic aspect.

CHAPTER TWO

CONCEPTUAL FRAMEWORK AND THEORETICAL PERSPECTIVES

This chapter deals with conceptual frameworks and theoretical explanation. It gives theoretical and conceptual direction for the discussion of the proceeding part of the thesis. An attempt is made to define and conceptualize democracy in relation to ethnicity and state weakness. Theoretical discussion on democratization, federalization and ethnic complexity is also provided in the chapter. The thesis also hypothetically discusses federal constitutional arrangement and party system in view of democratization. Finally, it briefly discusses democratization in the post cold war years and thrash out theoretical perspectives that are given on how to deal democratization in the post cold war years. Agency driven theorists focuses on domestic situation whereas Structuralists concentrates on systemic situation.

2.1. Conceptualizing Democracy in Ethnically Divided and Weak States

Democracy is today a near – universal validating principle for political system. However, “one can find endless disputes over appropriate meaning and definitions of democracy” (Collier and Levitsky, 1997; 433). Defining democracy remains an elusive task, as different scholars provide different meanings of the concept according to their ideological and professional backgrounds (O’Donnell, 1994). Moreover, “the history of the idea of democracy is complex and is marked by conflicting conceptions and there is plenty of scope for disagreement” (Held, 2004; 1). Some of the definitions emphasize institutional and procedural aspects and others tend to give more emphasis to majority rule and the democratic values.

In short, democracy can have different meanings with numerous implications for a variety of social values and institutional arrangements. It can be inferred that, recognition of the contested status of a given concept opens the possibility of understanding each meaning within its own framework. For instance, “politics being the art of the possible, democratic targets will be raised or lowered as circumstances alter and these alternative standards should be taken seriously on their own terms” (Collier and Levitsky, 1997; 433).

Democracy is a multidimensional concept, ranging from definitions based exclusively on institutional frameworks to complex and integrated measures that include political and civil rights, democratic practices, values, and finally a diverse set of institutional arrangements in society including welfare, education, industrial relations, and the legal system (Susanne, 2006; 56). Literally, democracy signifies the ‘rule of the people’. The word democracy is derived from two Greek words: *demos*, meaning “the people”, and *Kratos*, meaning “rule”. Therefore, democracy is a way of governing in which the whole body of citizens takes charge of its own affairs, and as citizens of towns, cities, states, provinces and nations, the people are the sovereigns, the source of power. As David Held has stated, while the word ‘democracy’ came into English the sixteenth century from the French *democratic*, its origins are Greek’s *demokratia* with the root meaning of *demos* (people) and *Kratos* (rule), and, means a form of government in which, in contradistinction to monarchies and aristocracies, the people to rule (Held, 2006). Abraham Lincoln’s definition of democracy is close to its literal meaning; democracy is the government of the people, by the people and for the people.

Besides the literal meaning and definitions of democracy, scholars today are faced with the challenge of dealing conceptually how to, effectively, operationalize and measure democracy as a system of government characterized by popular participation. In effect, should democracy be narrowly defined and limited to the governmental realm or should the definition include aspects of the broader social and cultural structure of a society? These dilemmas of operationalizing democracy have created a demand for a procedural and substantive definition of democracy.

Procedural democracy at most highlights citizens’ perceived freedom to vote, freedom to associate with political parties, and senses of political equality. Leading analysts like Dahl (1989), Sartori (1962) and Schumpeter (1947), have made efforts to use the term democracy based on procedural definition viewing the political realm as autonomous and democracy to be a method or procedure of government rather than a certain commitment to any particular set of social and economic objectives. These theories, also named as polyarchy and/or elitism, claim that democracy rests exclusively on process, so that there is no contradiction between a democratic process and social and economic inequalities and monopolization of material and cultural resources.

Substantive notion of democracy, also dubbed as popular democracy, on the other hand emphasizes a set of reforms that ensures citizens' preferences are translated into policies and that their votes and decisions are not spoiled by a set of political institutions. Robinson asserts that democratic participation, in order to be truly effective, requires mass empowerment and democracy be a tool for changing unjust social and economic structures and the resolution of such material problems as housing, health, education, land ownership, social inequalities, racism, ethnic domination, gender subordination, and so forth (Robinson, 2004). Joseph asserts that a political system is democratic to the extent that it facilitates citizen self-rule and permits the broadest deliberation in determining public policy (Joseph, 1997).

Meanwhile, it is important to note here that in dealing with democracy and democratization one can possibly face with uncertainties to grasp the exact meaning of it in multi-ethnic society. Indeed, what can be understood from the root meaning of democracy, that is '*Demo*' and '*Cracia*' which means the '*people to rule*', is the fact that it is the people who are mandated to rule but not an individual or a few. However, the question about who is part of the *demos* and of the *nation* in multi-ethnic states is contentious. This is because, ethnicity binds individuals together, gives them internal cohesion, offers them a personal solution to the generic problems of exploitation and oppression, encourages them to provide for each other's security, promote sense of identity, and therefore their sense of direction and unity (Abegunrin, 2009; 85).

In states which are characterized by both an association of individuals and a community of communities, it is necessary to recognize both individuals and communities as bearers of rights. In multi-ethnic states, usually, the transformative capacities of democratic arenas in which individuals arrive at decisions are ethnically based judgments about matters of common concern. Successful and peaceful democratic transition is unthinkable and there is no room for a liberal agenda to emerge where nationalist movements are present and regimes are volatile to break apart, hence, prior to democratization the national and state question should be settled (Bunce, 2003). Therefore, it is argued that democracy has to be expanded into a broader conceptualization in ethnically divided societies.

Besides that, for democratic state theorists, effective state has to be set up with a legitimate and

viable order, strong political institutions, a functioning state bureaucracy and the rule of law. Weak states must acquire other elements of democracy before they embark on elections and the working definition of democracy should not be narrowed to mean elections by assigning other elements of democracy to stateness (Harbeson, 2009; 136). State building and democratization are integral and equally important priorities that are best considered together and democratization requires a set of state structures that enforce law and order, respond to popular demands, govern by constitutional means, and control official corruption (Bratton and Chang, 2006). Democracy has never been nurtured in the absence of political order, where the state has failed, or where civil society has been supplanted by civil war. Rose and Shin asserted that “democracy is a compound of institutions of a modern state and institutions of mass participation and representation” (Rose and Shin, 2001; 333).

This obviously applies to the case of ethnically divided countries of sub-Saharan Africa, as it lies in their nature that the national and state questions have not been settled, political and economic inequality persists and that further prerequisites to democracy like a viable and legitimate order are missing. In today’s sub-Saharan Africa, the existing state boundaries were created by colonial powers. Of course, before the imposition of colonial rule, depending on lineage and clan structure there was maintenance of social order on tacit convention designed to limit conflict between them though there have been no overarching structure of territorial control corresponding to the criteria for statehood (Clapham, 1996).

The main change that the colonial powers brought to the sub-continent was the introduction of a system of territorial boundaries that became consequential because they were sponsored by a state system that respected them. The colonizers established the kind of territorial structure which they assumed from their own understanding to be central element of government. In this process, several ethno-cultural groups were brought together under one state which then made almost all Sub-Saharan states multinational in composition but divided along ethnic and cultural lines. For instance, in both the Ethiopian and Nigerian case, the modern state boundary is formed, similar to the rest of sub-Saharan states, within the context of 19th century international imperialist drift.

Then onwards these states became multinational in composition with more than 80 ethnic groups in Ethiopia and over 250 ethno-cultural groups in Nigeria that latter on contravened ‘national question’ and citizenship. For instance, Adeola argues, “ethno-religious tensions have become common features in the Nigerian federation.... [t]he major challenge the nation faces is how to galvanize the various ethno-religious groups into a nationhood with the instrumentalities of federalism” (Adeola, 2008; 3). Similarly, “ethnic-based federalism is the most controversial in Ethiopia ... [c]elebrated by some as the panacea for holding multi-ethnic Ethiopia together, others decry it as a dangerous concept that will eventually dismember the country. Behind the controversy are contested definitions of citizenship and of what it means to be Ethiopian” (ICG, 2009; 22).

The evidence gleaned from the sub-Saharan African experience promises to expand geographically the empirical foundation on which democratic state theory has been grounded (Haberson, 2009; 138). Thus, identifying the most appropriate political institutions to accommodate different groups becomes important. Most prominently, Lijphart proposes consociational democracy; the interests and demands of communal groups and elites in heterogeneous societies can usually be accommodated by some combination of power sharing and regional autonomy arrangements (Lijphart, 2004; 97). For divided societies with geographically concentrated communal groups, a federal system and/or constitutionally guaranteed decentralization is undoubtedly an excellent way to provide autonomy for these groups regardless of their individual circumstances and characteristics (Ibid). Considering the foregoing discussion, the study focuses on popular and consociational democracy and democratic state theory.

2.2 Democratization, Cultural pluralism and Federalization: Political Economy

Democratization is a process that predominantly affects the political system and increases popular participation in public affairs. It is desirable for its own sake, or because it furthers other objectives such as political stability and economic growth (Schmitz, 2004; 404). Although democracies do not necessarily fare better with regard to economic growth in general, they do a better job of managing resources and creating more stable political conditions. Popular political participation not only has the consequence of breaking down the privilege and vested interests of a few

but also feeds a participative mentality that carries over into the economic arena and greatly increases the flow of information so essential to effective and efficient governments (Sirowny and Inkeles, 1990; 134).

Democratization has widely understood as a transition from non-democratic to democratically elected regime with certain concrete changes in political spheres. However, democratization might be viewed to take different path in societies and/or states divided along ethnicity. The population's degree of heterogeneity with respect to ethnicity may matter for democracy. It is usually questionable that whether this heterogeneity makes democracy difficult to sustain or not. Susanne Karstedt argues that "democratic societies have to deal with tensions that arise from inclusionary values and practices, on one hand, and on the other hand from recognition of plural interests, values, and differences of class and ethnicity" (Susanne, 2006; 57). Contemporary democratization requires concessions from those who were formerly excluded from participation, they must tolerate many years of material inequities while agreeing to work through elections and parliamentary procedures (Joseph, 1997). Huntington refers to it, "the democratic bargain – a trade-off between participation and moderation" (Huntington, 1991; 169).

Therefore, Ethnic heterogeneity poses some problem on democratization process, especially in deeply divided or plural societies. Democratization in plural society, is thus, take place in which politics is ethicized and political competition is overtly drawn along ethnic lines as well as reconciling ethnic diversity with overarching loyalty to the state is required. As long as democracy is about individual and/or people's right to determine the course of their fate, institutions that are created to handle it in a proper manner, matters for democracy. It is debatable hence whether federalism as a state structure is a significant factor for a democracy to progress in multi-ethnic states, and does federalism make any difference in the way people are governed and be an owner of supreme power in governing themselves.

Deluges of scholarly writings, nowadays, are proliferating to discuss a nexus between democratization, multi-ethnicity and federalization. And, some scholars have argued that democratization and federalization reinforces each other. This is especially potent in states which are multi-ethnic in composition. In today's world, democratization and federalization are linked in various ways

with different forms. Several scholars agree that federalism has viable contribution to foster democracy in divided societies. Federalism is viewed as best alternative for power distribution, to limit the power of those who rule and to give wide opportunity to each ethnic group for political participation and representation.

Federalism is a kind of state structure that, in principle, signify the existence of government in dual polities _ one at the center, another at regional level. *Federalism* is a fundamentally normative concept which refers to the territorial organization of a political community and in which there are two spheres of government that combine the principles of *self-rule plus shared-rule* or, in other words, the principles of self-government and shared government (Requejo, 2005; 44). The activities of government are divided between regional governments and a central government in such a way that each kind of government holds some activities on which it makes final decisions in a political organization.

In addition, federalism is a “philosophical concept based on the notion that the greatest human fulfillment is to be found through participation in a wider community that, at the same time, favors diversity and protects individuality” (Mangu, 2010; 5). It is a form of preference aggregation that often leans on bargains among territorial governments or their representatives as opposed to majority rule among individuals. More important, federal bargains require majorities and often supermajorities of the territorial units for a wide range of policy changes, especially changes in the basic vertical distribution of policy and fiscal authority or the constitution itself (Rodden, 2004; 490).

Federalism enhances representation of different groups because of the fact that members of parliament represented the community’s component parts and were responsible to their respective constituencies. In the context of multinational states, democratization can be understood as a process of federalization in which all parties are to achieve dual domains on, or dual sovereignty over, the same land and same people, and to make dual identities (national and sub national) compatible and complementary (He, 2007; 18). The argument that in multi-ethnic societies ‘justice seems to demand federal restructuring’ is generally accepted, though with some qualifications, by researchers in the area of ethnic conflict resolution (Coakley, 2007; 1).

A federal state structure is legitimated, by scholars, to a variety of purposes including promoting economic and political development, harmonizing cultural diversity, and transforming constitutional traditions. The justification for federal state structure, often, rests on both political and economic motivations. For instance, “[t]he economic justification is that, public goods in particular vary in their characteristics, which, in turn, may require different treatments by different levels of government” (Filippov et al., 2004; 2). Especially, “the collapse of central economic systems has encouraged regional and local governments to participate in the political and economic processes (Deresse, 2007; 2). Horizontal competition across states and localities within federal systems counterbalances the excesses and unresponsiveness of the national government. Federal political system is also praised for the fact that it makes the government accessible to the mass with decentralization, and keeps unity and diversity simultaneously.

As indicated earlier, though not agreed fully by scholars, federal political system has a lot do with political economy of democratic transitions and cultural pluralism. For He (2007), federalism contains the features of democracy in the sense that the relationships between two governments are defined by the rule of laws and a set of procedures and the independence of the court for the functioning of a healthy federalism ought to be maintained. Civic liberties and rights of minority nationalities are protected against majority rule, a sort of collective freedom for minority nationalities is preserved and a set of constitutionally guaranteed scopes of action are enjoyed by minority nationalities. A cogent argument for federalism is that it tends to facilitate and foster democracy and [f]ederal solutions are often the best ways of resolving intractable ethnic conflicts and protecting diversity through a combination of self-rule and shared rule within a framework of power-sharing (Mangu, 2010; 32). The political justification for federalism include allowing minorities _ethnic ,religious, linguistic, or otherwise_ for local and regional control of purely local and regional matters so as to discourage the alienation that people might feel from a more distant and seemingly less controllable central government (Filippov, et al., 2004).

In ethnically divided states, democracy is beyond one narrow ethnic definition of people. People’s rule must be understood as *peoples’* rule; that is, the coexistence of shared rule by all the peoples and self-rule by one group of people (He, 2007; 18). Lijphart asserts that if political boundaries for sub-national governments reflect social boundaries, diverse plural societies can

become homogeneous within their regions, thereby reducing communal violence, promoting political stability, and facilitating the accommodation of diverse interests within the boundaries of a single state (Lijphart, 1999). Adeney (2007), comprehensively identifies motivations behind the creation of a federation: to achieve administrative efficiency for reasons of size or complexity, as an ideal in itself, connected to other ideological features of government such as the desire to increase ‘democratic functioning;’ and, as an attempt to reconcile diversity within the structure of a single country.

2.3. Federal Constitutional Arrangement and Party System

Democratization is largely viewed as the institutionalization of democratic principles as part of everyday culture in a society. Nonetheless, there is a great array of argument among scholars on the paths and sequence of democratization. The arguments revolve around the question of whether free and fair election signals democracy or the development of institutions that ensure rule of law and due process?

There are those who argue that the introduction of free competitive elections is a necessary step in the establishment of democracy. For instance, for Joseph Schumpeter, democracy is a political system in which free elections with universal suffrage create vertical accountability, as governors depend on the votes of the mass rather than being horizontally accountable to an undemocratic assembly of notables (Schumpeter, 1947)⁹. Gastil asserts that political rights are rights to participate meaningfully in the political process – the rights of all adults to vote and compete for public office and for elected representatives to have a decisive vote on public policies (Gastil, 1987). While defining democracy, Huntington gives focus on the role of election. He affirms that the central procedure of democracy is the selection of leaders through competitive elections by the people they govern (Huntington, 1991).

Nevertheless, others assert that elections should come chronologically after the rule of law and due process in distinguishing democracies from authoritarian regimes. Constitutions play a

⁹ Schumpeter, Joseph (1947), *Capitalism, Socialism and Democracy*, 2nd ed., London; Alkn and Unwin (Cited in Rose and Shin (2001)).

greater role than do elections in protecting individuals or communities rights partly because constitutional texts are not affected by a founding character, partly because constitutional texts are not affected by unpredictable electoral changes and populist waves (Schemel, 2000). Good constitutions, not elections, protect minorities – political opponents as well as autochthonous, ethnic or cultural groups (Schemel, 2000; 109). Rose and Shin (2001) professed that if we need to proceed to democracy, we must do more than hold free and fair elections, to the development of institutions and procedures that effectively enforce the rule of law. A regime that is an incomplete democracy, with free elections but lacking essential elements of the modern state, may survive indefinitely, but only at a price.

In Ethnically divided societies, constitutions and the institutional arrangements that derive from them are typically forms of political technology designed to regulate political conflict and determine the patterns and location of political dominance within the state. In a federal system of government, the functions and responsibilities of each level of government are specified in the constitution. Theoretically, federation signifies a codified and written constitution which demarcates the distribution of power and functions, and guaranteed division of power to each level of government. Many authors promote federal constitutional arrangement specifically for its democratic credentials and a federal constitution expresses the core creed of democracy, pluralism, in territorial terms (Adeney, 2007; 11).

The benefits specific to federalism pertain to ownership rights in constitutional powers because of the fact that powers distribution among levels of governments are codified and cannot unilaterally repossessed. Breton (2000) emphasized the excellence of federalism in power decentralization as compared to unitarism. In unitary state, whatever the degree of decentralization or whatever the extent of devolution of powers, all powers are owned by the national government; and in federal states, some powers are owned by the federal government, while others are owned by the Lander, Provinces, republics, or states. Moreover, under federalism, powers cannot be repossessed unilaterally and arbitrarily.

Although federalism does not directly mean decentralization, in principle it implies non-centralization of power as long as there is constitutionally guaranteed power devolution. Differ-

ent institutional forms of decentralization, notably federal constitutions, have long been recommended as the preferred mode of democratic governance designed to maintain stability within multinational states. In the context of the contemporary global scene, federal political systems combining shared rule and self-rule do provide a practical way of combining the benefits of unity and diversity through representative institutions (Watts, 1998; 30).

It can be inferred that federalism is a political idea as well as a constitutional principle. Constitutional power distribution between the two levels of government is guaranteed in federal state structure. Federalism is not a particular distribution of authority between governments, but rather a process – structured by a set of institutions -- through which authority distributed and redistributed (Rodden, 2004). The essence of federalism is not to be found in a particular kind of structure but a particular set of relationships among the participants in a political system (Daniel, 1994; 44).

As long as there is distribution of powers, and the enforcement of autonomous and shared powers must be entrenched in constitutional guarantees, federalism helps to constrain the power of government through a spatial division of authority, capacities, and responsibilities (Lancaster and Tuschoff, 1999). Federalism not only splits responsibilities and increases the number of relevant actors in a field of policy but also modifies their preferences, perceptions and strategic options. Any major policy change requires coordination of multi-layered interests and the approval of a host of actors, who have to bargain until they agree on a joint course of action and – what is especially important for expensive public policies like social policy – how the associated costs are shared (Obinger, 1998; 245).

The existence of sub-national units in a federal system is justified if and only if the constitution allocates them fiscal power and enough resources to appropriately address public services and local needs. This is because it enhances the accountability of local government to local groups and/or people and guarantees the degree of autonomy of state and local governments in carrying out various economic tasks. Federalism implies that for some subset of the central governments' decisions or activities it is necessary to obtain the consent or active cooperation of the sub national units. If democracy is about sharing political power, federalism is about sharing powers

between the centre and local, or between two levels of governments, or between mainstream nationality and minority nationalities (He, 2007; 24).

Beside the state structure and constitutional arrangement, the existences of other institutions like political parties matters in transition to democracy in multi-ethnic states. A political party is an organized group of individuals who share similar political beliefs, opinions, principles, aspirations and interests with the sole aim of capturing political power and exercising it through the formation of government (Olarinmoye, 2008; 67). Political parties are deemed as a devise to entrench democratic political system. They are “vehicles and instruments of organized, vested interests that express particular values, beliefs and aspirations, and these interests and values change over time so that parties are able to channel and canalize them through the various structures and institutions of the state” (Burgess, 2006; 150).

In a democratic system and for a development of democratic culture the role of political parties is believed to be enormous. This is because they are believed to represent different interests of different groups. Party politics in heterogeneous society may differ from that of homogeneous society. Today, democracy is often associated with _multiparty political system. Party system refers to the relationships that exist between a country’s constitution, the electoral laws, and the number of parties that may exist in that country. Modern democracies are unthinkable without parties. The existence of strong parties is perceived to have positive contribution for the survival of democracy. The literature on party competition and partisan electoral advantage is replete with studies documenting the importance of viable parties for the democratic health of a nation (Brown and Bruce, 2008). While free elections are necessary for a democracy, only competitive elections have strong popular endorsement with parties compete by criticizing each other (Rose and Shin, 2001). Therefore, it can be inferred that political parties have a tremendous role in democratization process.

Especially political parties have invaluable role in representing the interests of diverse ethnic group in states with ethnic diversity. Democratic political parties are supposed to aggregate given societal interests but also to identify and define societal cleavages and translate them into political demands (Scheduler, 2002). Parties can be viewed as institutions that represent contesting

interest groups in the society and function as aggregators of preferences of the population and they present well-defined platforms for the general vote (Gomberg et al, 2004). However, the problem, to some extent, with political parties in ethnically diverse states in representing interests is the fact that they would deploy ethnicity for competitive purposes.

The focus of the intellectual debate about the role of political parties in federations has been how far their internal organization and the structure of party systems have impinged upon the operation and maintenance of federal systems. In federal political system, the structure of the party system has important role to bring about territorial representation, and channeling the diverse interests. With regards to parties in federal system, they are usually decentralized in their structure. And, this enables them to place peripheralizing pressures on the federal system. Decentralized parties in the state and local arenas are more responsive to and representative of diverse populations than would be centralized uniform parties (Volden, 2004; 100).

It is theorized, “federal arrangements provide a greater incentive for ideological divergence between federal and provincial parties than for ideological similarity simply because federal and provincial parties appeal to different electorates” (Koop, 2004; 5). A high regionalization of national parties and/or the presence of regionally unique parties increase the possibility of territorially divergent majorities, and provide a political channel for the representation of territorial interests within the national Parliament (Baldi, 1999; 11). If federalism means segmental isolation along geographical lines, then it is necessary to examine the extent to which the party system / politics reflect the segmentation within society and represents aggregated interests of different groups within ethnically diverse states of sub-Saharan Africa in general and Ethiopia and Nigeria in Particular.

2.4. Democratization in the Post Cold War Era: Theoretical Perspectives

The fall of communism in Eastern Europe, the end of the cold war, and the subsequent dissolution of the Soviet Union inaugurated a new era in international relations, and the political transformations that took place around 1989 were global in their range (Simensen, 1999). Significant changes in existing world order structures have been witnessed, ranging from the undermining of

state sovereignty and the Westphalian state system to the disappearance of bipolar geopolitics with the result of that some dramatic changes in international political and economic practices have now taken place (Marchand, 2004). After 1989 the dominant set of political institutions in western industrial nations and their theoretical justification moved to a position of near global hegemony (Joseph, 1997; 364). Francis Fukuyama, even viewed the end of cold war as an “end of history” – a final victory in the progress of the idea of freedom and global democratic acceptance (Fukuyama, 1992).

This necessitated the sharp distinction between internal and external causes of national development to be modified and replaced by a notion of interaction within larger systems, with a range of actors beside the state, from multinational corporations and networks of private organizations to international media and institutions. Democratic revolutions around 1989 led to the assumption that the discipline of international relation needs to transcend its usual core categories of the nation-state and the international state system. Huntington having defined “waves” of democratization, named these democratic revolutions as “the third wave of democratization”. A wave of democratization is a group of transitions from non democratic to democratic regimes that occur within a specified period of time and that significantly out number transitions in the opposite direction during that period of time (Huntington, 1991; 15).

According to Huntington and his scheme of periodization, the first wave flowed uninterruptedly from 1826 to 1926, marking the emergence of democratic regimes as a nineteenth – century phenomenon. The second wave is represented by the Allied victory in 1945 and the subsequent decolonization process in the Third World which lasted for a short while. The third wave of democratization took off in the year following the end of the Portuguese and Spanish dictatorship in 1974-76 and culminated in the years after 1989 (Huntington, 1991). However, “the sequence in which countries develop a modern state and introduce democratic elections had differed radically between waves of democratization” (Rose and Shin, 2001; 333). According to Rose and Shin, the third-wave democracies have begun democratization backwards. Free elections and accountability of the government to the electorate have been introduced before the institutions of a

modern state are fully secured¹⁰ (Ibid, 2001).

The third wave became inevitable in sub-Saharan Africa. Especially the end of the Cold War has made the political strategies sub-Saharan Africa's leaders played during east-west rivalry of the cold war period, more difficult. The increased difficulty of maintaining authoritarian or patrimonial rule without access to significant external resources can partly explain the wave of 'democratization' that occurred in Africa during the late 1980s and early 1990s (Taylor and William, 2004; 9). In this new democratic movement of the early 1990s, decentralization is regarded as one of the most important components in a package of measures for initiating effective democratization with the hope that it would, at the same time, trigger sustainable development in sub-Saharan Africa (Gerti and Dijk, 2005; 173). Indeed, these elements are central to the project of democratization that is now preferred by international donor agencies.

Contemporarily an intellectual challenge with the study of democratization is to link global processes with domestic ones and then to show how those domestic processes influence the daily experiences of both those who rule and those who are ruled. Especially this became ardent in a relation to globalization, and raised question like, how can global change constitute a catalyst to the transition-to-democracy? And in what way do global shifts affect domestic economic and political processes? Dealing with these and related questions, scholars of democratization have provided structural and agency-driven accounts of democratization.

Those who developed an "agency focused perspective"¹¹ argue that understanding why and how authoritarian practices are being challenged requires a shift from a structural to an agency-centered perspective on regime change. Challenges to authoritarian rule and repressive practices increasingly create transnational coalitions between domestic activists, international institutions, and outside supporters. The intervention of these coalitions shape domestic outcomes by offering

¹⁰ For more explanation about the waves of democratization, see Rose, Richard and shin, Don Chull. 'Democratization Backwards: The problem of Third Wave Democracies', *British Journal of Political Science*, 2(2001), 331-354

¹¹ For instance, see O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule: Prospects for Democracy*, Baltimore: Johns Hopkins University Press, 1986, Przeworski, Adam and Frenando L., 'Modernization: Theories and Facts', *World Politics*, 49(1997) 155-183, and Remmer, L. Theoretical Perspectives on Democratization, *Comparative Politics*, 28(1995), 103-122.

new opportunities for mobilization to elites defending the status quo and their opponents. In this agency driven perspective, actors are not primarily driven by their economic positions and systemic imperatives but make autonomous choices based on defined interests and their interactions with other groups or individuals within their communities.

These proponents investigate how individuals and groups make behavioral choices when faced with the uncertainty of building complex coalitions for political change or for maintaining the status quo. Mansfield and Snyder emphasize domestic factors, in contrast to arguments on international influences often stressed by scholars of international relations. They argue that under the condition of weak or absent institutions, “politicians have incentives to resort to violent nationalist appeals, tarring their opponents as enemies of the nation in order to prevail in electoral competition” (Mansfield and Snyder 2005, 2).

Structuralists, on the other hand, stress that domestic transformations are situated in a world-system in which core trajectories have inescapable ramifications for the economic and political regimes of non-core nations. While the culturally distinct and event-specific accounts of transition to democracy give us invaluable insight into the unfolding of the transitions, they keep us from an understanding of the global networks in which nations have been embedded for ages. Democratization is not just a by-product of economic development but a process embedded in an international normative order.

Transnational activist network diffuse democratic principles, support domestic allies, and exert pressure on authoritarian regimes. The emergence of social groups capable of generating their income independent of the state diversified political interest and challenges the political control of authoritarian rulers. Such middle classes are likely to demand representation in return for taxation and be less vulnerable to corruption and repressive practices (Schmitz, 2004; 407). The end of cold war marked a new and globalizing world. Globalization has been both viewed as a factor in facilitating democratization, and impose some challenges to democracy.

For its positive contribution, scholars argue that democratization in one country becomes the favorable climate, and thereby a partial cause, of democratization in others. The political frame-

work for economic liberalization was seen to be the catalyst for the promotion of democracy through pluralism, through multiparty system, institution building, and the adoption of the rule of law (Gentili, 2005b; 45). Huntington thinks that greater snowballing in the latter phase of the third wave is due to the expansion of global communications and transportation, particularly satellites, computers and faxes (Huntington, 1991).

Schwartzman indicated the means of how the globalization of production unleashes mechanisms that lays the groundwork for democracy. Technological innovations in communication and transportation that accompany global capitalism and industrialization brings with it the growth of professional and a middle class - the main carriers of democracy, and the growth of the working class - the main agents of democratization (Schwartzman, 1998). Moreover, others asserted that as long as the movements of Non-Governmental Organizations (NGO's) proliferate with globalization, it enhance pluralism within international institutions by representing groups who would otherwise be excluded and by turning the spotlight on transnational processes, increasing the transparency of the governance process.

On the contrary, some scholars have pessimistic view on the positive role of globalization on democracy. They argue that the turbulence of financial markets and irrational exploitation of natural resources by multinational corporations are free market globalization effects that weaken and destabilize democracy. Deregulation would lead state to only concern with repression and progressively abandoning its social function of education, health, welfare and other social role. David Held remarks that the development of supra-national identities challenges representative democracy - the notion that consent legitimizes governments, and that the ballot box is the appropriate mechanism whereby the citizen body as a whole periodically confers authority on government to enact the law and regulate economic and social life (Held, 2004).

Meanwhile, Schmitz (2004) claims that agency and structure are mutually constitutive, and the role of domestic actors in leading efforts to democratize are not only shaped by socio-economic conditions, the external environment that includes international institutions and transnational activists influences it. The greater the difference between domestic and international norm, the more likely it is that domestic or international groups will mount efforts to expose the contradic-

tions. International norms present an opportunity to challenge the status quo with reference to a universally accepted and institutionalized set of principles.

Concerning sub-Saharan Africa, colonialism strengthened the sub-continent's integration into the global system in economic, political, and ideological respects through the colonial system that connected its territories to global political economy, and then onwards, these states were integrated to global economic and political order in asymmetrical relationship. Because of lack of appropriate measure taken to examine the domestic political requirements for economic reform coupled with self-interested economic move of 'capitalist' states influences from international institutions and donor agencies for democratic governance was failed after independence and during the cold war era. Joseph asserts that "processes of economic and political liberalization in Africa are not just concurrent events in the late twentieth century: they are part of a broader dynamic of global transformation ... [t]he concerns expressed by political theorists that democracy will be 'overwhelmed by liberalism' has become a reality" (Joseph, 1997; 377). With increased internationalization – certainly not a new phenomenon – political leaders find themselves progressively more enmeshed in the interstices between both types of effects; leaders' incentives to push for domestic transparency to signal their own credibility to domestic and international constituencies (Solingen, 2009; 227). Therefore, it is necessary to incorporate both accounts of explanations discussed above to grasp the full picture of democratization in sub-Saharan Africa.

CHAPTER THREE

INTERNAL AND EXTERNAL FEATURES OF DEMOCRATIZATION IN SUB-SAHARAN AFRICA

This chapter discusses the external and internal facets of democratization in sub Saharan Africa, from political economy perspective. It is a fact that democratic government, nowadays, is taken as the best and legitimated form of government all over the world. Sub Saharan Africa is no exception. An explanation to democratization in sub Saharan Africa often extends to both the internal and external dynamics. Externally, pressure from international institutions, the end of cold war, and the demands from western states for aid delivery are considered the foremost influences. The intensifying economic crisis and oppression of certain ethnic groups by neo-patrimonial rule are seen as the principal stimuli from within. It is obvious that the post cold war era has witnessed a new international order and globalizing world and an implicit iron grip on sovereignty has obviously been challenged by multiple actors which are destined to control over the domestic environment of any states, and hence, states are losing control of events within their borders. Hence, an attempt is made to overview the implications in view of democratization in sub-Saharan Africa. The problem with democratic culture in the sub continent, arguably, has to do with the genesis of state formation that is mostly a colonial design. Therefore, the chapter starts from the discussion of experience of state building and governance in the sub continent.

3.1. Background to State Building and Governance

An understanding of contemporary democratic transitions in sub-Saharan Africa has a lot to do with an apprehension of the background of state formation and governance evolution. This is, especially, important to discuss the political economy of transition to democracy in multinational states in general, and multi ethnic federal states, in particular. It is assumed that the origin of ethnicity in Sub-Saharan Africa is traced to the colonial period. Bayart asserts “the precipitation of ethnic identities becomes incomprehensible if it divorced from colonial rule” (Bayart, 1993; 51). Thus, in order to expose root causes one should start with an adequate understanding of the historical and structural antecedents that have shaped and polarized political identities in the process of state formation (Gentili, 2005b; 39).

Sub-Saharan Africa is populated by several hundred ethnic groups and before the large Scale colonization undertaken by European powers toward the end of the 19th century, those groups varied tremendously in their political institutions (Gennaioli and Rainer, 2005). In spite of that, there is no commonly agreed explanation on the process of state building, and political development. Moreover, there is a divergent claim on the understanding of governance and politics in sub Saharan Africa. At issue is whether the ‘state or political regime’¹² constitutes the essential object of analysis. In essence scholars have diverged on the issue of whether contemporary African politics are best understood as a matter of structure or process (Bratton, 2004; 1).

It is argued that state formation in Sub-Saharan Africa is a post colonial development. However, “long before the inauguration of the colonial project, African societies had established a variety of political systems with corresponding political, economic, and social institutions which dealt with allocation of resources, law-making, and social and political control..... [t]he predominant principle of social relations in pre-colonial African society was presumed to be that of family and kinship associated with communalism” (ECA, 2007; 1). Also, religious beliefs and practices, which at this time were family based in the form of ancestral worship, were used by the family to mobilize and discipline members in the process of state formation (Ibid, 2). Therefore, it can be said that the genesis of state formation and building in Sub-Saharan Africa is, a long experience. Despite that, the current state boundary in sub-Saharan Africa is a colonial creation. Moreover, the system of boundary maintenance in Africa has not changed since the scramble for Africa in the late 1880s. Under the auspices of the Organization of African Unity (OAU), African rulers promulgated a system of norms which declared all inherited colonial borders legitimate (Thies, 2006; 4-5).

As indicated earlier, understanding contemporary sub-Saharan African politics is an intricate task. This complexity emanates from the nature of the state which made its root to colonial period. Given the African colonial and neo-colonial experience, the post-independence African state has retained many of the characteristics of the colonial state and operates largely outside the

¹² Bratton (2004; 1) has defined a ‘state’ as “the set of fixed administrative institutions that claim legitimate command over a bounded territory” and a ‘political regime’ as “the set of procedures – sometimes called the rules of the political game – that determine who may make decisions and how”.

control of its citizens and in isolation from the traditional institutions and cultural values of its constituency (Mengisteab, 2007). Colonial powers, and later the international community, superimposed on top of these pre-colonial institutions new state organizations borrowed from the Western historical experience that are identified with today's African countries (Gennaioli and Rainer, 2005).

The state building in the aftermath of colonial period, moreover, undermines traditional governance structures, and "nation building went hand in hand with state building. An ambitious project of erasure of cultural pluralism was undertaken" (Young, 2000; 9). Nation building and development processes embodied a basic contradiction: on one hand, state and nation building ideologies, and the establishment of institutions and organizations failed to recognize the diversity and hierarchical nature of African polities as they emerged from colonial rule; on the other, the same process involved the manipulation and/or repression of those very same identities (Gentili, 2005b; 44). These states, rather than addressing a perennial problem of their people, have become an instrument of a few individuals and/or groups to undermine the interests of the mass.

During its construction, the state in Africa has usually been turned to personal ends, including the enrichment of ruling classes and the selective distribution of rewards to loyal clients (Bratton, 2004). Moreover, the states in sub-Saharan Africa are organizations with interests of their own that in turn made analysis of 'state' and governance problematic. The "'state in Africa' has been a maze of antinomies of form and content: the person who holds office may not exercise its powers, the person who exercises the powers of a given office may not be its holder, informal relations often override formal relations, the formal hierarchies of bureaucratic structure and political structure are not always the cue to decision making power" (Ake, 1996; 14). As the primary source of capital accumulation and social mobility in Africa, the state has become the ultimate price for all political contests (Kalu, 2008; 10).

Ethiopia and Nigeria are no exceptions concerning their experiences of state formation and/or building within sub-Saharan Africa. For instance, Mengisteab argues that "[t]he modern Ethiopian state was created through expansionist conquests in the second half of the 19th century and the state-building problems the country currently faces are not any less challenging than those

faced by most other African countries, which were carved out by European colonialism” (Mengisteab, 2007; 66). In the Nigerian case as well as in many others, the state has become private property encapsulated and legitimized within the public sphere (Kalu, 2008).

Governance usually entails and comprises of complex mechanisms, processes and institutions through which citizens and groups articulate their interests and mediate their differences. Democratic and good governance has become a fad in the relationship between those who rule and those who are ruled. In spite of that, Sub-Saharan African states are stuck in governance problem. Moreover, “to the extent that governance is about the equitable distribution of societal resources, African societies have been grappling with the problem of governance since time immemorial” (ECA, 2007; 1). The nature of the states and their structure by itself contributed to such problems. Mengisteab, for example argues that, the state is widely viewed as a self-serving apparatus that is often dominated by one identity group or another and manipulated by external actors. As a result, it largely operates as a predatory apparatus and as a source and dispenser of privilege rather than as an apparatus that advances broad societal interests (Mengisteab, 2007). It is because of this fact that democratization and restructuring of state became an agenda as a response to the crisis of governance in sub-Saharan Africa.

Today, democratic governance is a most appraised and worldwide phenomenon. The current opportunities for democratic participation and good governance in most African States seem unprecedented, yet there have been many failures (ECA, 2007). For instance, “What is rarely acknowledged is that the contest for democratic rule in Africa is an *intra-elite* struggle for control of state power, rather than a struggle to guarantee fundamental civic rights and liberties for all” (Kalu, 2008;10). Therefore, many argue that democratization in sub-Saharan Africa must take the interests of the different ethnic group and/or the mass into consideration. Also, state building and democratization should go side by side taking the cultural realities of sub-Saharan African states into consideration.

Many are arguing that the democratic revolution that is currently taking place should fit to the sub-Saharan African context. And, “several scholars have observed the juxtaposition of Western-styled democracy, which is based on the notion of political and social rights of individuals and

the ethnic-based collectivism characteristic of African societies...to such scholars, the problem of governance then is to recognize and to satisfy the goals and aspirations of different groups and their leaders”(ECA, 2007;1). Effective accommodation of cultural diversity remains central to the processes and practices of a liberalized political order (Young, 2007; 4), and to statecraft in these states. Whatever the outcomes – and these can be expected to vary across Africa’s diverse countries – state building and democratization are integral and equally important priorities that are best considered together (Bratton and Chang, 2006). These states need an inclusive and democratic state which is committed to advancing broad social interests in order to reconcile identity relations and, thereby, promote state building (Mengisteab, 2007). Finally, “policy space now must accord equal priority, along with democratization and accommodation of cultural pluralism, to the quest for an efficacious state, able to guarantee political order and supply basic services to civil society” (Young, 2007;25).

3.2. Ethnic Complicity: Internal Quest for Transition to Democracy

While discussing democratic transition in sub-Saharan Africa, both the internal and external influences act as necessitating factor for democratization to take foot in the sub-continent. Internal pressure for democratization, especially at the end of the cold war, emerged from popular pressure in view of increasing poverty and insecurity in patrimonial autocracies of post colonial states, led by trade unions, students, civil servants, professional organizations and, religious institutions (Berman, 2010). However, ethnic suppression that lasted during and after colonial period lurks behind these protests. As Zagel asserts, “although some suggest that almost all wars in Africa are basically caused by poverty, the catastrophes in Rwanda, and later DR Congo were directly induced by the ‘malignant ethnicity’ that has remained unaddressed since the formation of the state” (Zagel, 2010; 56). It is obvious that most states in sub-Saharan Africa, are multi-ethnic, encompassing different ethnic groups. Therefore, to discuss domestic politics and internal pressures for democratic transitions, ethnic groups as a primary point of analysis becomes all the more important.

Ethnic groups are generally defined and seen as groups formed on the basis of cultural, religious, linguistic or biological characteristics and are essentially defined and delineated by a shared

identity, and perceived to be shared by their members. It is argued that if ethnic issues are not managed properly with democratic governance, its potential to create a condition of political instability is very high. Especially in multi ethnic states of sub-Saharan Africa, “as with all other matters of state sovereignty, ethnic differences have to be managed through equitable distribution of incentives of citizenship, fair representation in national politics, and in the creation of an enabling environment for the exercise of ethnic identity as the very foundation for collective national interest” (Mengisteab, 2007; 15). In such states, cultural solidarity should find institutional forms of political liberalization and constitutional treatment of cultural pluralism. Moreover, for democracy to take hold, “electoral systems designed to induce power sharing and to avert zero-sum ethnic power struggles”¹³ should be adopted, often including a dose of proportional representation. Nevertheless, in the sub continent these conditions never existed, and ethnic differences were abused for oppression of one by another.

It should be noted here that colonialism is viewed, by several scholars, as a main cause to ethnic cleavages, which in turn render the post colonial period problematic. As the colonial order was organized along ethnic lines, political action followed suit and ethnicity became the language by which colonial masters and subjects set down the political agenda and organized representation (Chabal, 2009; 33). The colonial powers often applied the tactics of ‘divide and rule’, using the strong feelings of tribal loyalty to attain their own interests (Zagel, 2010; 55). Imperial states or colonial powers intensified the structural and cultural differences and segregations of rulers and ruled, and they are typically administered through systems of multiple dominations. Subsequently, political and economic inequality is engendered among the diverse ethnic group.

As Berman (2010) discusses, the most important consequence of the colonial political economy was the creation of horizontal inequalities between ethnic communities in the manner and degree of their involvement in cash crop and labour markets, access to education and to higher levels of employment in public institutions; and growing internal inequalities between the local collaborators and intelligentsia and their poor clients and dependents. Colonial rule rested on the distinctions and particularisms of colonial territories, thus, proponents of nationalism were regarded

¹³ (Young, 2000; 18).

with dislike and contempt as dangerous upstarts by the colonial rulers (Abegunrin, 2009). In the aftermath of independence, ethnic cleavages and inequalities rather persisted and heightened.

Immediately after independence from colonial rule, it was hoped that oppression and subjugation of African societies had gone not to return. However, “the politicization of ethnicity or the universal development of political tribalism continued to exacerbate after independence” (Chabal, 2009; 33). An impact of this was democracy understood as competitive party politics and cultural pluralism fell into disfavor (Young, 2000). Ethnic and tribal sentiments that have long been intertwined in the African political, economic and social reality to a very greater extent, and in numerous variants widely unknown to established democracies, have been recognized as being fatal for democratization on the continent (Zagel, 2010). Consequently, the state came to be viewed as an apparatus for the fulfillment of nationalism, negating the diverse interest of ethnic communities from consideration. For that matter “democracy as value succumbed to the higher claims of the integral state” (Young, 2000; 27). Nation building in its eagerness and sometimes hastiness, often ignored sentiments of tribal adhesion, provoking in turn feelings of defensive preservation, resentment and belligerency.

At the first meeting of the Organization of African Unity (OAU) in 1963, they dedicated themselves to respecting existing state boundaries, and by insisting on the integrity of the colonial boundaries, African leaders have been able to hide the weakness of their state institutions (Hyden, 2006). The empirical absence of the state in much of the hinterland has had little, if any negative, effect because the state system set up under the auspices of the OAU reduced the risk of exposing failures to establish effective control in these areas (Ibid, 66). Adherence to the principle of respect for existing boundaries helped to protect the central government against secessionist claims, thus, subsequently generating forceful claim from ethno-cultural groups for self-determination. In the aftermath of independence, ethnic cleavages and inequalities rather persisted and heightened and the legitimacy of sub-Saharan African state has jeopardized. The loss of legitimacy of African nation-states has been measured by the failure to recognize the diversity and hierarchy of the many political identities and by the political and economic forms of subordination; they have suffered (Ibid). It can be inferred that from the very beginning the state in sub-Saharan Africa is problematic for the reason that it lacks the legitimacy and autonomy from

society that makes it an instrument of collective action.

The post-colonial assumption was that colonial “divide and rule” had to be eliminated through strong, centralized institutional and political structures and nationalization provided the justification for a drift towards governments dominated by an executive and by the single party. Although parties are conceived as institutions of mobilization of support and of political integration of an enlarged participation, post-colonial sub-Saharan states opted for single party rule regardless of the plurality of interests of different groups. The state was a self-serving apparatus that is often dominated by one identity group or another and it operates as a predatory apparatus and as a source and vending machine of privilege. This in turn, internally, intensified the quest for self-determination and democratic government by several ethno-cultural groups. These governments nonetheless had to seek international alliances through which they could obtain the arms and diplomatic support needed to maintain their conceptions of statehood. The search for outside resources to maintain domestic power structures, hence, became central to the foreign policies of the great majority of African states (Clapham, 1996; 62).

As Berman (2004) asserts, there was little basis for the development of impersonal systemic trust in the state as the impersonal arbiter of conflict or as an honest and disinterested distributor of public resources that supposedly characterized the development of the Western nation-state. Moreover, ethnicity became a powerful force that led to the vices that in turn defined the redistribution of a country's resources. Those who do not come from the ruling ethnic group were neglected by the state, and in the way ethnicity emerged primarily as an agent of accumulation, both of wealth and political power (Bayart, 1993).

Moreover, the interests of these diverse ethnic groups were not aggregated in a party system. In most of the sub-Saharan African states, nationwide parties with deep roots could not be established because of the colonial policy of divide and rule (Abegunrin, 2009, 91). In modern democracy, multiparty political system is often recognized as one of the principles of democracy. The importance of having several parties contesting in the political arena lies in the fact that they represent the diverse and plural interests within communities. Moreover, “parties are conceived as institutions of mobilization of support and of political integration of an enlarged participation,

with the task to legitimize, rationalize and give order to the plurality of interests expressed in ethnic, local, class, regional priorities” (Mangu, 2010; 2). However, just after independence from colonial rule sub-Saharan states opted for single party rule regardless of the plurality of interests of different groups. Leaders were defending the one-party rule claiming that multipartism is an imported luxury which is neither needed nor affordable in their domain.

Soon after independence, in almost all sub Saharan Africa nation-States, the main justification for the adoption of single party "democracy" is derived from a conception of the society as one single constituency, united by the common history of oppression. Central to the single party ideology was the idea that liberation was only the first step towards the construction of a more equitable and distributive nation-state in conditions of high asymmetry in the access to resources dividing regions, ethnic and social groups (Ibid, 4). However, in Sub-Saharan Africa, ethnic cleavages were often created or deepened by authoritarian regimes with a strong ethnic bias. Classes and interest groups – the foundation of political parties in the West – were relatively weak and therefore “political divisions and representation tend to be along ethnic, linguistic or religious lines” (Makinda, 1996; 555).

Single party patrimonial autocracy, through the effective monopolization of power by the ruler and his inner clique of henchmen, appeared to drive cultural pluralism to the margins of political society. With a few exceptions, the analysis of ethnicity was peripheral to academic analysis of African politics until the 1980s and “ethnic associations were widely suppressed” (Young, 2000; 11). It is important to note here that the cold war polar configuration and power rivalry strengthen a single party patrimonial autocracy. Rather than seeking legitimacy from their people, leaders relied on authoritarian or patrimonial forms of rule backed by foreign resources and powers. Superpower rivalry puffed up Africa’s geostrategic value and created a political climate that left virtually no room to address, let alone resolve, the political problems left behind by colonialism, such as the ideological dominance of the sovereign state as *the* legitimate form of political community, and the militarization of systems of governance (Taylor and William, 2004; 7).

It is with these experiences that, the end of the cold war signified a turning point to give a chance for different ethnic group to seek democracy against the past oppression and exploitation. They

voiced for self-determination and succession to form their own independent state, and to determine their destiny by themselves. For instance, the former USSR disintegrated into fifteen states with different ethnic group to form an independent state. In some sub-Saharan states, a federal state structure is devised as a panacea and some other states are considering and processing it.

3.3. External Influences for Democratic Transition

Though democratic transition emanates from domestic sources from the diverse ethnic communities in the sub-Saharan African states, the influence from systemic forces represented by powerful and developed states cannot be ignored. The importance of their influence is not only calculated in terms of their motivation to realize democratic governance in sub Saharan Africa, but also their inspiration to advance their own interest. An influence for democratization often comes in the form of political conditionality for aid and assistance, economic liberalization, structural adjustment program, and so forth. It should be reiterated that especially, after the end of the cold war and the triumph of democracy over other ideologies, the influence of these is getting stronger.

It can be inferred from the above that the governance problem in sub-Saharan Africa faced in the post colonial period partly emanates from the political economy of colonialism. Thus, as long as colonialism was designated with external actors it is no surprise for the post colonial sub-continent's political system to be shaped and reshaped within the structural context. The patrimonial autocracy, as a dominant form of governance, that followed the end of colonialism finally resulted in state crisis in the 1980's. And, economic reform was suggested as a principal remedy from international institutions.

In addition to the above influences, sub-Saharan states are compelled to adjust themselves to 'structural adjustment program (SAP)'¹⁴ framed by International Monetary Fund (IMF) and International Bank for Reconstruction and development (IBRD) (latter named World Bank (WB)).

¹⁴ . 'reforms' contained in Structural Adjustment Programs, uniform for each country that imposed the conditions for receiving assistance: currency devaluation, fees for basic public services like health and education, removal of price subsidies for food, elimination of budget deficits, removal of trade barriers, and privatization of public corporations and other state owned assets. See (Berman, 2010; 16).

Through the 1980s, confronted with external debt obligations which were impossible to meet, most [sub-Saharan] African states had little choice but to engage in ‘structural adjustment’ programs conforming to the requirements of the International Monetary Fund (IMF) and World Bank (IBRD) (Young, 2000). Strangled by various political and economic crises, these states had no option other than the one provided by mainstream doctrine, that is to negotiate from a position of weakness, stabilization and structural adjustment programmes inspired by the mainstream doctrine of the primacy of market over state led growth (Gentili, 2005b; 45). Despite this, scholars argued, structural adjustment program hardly brought solution to problems of good governance because of some drawbacks.

The cold war dynamics which was depicted by bipolar system and east-west rivalry, gave an alternative for African leaders to seek alliance one after another, and undermine the requirements set by IMF and WB for economic reform. Dunning asserts, that true democratic reforms in Africa, at least those demanded by the donors, could not really be expected in the Cold War era, because African autocrats knew that the geostrategic interests would prevail, and that they could, ultimately, turn to the other side for financial support (Dunning, 2004). The superpowers sought geostrategic advantage and rhetorical support for their cause, while sub-Saharan African leaders skillfully utilized the resources that came with supporting one side or the other, often to fend off political opponents at home. For instance, “the United States promoted and supported a global political network of civilian–military regimes, repressive authoritarian states, and outright dictatorships in Latin America, Africa and Asia throughout the post-Second World War period, including in Ethiopia” (Robinson, 2004, 46).

Even, in those countries which adopted the program, “cuts of personnel and services ‘hollowed out’ most states, reducing their administrative capacity and limiting the effective authority of smaller and weaker states to a radius of a few miles around the capital city and other major towns” (Berman, 2010; 18). The undermining of state capacity and loss of direct developmental functions and services did not make space for markets to produce rapid growth, but led to a significant increase in corruption. In most of the sub-continent, “serious economic contraction and harsh structural adjustment programs have exacerbated ethnic conflicts, often by worsening the regional imbalances that fuel ethnic tensions” (Abegunrin, 2009; 93).

On the other side, rather than strictly verify whether countries endorsed the program, “by the late 1980s, commercial interests had become important in influencing the size of American, Swedish, Japanese and other donor aid” (Schraeder et al, 1990; 322). During the Cold War, diplomatic, economic and military support was often given to individual African leaders who allied themselves (sometimes interchangeably) with either the United States or the Soviet Union. These alliances of convenience ensured a steady flow of resources from the superpowers to their respective allies. However, little attention was paid to the ways in which these resources helped fuel corruption, patrimonialism and militaristic systems of governance (Taylor and Williams, 2004).

In spite of the drawbacks, in its positive side SAP played some important role in shaping the post colonial sub-Saharan African politics. Since independence, clientelism which privileges personal ties over equal opportunities based on kinship and ethnicity, characterized sub-Saharan African politics. However, since the 1980’s important changes have occurred within the global political economy that have formed the structural backdrop for outsiders to interact with the sub-continent, thus, an opportunity for political patronage have been reduced to some extent in view of economic liberalization and paved the way for political reform. Currency devaluation and reduction of public sector diminished the support regimes enjoyed.

A persistently increasing number of voices echoed demands for political changes, inspired by difficult, if not unlivable economic conditions (Zagel, 2010; 37). Moreover, by the end of 1980’s as Dunning (2004) affirms, with the West increasing demands for economic reforms to their financial aid, African countries were compelled into the dialogue on the topic, and state socialism in Africa rapidly lost its appeal. The end of cold war, finally, brought a new phase to political economy of democratization in sub-Saharan Africa.

Moreover, during the Cold War global politics became polarized led by United States and Union of Soviet Socialist Republic, which were engaged in an insidious ideological, political, economic, and military competition and which mostly occurred in the Third World composed of countries which often were poor and lacked political stability. Hence, the domestic quest for democratic governance in the sub-continent was externally negated by influential and powerful states and the cold war dynamics helped sub-Saharan leaders to get an alternative and craft an alliance

one after another, and were able to silence the domestic quest for democratic governance and self-determination by force. In the case of Ethiopia and Nigeria, dictatorial military regime controlled power after the downfall of a feudal government in Ethiopia, and in Nigeria, the civilian government was replaced by militarist regime that highly centralized power and down played the federal system that the country inaugurated after independence.

Since the cold war made Africa one of its main fields of confrontation, the structural deficiencies of the nation-states and the weight of negative inheritances, made worse by a hostile international environment, could be underlined as causes of the ‘failure’ of the state (Gentili, 2005b; 44). Meanwhile, the Cold War period ended and removed the strategic reasons for the support of authoritarian regimes in sub-Saharan Africa which so long benefited because of the east-west rivalry. The end of the Cold War transformed global politics and enabled Western governments to rethink their foreign policies towards the sub-continent. With the end of the Cold War the western states begun to ignore the behavior of yesterday’s allies with regimes of sub-Saharan African states and the assistance to regimes was started to be conditioned by democratic governance and liberal democracy.

3.4 The End of Cold War: Necessities of Institutionalizing Democratization

The end of the Cold War, tenaciously argued, is not only about the collapse of a particular superpower, but also the working through into the sphere of changes in the global political economy, and the organizations and ideas that sustained the cold war period. Subsequently, it has become apparent that this systemic change brought inescapable outcome for the sub-Saharan African continent. In inaugurating a worldwide democratic revival, the end of the cold war has got underway a new era in international relations. Democracy has come to be viewed as the most widely accepted form of legitimation for modern political rule. Moreover, the issues and institutions that impact on the world’s inhabitants increasingly transcend, bypass, and even overwhelm the state—the traditional formal locus of democracy, and this is why, in our time, the pressing set of problems has become not only *what* democracy is and ought to be but also *where* it is and ought to be (Kuper, 2004; 51). Beside this worldwide democratic revolution that headed to a “third wave of democratization”, democratization is viewed to take different path in homogeneous or

heterogeneous society.

The end of cold war brought a new trend of democratization process in sub Saharan Africa. Economic liberalization, no more recognized as a panacea to political and economic enigma unless it is supported and reshaped by the promotion of institution and capacity building. Chabal, for instance, argues that major economic changes that have resulted from outside 'expert' recommendations _ chief of which is structural adjustment _ failed to achieve their aims: - rather they have led to a decline in the provision of social and human services, have not spurred a form of market economy providing an avenue of individual advancement for the majority. He deduces that "the lack of economic development has primarily to do with domestic political reasons, even if the influence of the world economy has not been kind to Africa" (Chabal, 2009; 128). Therefore, it can be inferred that the problem with the remedial prescriptions advanced in the 1980's was the failure to examine the political requirements for economic reform.

As it was discussed earlier, the colonial legacy of African societies widely characterized by bureaucratic authoritarianism, neo-traditional ideology, patron-client relations, the partial and contradictory development of capitalism, and an ethnic dialectic of assimilation, internal conflict and external competition – invariably produced diverse local variations and provided the context for the development of African nationalism (Berman, 2010). Patrimonial practice provided the political realm with clientele networks, within which ethnicity usually supplied the cementing basis of affinity. At the mass level, as estrangement from the state deepened, ethnic affinity became a survival resource of first importance (Young, 2000; 12). Post-colonial sub-Saharan African states have entered into unaccountable partnerships with their ethno-cultural communities. The state came to be viewed as an apparatus for the fulfillment of nationalism with democracy being conceded to the higher claims of establishing integral and nation-state. Moreover, "the change of emphasis from 'liberation' to 'development' has marked the adoption of top-down approaches both in market-led and in statist policies" (Gentili, 2005b; 44).

The 1990s came with a wave of 'democratization' as popular protests and foreign pressures pressed authoritarian regimes for political reforms and multi-party elections. The fall of the Berlin Wall in November 1989, the 1991 collapse of the Soviet Union, and the sudden adoption of

nominally democratic forms throughout the “camp of socialism” demolished much of what remained in the argument for single party rule, a form of governance for which the Soviet model supplied elements of theoretical and practical guidance (Young, 2000). Alarmed by the African states obvious loss of legitimacy with their populations and the resulting crisis of governance from efforts to implement neo-liberal reforms, external pressures for democratization that come from the international financial institutions and major Western powers took new form (Berman, 2010; 23).

The end of the Cold War removed the strategic reasons for the support of authoritarian regimes in sub-Saharan Africa which so long benefited because of the east-west rivalry. As Dunning (2004) claims, with the end of the Cold War, the West was able to afford to stop ignoring the behavior of yesterday’s allies and openly address its moral dilemmas. He, moreover states by the beginning of the ’90s, the assistance to these regimes was starting to be conditioned by governance and other political and economic requests. Even the World Bank, restricted by its acts from conditioning assistance on political grounds, stated its preference for liberal democracy, while the terms of good governance were already considered to be not a political demand, but a developmental necessity (Abrahamsen, 1997). Ever since then, non democratic states in the sub-continent have been appraising democracy and good governance as a solution to their long lasting political and economic problems.

Following these developments, multi-party system and election have begun to appear on the political arena. Until then, except for Botswana and Mauritius, democracy has remained elusive for most of sub-Saharan states throughout the 1960s, 70s and 80s. In 1989, by one account, 38 out of 45 sub-Saharan African countries were under military, autocratic or single-party rule (Ake, 1996; 135). By the early 90s, however, what has come to be seen as a “wave of democracy” swept the continent, and the end of apartheid in South Africa removed the last and most entrenched mainstay of repression.

Despite these changes, several scholars argued that the kind of democracy these states adopted is not complete and fitted to the political economy of the domestic setting of sub-Saharan African states. For these scholars, what lurks behind the democracy sub-Saharan states pressurized with

after the end of the cold war has economic motive. For instance, Berman asserts that “the sort of democracy promoted by the Western powers was highly elitist and narrowly procedural.... [t]he intent was to provide a process to legitimate ruling groups and entrench neo-liberal reforms and the ‘free market’ as the untouchable bases of ‘democracy’” (Berman, 2010; 23). Even more, Robinson remarks that the fundamental objective of maintaining international asymmetries in an unjust global system did not change with the collapse of the Soviet system, but what were changed are the methods and strategies for securing this objective. What US policy makers term ‘democracy promotion’, and the ideological dimensions it entails, has been developed as an effective instrument in protecting the collective interests of dominant groups in the new global order (Robinson, 2004; 48).

The external pressures for democratization that took new form in the post cold war years was predisposed to entrench neo-liberal reforms, elitist and electoral democracy and the legitimacy of ruling group rather than redressing the problems of exclusion and domination, economic backwardness and power monopolization. The kind of democracy promoted in sub-Saharan Africa was influenced by the post Cold War global political economy and it was antithetical to the domestic political and economic need. The assumption in the early years of post Cold War euphoria that effective states could best be built on the foundations of liberal democracy, free-market economics accordingly came to seem thoroughly inadequate without effective state essential to maintain order, provide public good and enforce an appropriate legal regime (Clapham, 1996).

Moreover, Robinson stated that as struggles for popular democracy around the world are profound threats to the privileges of dominant groups in global society and the methods and policies pursued during the Cold War years to confront these challenges have proved increasingly ineffective and untenable. Major Western powers initiated a policy of a shift from promoting authoritarian arrangements to promoting elitist ‘democratic’ political and social arrangements in Third World countries that stand opposed to popular democracy (Robinson, 2004; 50). Electoral and elitist democracy has often led to a post election crisis and inconveniences during regime change as well as has failed to correspond domestic political setting of ethnically divided states in Africa south of the Sahara.

Much of the really existing democracy on the sub continent, as to these scholars, was mainly marked by its external appearances. The form of democracy imposed upon Africa was choiceless, since all regimes were compelled to march to the drummer of structural adjustment programs and the Washington consensus (Young, 2000; 16). Ake (1996) specified that the electoralist form that an important version of democratic transition took is of problematic at best and at worst prone to engender contradictions that tend to derail or trivialize democracy in Africa.

Although sub-Saharan states made some changes pressurized from outside, they have not made concrete changes to the political and economic system. They “quickly learned how to make the minimum necessary reforms to retain their levels of aid: allowing opposition parties to compete, but not win; permitting an independent press to operate, but not freely; allowing civic groups to function, but not effectively; and consenting that elections be held, but not replace the ruling party” (Joseph, 1997;2). Moreover, it has not given a full answer to a diversified quest that has come from the diverse ethnic communities. In this regard, Zakaria suggested that the third wave was producing merely “illiberal democracy,” the external shell devoid of the internal substance (Zakaria, 1997).

Given the domestic quest for democracy and self-determination by ethno-cultural groups, on the one hand, the version of liberal democracy pressed on these states was not successful enough to settle the problems of exclusion and domination, political and economic inequality, and power centralization. On the other hand, in today’s world states are in transformation with a change in an international political and economic agenda. After the end of the cold war, democracy has become the only surviving ideology, and democratization as a momentous phenomenon. With a triumph of capitalist economy and liberal democracy, governments increasingly face the paradoxical desire of their people to be both global consumers and local citizens. With democratization, the issue of self-determination is getting deep. Especially, in sub-Saharan Africa where most of the states are multi-ethnic in composition, democratization has strong political and economic repercussions.

The contemporary world has been marked not only by global pressures for larger economic and political units, but also in certain regions by strong pressures for ethnic nationalism (Watts, 1998;

131). In multinational states of sub-Saharan Africa, democratic governance and devolution of state power is getting strong creed from different ethnic groups. However, Joseph asserts that “[i]n post-1989 Africa a major challenge is the need to design institutions with procedures and practices that are socially rooted in the task of constructing national democratic systems” (Joseph; 1997; 366). Moreover, Brown asserts that several cases of ‘success’ soon proved disappointing, with backsliding, civil war and military coups occurring in places such as Malawi, Central African Republic and Madagascar (Brown, 2005, 182). Joseph seems to approve Brown’s assertion saying that “pluralist constitutional democracy in Africa represented a real challenge to autocratic regimes for no more than three years after 1989 ... [b]y the end of 1992 most leaders learned how to control the process of competitive elections” (Joseph, 1997; 376). To put it differently, “they have failed to develop the requisite structures and policies to effectively tackle the multiple cascading effects of the new era” (Kieh, 2008; 2).

Inadequate attention given to the problematic of ethnicity heightens the instinctive problems of the sub-continent in the post cold war era where “culture and cultural identities, which at the broadest level are civilization identities, are shaping the patterns of cohesion, disintegration, and conflict”¹⁵ (Huntington, 1996; 20). It is hypothesized that “the poor economic growth performance of sub-Saharan Africa, after a decades of structural adjustment, is based on the greater ethnic variation or fragmentation of the region as compared to that of other areas in the southern hemisphere” (Gentili, 2005b; 37). Even more, structural adjustment policies and programmes that are introduced from outside around 1980’s have contributed to economic extraversion and unequal access to resources in already very asymmetrical societies characterized by weak and inefficient administrative structure (Ibid).

It is because of this fact that restructuring of state became an agenda as a response to institutional gap in democratization and the crisis of governance in sub-Saharan Africa and has come to be viewed as a solution. With the failure of centralized nation-state regimes, federal political system have been viewed as an alternative to strengthen democratic transitions and thereby bring about

¹⁵ (Huntington, 1996; 20). Huntington, moreover, asserts that societies united by ideology or historical circumstance but divided by civilization either come apart, as did the Soviet Union, Yugoslavia, and Bosnia, or are subjected to intense strain as in Nigeria, and Sudan.

political and economic change. It was in this context that Ethiopia and Nigeria along with other states have adopted a federal constitution to seek solutions to the problems inherent in sub-Saharan Africa, and also to complement the post cold war international trends. Meanwhile, it is important to note that although Nigerian federalism dates back to the end of cold war, Adeola (2004) asserts that after independence the military had reviewed the federal constitution including the 1979 and 1989 constitutions which concentrated excessive powers to the central government at the expense of the component units. He moreover argues, “[a]n imposed federal constitution that disregarded the inputs of the people could neither be democratic nor federal” (Adeola, 2004; 6). Nevertheless, the fourth republic began in 1999 with the adoption of the 1999 federal constitution.

Analysts of federalism argue that a democratic federation, by bringing levels of government closer to the people, increases the rule of the people. It is argued that the transfer of central decision-making to democratically elected local and regional bodies gives citizens multiple points of access, thereby enhancing opportunities for public participation, increasing the accountability and responsiveness of elected officials to local citizens, and hence providing incentives for more responsive democratic government. Is a federal state structure a way out? The next chapter will discuss these in some details with a reference to Ethiopia and Nigeria in comparative analysis.

Chapter Summary: - The boundaries which were demarcated in the sub-Saharan Africa during colonialism, regardless of establishing heterogeneous and multinational states, were only essential in order to regulate competition between colonial masters. The colonial state had been a relatively efficient vehicle for social control and economic exploitation because those in power were foreigners and were largely isolated from the social organization of indigenous society. Hence, separated from the fabric of local community ties, few limits existed on the extent to which colonial officials could dictate policy priorities on their own (Hyden, 2006; 53). Meanwhile, decolonization took place as part of changes in the global system of the post-Second World War era that shifted power away from the western European colonizers towards the two superpowers. Needless to say, decolonization in Sub-Saharan Africa was not only contributed by external factor but also is a consequence of an intense and demanding struggle from oppressed people of the sub-continent. And, with de-colonization, sub-Saharan states were granted statehood. One of the things that African nationalists did not change after independence was the system of boundaries

that they inherited from the colonial powers.

It is no doubt that the end of the cold war and the consequent world order influenced the global resurgence of democratization. This resurgence of democratization, indeed, strengthened and uncovered the quest for democratic governance in sub Saharan Africa, internally for citizens struggling to restructure the state and externally for the international community to deal with governance issues in the sub continent. The external and internal factors formed a nexus that led to a surge of liberalization and democratic attempts on the continent. Regimes now encountered overwhelming pressures, external and internal, for political opening, facilitating the empowerment of minority groups, and hand over power to the mass. The question regarding whether a federal state structure is a hopeful path to attain the political room of national pluralism remains an open one.

CHAPTER FOUR

ETHIOPIA AND NIGERIA: FEDERALIZATION AND DEMOCRATIZATION IN THE POST COLD WAR YEARS

In the previous chapter, it was noted that theoretically democratization and federalization reinforces each other. This aspect is especially persuasive in multi-ethnic states of sub-Saharan Africa like that of Ethiopia and Nigeria. In this chapter, an attempt is made to look into the case of Ethiopia and Nigeria which adopted a federal constitution in 1995 and 1999 respectively in the post cold war years. Based on these constitutions, this chapter discusses the constitutional power allocation between the levels of government. Before that, it discusses the backdrop to federation and the main arguments that necessitate it in Ethiopia and Nigeria. It is difficult to attain efficient government system at the sub-national level without ensuring that functions assigned to them are properly aligned with tax raising powers or fiscal jurisdiction. Hence, it is pertinent to discuss fiscal federalism and/or decentralization here. Finally, the chapter analyzes the party system and the working of the federation. The chapter comparatively discusses both Ethiopia and Nigeria together in the same section accordingly with the aforementioned themes under discussion.

4.1. The Backdrop to Federation

Ethiopia and Nigeria are multinational states with several ethnic groups in their domain. These ethnic groups are culturally and linguistically distinct from each other. There are over 80 ethnic groups in Ethiopia each with its own culture, language and tradition. Similarly, there are over 250 ethno-cultural groups in Nigeria and these groups are divided along ethnic, regional and religious lines (Kalu, 2008). The evolution of Nigerian federalism can be traced to the beginning of the colonial Nigerian state, which was wrought through the amalgamation of the separate colonies of Northern and Southern Nigeria in 1914 (Agbu, 2004; 32). Ethiopia adopted a federal state structure in 1991 “largely as a response to the widely recognized discontent of various ethnic identities in the country with the centralized and oppressive governance structure” (Mengisteab, 2007; 72).

Ethiopia is an African state that is not colonized by a foreign power. The modern 'nation-state'¹⁶ of Ethiopia emerged in the nineteenth century (Bahru, 2002). However, the formation of the modern state is interpreted in starkly different terms - the legacy is a source of considerable pride for Ethiopian nationalists, but is viewed as internal colonialism by some other ethnic nationalists (ICG, 2009; 2). The so-called Ethiopianist paradigm within Ethiopian history claims that the expansion to the periphery during the 19th century was primarily a process of inclusion and assimilation rather than of colonization. However, the so-called colonial paradigm represented by the nationalist and radical left, claims that Ethiopia as a state is seen as an artificial invention in line with the European colonies in Africa, where the northerners acted as European colonial settlers, with the aim of exploiting the human and material resources of the new-won territories (Aalen, 2002).

Nigeria in its current shape was founded in the first quarter of 20th century. The 1914 amalgamation of the Northern, Southern, and Lagos Protectorates which were up until then a collection of disjointed and virtually independent groups by the then British governor general Sir Frederick Lugard into what is today's Nigeria essentially set the stage for later events that would occur (Kalu, 2008; 34). Severally denounced by politicians and even some of the 'nationalists' as the 'mistake of 1914' or as a 'geographical expression', Nigeria can indeed correctly be attributed to the imperial machinations of the British colonialists (Agbu, 2004; 32).

After the formation of the modern state, Ethiopia experienced monarchical government (until 1974) and militarist government (1974-1991). The monarchical government and the ruling political order, which had managed to remain free of colonial rule, sought to create a modern, unitary government rooted in an inclusive national culture, bent on the assimilation or subordination of all Ethiopian cultural communities to the language and religion of the particular culture privileged by the state (Andrias, 2010). The political marginalization and economic exploitation of the conquered south and Haile Selassie's project of building a highly centralized state faced several challenges ranging from peasant rebellions in Tigray, Bale, Gojam, secessionist war in Eri-

¹⁶ In contemporary literature the term 'nation-state' is mostly substituted by 'multinational state' to signify the existence of several ethno-national groups in Ethiopia.

treas to militant opposition from university students (Bahru 1991: 220). As resistance by the subordinated and marginalized identities escalated in the 1960s and the country drifted into deepening turmoil, the rights of ‘oppressed’ nations and nationalities, along with land reform to restore land to the tillers, became key issues of debate and demands by the University Students’ Union of Addis Ababa (USUAA) (Mengisteab, 2007; 71). Therefore, it can be inferred that cultural and structural inequalities typified imperial rule, with ethnic and regional discontent rising until the revolution of 1974 overthrew the monarchy.

In spite of the end of monarchy and in the face of formidable resistance from nationalist movements, the military desperately clung to the project it had inherited from modern imperial Ethiopia (Andrias, 2010). It replaced the monarchical absolutism with military Marxism as the ideology for building the nation and concentrating the power in its hands (Aalen, 2002; 5). In the last decade of its rule, ethnic based opposition organizations had intensified their assault on the military government and ethnic nationalism became a major factor in the demise of the centralizing military regime (Habu, 2003). The defeat of the military regime spelled the end of the defining political project of modern Ethiopia. In 1991, each of the nationalist movements had organized and marched under the banner of their own cultural or national identity and in the name of the right to self-determination (Andrias, 2010, 8). The federal arrangement instituted by the Ethiopian People’s Revolutionary Democratic Front (EPRDF) in 1991 is thus largely a response to the widely recognized discontent of various ethnic identities in the country with the centralized and oppressive governance structure (Mengisteab, 2007; 72).

Unlike Ethiopia, Nigerian federalism is not a recent phenomenon but dates back to the colonial legacy. The colonial amalgamation of Nigerian northern and southern protectorates in 1914 culminated into series of constitutional reforms that eventually paved way for the adoption of 3-region federal system in 1954 (Adeola, 2008; 5)¹⁷. During the amalgamation “the British were more concerned about geographical amalgamation as opposed to cultural integration” (Kalu, 2008; 37). Although the original idea of Nigerian federalism did not derive from the existence of

¹⁷ Adeola further more stated that the arrangement witnessed the splitting of the southern province into western and eastern regions, while the formerly northern province retained its territorial status as the northern region.

ethnic and cultural pluralism per se, it has since become an article of faith that the country's size and ethnic complexity make federalism of imperative (Agbu, 2004; 45). However, because the *raison d'être* for amalgamation was at best self-serving, it took the forces of disinterest culminating in a brutal civil war to resurface the contradictions of nationhood as well as the haphazard manner in which the colonial regime handed over power to Nigerians (Kalu, 2008). Thus, it can be inferred that the formation of Nigeria and its federation under British tutelage undervalued cultural pluralism and led to indifference among ethno-cultural groups, ambiguity in nationhood and irregularity during colonial power delivery.

By 1991, in Ethiopia the "national-question", "self-determination for the nationalities", of the student movement had won over those who claimed that class and economy were the crucial issues to understand Ethiopia, and federalization along ethnic lines was introduced (Aalen, 2002). The endeavor to transform Ethiopia into a federal state was led by the Tigray People's Liberation Front (TPLF), which has dominated the coalition of ethno-nationalist parties that is the Ethiopian People's Democratic Front (EPRDF) (ICG, 2009). The regime not only restructured the state into the current Federal Democratic Republic of Ethiopia, but also vigorously redefined citizenship, politics and identity on ethnic grounds. Political sovereignty is invested in ethnic groups or "nationalities" rather than individuals (ICG, 2009; 23). The TPLF's initial justification for introducing a federal system was the commitment to the principle of national self-determination (Aalen, 2002; 48).

In a first major step to redefine the political landscape, the EPRDF invited all ethnic-based opposition parties to a transitional national conference in Addis Ababa in July 1991. During the transitional conference in July 1991, a model akin to a federation was offered as a solution to the problems of state reconstruction in Ethiopia. The right to self-determination for the nationalities was the cornerstone of the transitional charter. The right to independence was also affirmed, if nations, nationalities and peoples were convinced that the above rights were denied they had the chance to seek secession¹⁸. For EPRDF ethnic federalism was the only way of democratically restructuring the country, enhancing the political participation of the Ethiopian population and

¹⁸This is stipulated in Transitional Period Charter of Ethiopia, *Negarit Gazeta* No.1 1991(Article 2).

giving ethno-regional rights to the previously oppressed peoples or nationalities (Aalen, 2002; 47). Ethnic federalism institutionalized ethnic groups as fundamental constituents of the state. It established them as social categories sharply distinct from the overarching category of citizenship (Habtu, 2003; 22).

Although the objectives of the EPRDF seemed noble enough for its aspiration to reduce the ethnic tensions and conflicts, to treat ethnic groups as equals and to build a democratic society, some scholars argue that there were problems in devising a new social compact for the polity. Mengisteab argues that 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 (Mengisteab, 2007). Merera asserts that “a bad beginning is that, following its impressive military victory the EPRDF quickly moved to the remaking of Ethiopia without creating a national consensus over the basics of state transformation, a badly needed action for countries like Ethiopia where there are contradictory perspectives regarding the interpretation of the past, the understanding of the present and the vision about the future”¹⁹ (Merera, 2007; 14).

In Ethiopia, a nearly all-party conference on a post-authoritarian transition has come to grief because it was conducted in haste and arrangements for demobilizing collaborating militias and building an inclusive security force were not made (Haberson, 2009; 130). Hence, the Ethiopian People’s Revolutionary Democratic Front’s constitutional dispensation was a premise of the conference more than a consensus outcome emerging from it. The new constitution, the main document for legalizing and formalizing the federal system, was ratified by a Constitutional Assembly that was totally controlled by the ruling party in December 1994, and came into effect in August 1995 (Aalen, 2002; 8).

Nigeria’s independence from Britain was achieved on October 1, 1960. Nigeria began with a formal federal constitution in 1954, each of the constituent federating units, known then as regions, operated its own regional constitution, police, civil service and judiciary (Ojo, 2009). At the time of its independence in 1960, its federal system consisted of three regions, each with a

¹⁹ Moreover, Merera stressed that “contrary to the expectation of many, the EPRDF set the rules of the game and invited others to accept the rules fixed by one party” (Merera, 2007; 14)

dominant ethnic group. But, from the outset, the new nation was beset by regional and ethnic divisiveness that complicated efforts to establish a firm basis for constitutional rule (Kalu, 2008). Although its federalism is stoutly defended because of its ethnic and cultural heterogeneity, it does not form the basis of its component units (Agbaje, 1998). Ethno-religious tensions have become common features in the Nigerian federation and have constituted what is commonly referred as the national question in Nigeria (Adeola, 2008; 3). This inconsistency finally ended in the overthrow of the civilian government by military rule. The first military coup, January 15, 1966 was the beginning of a journey into a 30-year military rule in Nigeria, with a brief interruption between 1979 and 1983.

After the military takeover, state system was introduced to Nigeria's federal system by restructuring the pre-existing regions. In 1967, a total of twelve states were created. Seven additional states were created in 1976, nine in 1991 by Babangida administration, and six in 1996, by General Abacha, raising the current number to 36 states. Meanwhile, several scholars argue that the military rule over the years affected the federalization process. . In line with the military's command structure, Nigeria's federal system has been over-centralized to the extent that it reflects more of a unitary arrangement than a federal one (Ojo, 2009; 388). Moreover, the military had reviewed the constitutions in 1979 and 1989. What is most disturbing in those constitutions is the fact that they concentrated excessive powers to the central government at the expense of the component units (Adeola, 2008; 6). Despite these developments "Nigeria transited to democratic governance on May 29, 1999" (Agbu, 2004; 27). On November 11, 1998, Nigeria's military government led by General Abdulsalam Abubakar, inaugurated the Constitutional Debate and Coordinating Committee to oversee the establishment of a new constitution. Based on the 1979 constitution, this new constitution became effective on May 29, 1999, which marked the beginning of the Olusegun Obasanjo civilian administration (Nnadozie, 2002; 2). The fourth republic began in 1999 with the adoption of the 1999 federal constitution.

In the case of Ethiopia, based on the power-sharing arrangements and state organization, the first multi-ethnic Ethiopia was created in 1995 after the adoption of the Constitution of the Federal Democratic Republic of Ethiopia by the Constitutional Assembly (Meles, 2004; 7). The federal system in Ethiopia was formally established when the new constitution of 1994 came into force

in August 1995. Ethnicity was taken as the sole criteria on which to draw a new administrative map, with the final result being a country divided into nine regional states and two cities with special status: Addis-Ababa and Dire-Dawa. Self-determination, including ‘the right to secession’ (article 39) is the most striking feature of the 1995 constitution. It is therefore fair to say that Ethiopian federalism has a clear normative base. Federalism was chosen because it was a way of fulfilling an ideological aspiration: granting national groups the right to determine their own affairs within their own territory (Aalen, 2002; 48).

In Nigeria, the contestation over federalism has fundamentally manifested itself in two principal ways—either as a quest for access and control over political power or as access to federally generated revenue (Agbu, 2004; 28). In this regard, Agbaje remarked that despite the emotional attachment to federalism in Nigeria on the grounds of ethnic and cultural heterogeneity, the constituent units of the federation are not based on ethnic or cultural demarcations. He points out that Nigeria is rather a federation of states, and the states do not necessarily correspond to ethnic and cultural distinctions (Agbaje, 1998; 11). Thus, in sharp contrast to Ethiopia's federal system, Nigerian federalism is certainly not ethnic-based in structure or objective (Habtu, 2003; 6).

4.2. Federal State Structure and Constitutional Power allocation

Federalism emphasizes non-centralization of powers. Each component unit of federal system has its powers and functions delineated and guaranteed in a constitutional document (Eilagwu, 2007; 1). In a federal system of government, the functions and responsibilities of each level of government are specified in the constitution. Theoretically, federation signifies a codified and written constitution which demarcates the distribution of power and functions, and guaranteed division of power to each level of government. Not only does this permit analysis to establish whether a federation is centrist or decentralized, but also whether it encourages peoples’ empowerment, democracy and multicultural practices. The main argument is that a good constitution guarantees a more equitable power distribution by reducing inter-class, inter-ethnic, and inter-regional inequality, minimizes potential for inter-regional and ethno-religious conflicts, and makes the government accessible and accountable to the people.

As noted earlier, Nigeria experienced a federal constitution in the pre post-cold war years including the constitutions of the 1963 and 1979 in the first republic (1960-1966) and second republic (1979-1983), respectively. However, although Ethiopia adopted the first written constitution in the year 1931, the 1995 constitution is the first in its federal nature. While the 1999 Nigerian constitution inaugurated the fourth republic in the countries' federal history, the 1995 Ethiopian constitution introduced a federal system in the country.

The Federal Democratic Republic of Ethiopia's constitution begins with the words: "We the nations, nationalities, and peoples of Ethiopia". A shift from "We the People..." found in the previous three-constitutions of the 1931 and 1955 Constitutions of the Imperial Ethiopia; and the 1987 Constitution of the Peoples' Democratic Republic of Ethiopia, which all constitutions uphold the indivisible unity of Ethiopia as one-nation State (Meles, 2004). This indicates that all ethnic groups as collectivities are, in principle, the authors of the constitution. Thus, Ethiopia's ethnic federalism is federalism based on ethnic communities as the constituent units and foundations of the federal state (Smith, 1993). Regions are based on ethnicity and Ethiopia's system of intergovernmental relations is designed to accommodate the rights of citizens to ethnic self-determination within a common political and economic community based on their common interests, common outlook, and common destiny (Derrese, 2003; 30). Article 39 of the constitution, the Rights of "Nations, Nationalities and Peoples", declares that, "Every nation, nationality and people shall have the unrestricted right to self-determination up to secession"²⁰.

The 1995 constitution introduced new concepts in the Ethiopian political system like federation, devolution and ethnic minorities. The pillars of the new constitution can be identified as multi-nation state, federalism, and self-determination and the constitution, in addition to creating a multiethnic federal state, was designed to reflect the multiethnic nature of Ethiopia (Meles, 2004; 7). It defined Ethiopia as a multicultural federation that operates on the basis of ethno-national representation. A bicameral parliament -- the House of Peoples' Representatives, with 547 members directly elected for five years, and the House of Federation, with representatives of the

²⁰ Article 39 also gives nations, nationalities or peoples the right to speak, write, promote and develop their own languages (See the 1995 Ethiopian constitution).

country's nationalities tasked with constitutional interpretation and deciding issues related to national self-determination but without a legislative role. The House is composed of at least one representative from each of the ethnic groups in the country, and one additional representative for every one million population of each ethnic group. As a result, most ethnic groups are represented in the 112 - member House of Federation (Habtu, 2003; 19).

The constitution established a federal republic comprising nine regional states created on the basis of predominant ethnic group, except the Southern regional state formed by 46 ethnic groups, and except two federal territories, Addis Ababa and Dire Dawa. The Ethiopian federal system is constitutionally symmetrical: all regular constituent units have the same formal and legal relationship to the federal government. However, the Ethiopian federal system is definitely asymmetrical when it comes to the social, economic and political conditions of each unit (Aalen, 2002; 65). The first five regional states (Tigray, Afar, Amhara, Oromiya, Somali) qualify as single ethnic states; the last four (Benishangul- Gumuz, Southern Nations, Gambella and Harar) are multi-ethnic regional states without a dominant ethnic group, and some ethno-political entities were forcibly merged into the Southern Nations, Nationalities and Peoples Region (SNNPR)²¹(ICG, 2009; 5).

Chapter 5 of the constitution elaborates the structure of the state and powers and duties of federal and state governments. There are four-tier systems of government in the administrative structure of the Federal Democratic Republic of Ethiopia (FDRE): center, region, zone and woreda (each of which has legislative body, a court system and a number of sector-specific administrative institutions that constitute the executive branch) (Derrese, 2003; 13). The various regional governments all have equal powers and duties, which indicate that the Ethiopian system is a constitutionally symmetrical federal system (Article 52). Regional states are governed by a state president, who is also the chief executive. The regional states are empowered to formulate and execute state constitutions and laws, economic, social and developmental policies, strategies and

²¹ Aalen (2002; 96), moreover, stressed that although each national group in SNNPRS has a constitutional right to self-determination, there are many examples of conflicts where national groups in the region have demanded an own administrative structure. One such example is the Wolaita, who have been a part of North Omo zone since the merger of the southern regions in 1994.

plans and administer their own budget, and land and natural resources under federal law. They are also mandated to establish their own administration with responsibility for the state's civil service, law and order and the state police force. In addition, the states have "concurrent powers" that are given to the federal and state governments or the powers that are not given exclusively to the federal government alone (Art.52).

According to the federal constitution, the federal government with a bicameral parliament and a constitutional president is assigned the responsibility of national defense, foreign relations, monetary policies and foreign investment and the establishment and implementation of national standards on health, education, science and technology as well as infrastructure such as air, rail, waterways, shipping, major roads, and postal and communication services. It also formulates the country's policies in respect of overall economic and social development, & draws up and implements plans and strategies for development (Article51).

In spite of the fact that the constitution gives a great deal of power and administrative authority to regional states, the overwhelming amount of political power in this system rest with the central government (Keller, 2002; 34). Ethiopia is one of those countries whose constitution gave *weak autonomy* to sub-national governments and Sub-national legislature of the country was given *residual power*²² (Treisman, 2002). In Ethiopia, "there are limits to autonomous decision making on the part of lower levels of administration, especially when they stray too far outside nationally and regionally determined priorities" (Keller, 2002; 41).

Nigeria is a federation consisting of a federal government, 36 states and 774 local governments (Chukwuemeka and Amobi, 2011; 126). It is important to note that the states were initially based on large, ethnically based collectivities, the Yoruba, Hausa-Fulani, and Igbo people. However, the number of states has grown to 36 in the fourth republic because of the pressure from ethnic group for self-administration. Of the 36 states recognized in the 1999 constitution, 15 belong to the former Northern region, eight and seven belong to the former Eastern and Western regions respectively, while the Midwest and Middle Belt have three states each. Given the weight of

²² According to Treisman, residual power implies that the constitution assigns to sub-national legislature the exclusive right to legislate on an issue that it does not specifically assign to one level of government.

each ethnic group in the nation, this arrangement disproportionately favors the North, and, thus, political and (by implication) economic power are concentrated in Northern Nigeria making it possible for this region to dominate other regions of Nigeria (Nnadozie, 2002; 13).

The second schedule of the 1999 constitution spelt out the division of powers between the federal and state governments and the local councils as well as the taxing power and revenue sharing. The section specifies three main categories of legislative functions: the exclusive legislative list, which contains some 68 functions upon which only the federal government can legislate; the concurrent legislative list, which consists of about eight functions upon which both federal and state governments can legislate (section 4). The remaining functions are on the residual legislative list which consists of those functions neither specifically mentioned nor included in the exclusive or concurrent list (Olaopa, 2002; 8). Under these provisions, functions assigned to the states are residual powers explicitly not assigned to the federal government (Chukwuemeka, 2011; 130). In addition to these provisions, Section 8 of the same constitution provides to the establishment of local governments, which are made creatures of the state governments, and their functions are spelt out in the fourth schedule.

The exclusive legislative list of the federal government includes; defense and national security, police, foreign Affairs, inter-state roads, mineral exploration, international roads, railways, airports, aviation facilities, power supply, communication, export duties, external affairs, nuclear energy, tertiary education, agriculture, Commerce, tourism, the creation of states and so forth . On the other hand State Governments can legislate on higher education, secondary and primary education, maintenance of standards, urban and rural waters, transportation, housing, health, lighter industries, agriculture, tourism and town planning. The functions of local government includes: collection of rates, radio and television licenses; establishment and maintenance of cemeteries, licensing of bicycles and trucks; establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences; construction or maintenance of roads, streets, street lighting, drains and other public highways, parks, gardens, open spaces; provision of maintenance of public conveniences, sewage and refuse disposal, Control and regulation of out-door advertising and hoarding and shops and kiosks and etc (Section 8).

The constitution specifies the need for the state to play the key role in harnessing the resources of the nation and promoting “national prosperity and efficient, dynamic and self-reliant economy” (*Constitution*, 1999, Section 16). It also provides for the controlling of the national economy “in such manner as to secure the maximum welfare, freedom, and happiness of every citizen on the basis of social justice and equality of status and opportunity” (*Constitution*, 1999, Section 16). Despite thirty six states spread across six geopolitical zones “the central government in the capital city of Abuja establishes much of the decision premises regarding the authoritative allocation of values, national policy, resource distribution, and infrastructural development. With nonexistent or ineffective state constitutions, the central government holds sway in matters of program development, national security, and finance” (Kalu, 2008; 33).

Ethiopian federalism is unique in the emphasis it places on organizing most states along ethnic lines. In Nigeria, by contrast, efforts to minimize ethnic conflict have led to the creation of an ever increasing number of states - from three in 1960 to 36 in 2001. In spite of differences between Ethiopia’s and Nigeria’s federal systems, it is important to note that both constitutions are designed to ensure that their respective federal systems are characterized by a strong center vis-a-vis sub-national units (Suberu, 2005). Both Nigeria and Ethiopia possess a highly centralized form of federalism, with the 'power of the purse' giving the federal government enormous power and control over policy making at the sub-national levels (Keller, 2002; 46)

4.3. Fiscal Federalism and Resource Distribution

Fiscal federalism refers to the allocation of tax-raising powers and expenditure responsibilities between levels of governments. The fiscal federalist approach assigns a significant role of resource allocation to sub-national governments. That is because “in a democratic society, decentralization will result in a better match of supply and demand for local public goods.... local authorities, being closer to people, can easily identify local people’s needs and, hence, supply the appropriate levels and mix of public services” (Derrese, 2003; 11). Indeed, in virtually all federations in which the constitution shares power between the central and regional or state governments enough resources need to be allocated to each tier to justify their existence (Ojo, 2010; 15).

One of the basic arguments in the theory of fiscal decentralization is the assignment of expenditure responsibilities and decision-making power to lower levels of government so as to improve the local governments' capacity to efficiently identify and address the needs of their citizens (Derrese, 2003). Therefore, "decentralization of spending responsibilities to lower levels of government will ensure improved and efficient allocation of resources for the provision of local public goods and services which mostly represent the aspirations of people at that level" (Olaopa, 2002; 6). 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 (Keller, 2002). It connotes the degree of autonomy of state and local governments in carrying out various economic tasks.

The political empowerment of federal units through representation in the central decision-making process and self-government within own borders do not have much value if the regional governments are deprived of own funds (Aalen, 2002). Although the central government has set up a devolved system of administration, devolution can often enhance the control of the center rather than reducing it, especially when regional states do not have sufficient taxing powers or other means of generating their own revenue (Keller, 2002; 35). Particularly, the nature and conditions of the financial relations in federal systems especially one that is transfixed on a multi-ethnic society like Nigeria and [Ethiopia] is crucial to their continuing existence for fiscal matters transcend the purview of economics alone and have in most cases assumed political and social dimensions (Ojo,2010; 15).

In both the case of Nigeria and Ethiopia, a form of fiscal decentralization exists in that, 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 semiautonomous manner, the predominant taxing powers rest with the center²³. Keller, moreover, stated that in both Ethiopia and Nigeria, the architects of a strong federal government took advantage of political instability and constructed federal institutions designed to implement such a policy. Ethiopia's present day federal system was built on the ashes of a Marxist regime following a civil war, and Nigeria's current federal system

²³ See Table 1 and 3.

was created in the aftermath of more than a decade of ethno-regional civil strife (Keller, 2002; 36).

Financing sources for the regional governments of Ethiopia may be grouped into three: (a) locally generated revenues, (ii) central government transfers, and (iii) domestic borrowing (Derrese, 2003; 21). The 1995 Ethiopian constitution elaborates the taxation power of the federal government and state governments and their concurrent power (Article 98 to 100). Proclamation No. 33/1992, which defines the sharing of revenue between the central government and the regional self-governments, clearly grouped taxes into *central, regional and joint categories*. This is summarized in Table 1 below.

The constitution allows the regional governments to not only design and implement economic policies and plans and to prepare and implement their own budgets, they also have the power to levy and administer taxes and dues under their jurisdiction (Article 99). However, as indicated in table 1, the central government has exclusively been given the largest revenue source -- the foreign trade taxes. The regions' major sources are the direct and income/profit taxes, but from 1993 to 1998, the federal government has gradually taken a larger share of these taxes too (Aalen, 2002; 75). The revenue generating powers of the central government by far exceeds that of the regional governments (Derrese, 2003; 23). The dominance of the Ethiopian Federal government in revenue generation has resulted in state governments extensively relying on transfers from the central government in order to meet their obligations (Aalen, 2002).

Moreover, it is argued that the grants given to regional governments from the center are inadequate to perform their responsibility and to address the need of the local people. To determine the size of the grant, the total resources available to the central government from both domestic (tax and non-tax revenues) and external (foreign assistance) sources is estimated. However, in the case of Ethiopia, direct foreign assistance is not included in the calculation of transfers to the regions (Fjeldstad, 2001). Furthermore, "in a decentralized system of Ethiopia, domestic borrowing by regional governments has been under conditional-based control while foreign borrowing is prohibited" (Deresse, 2002; 20). The regional governments are supposed to distribute money to the sub-regional levels according to budgets and plans decided by the *woreda* and the zone.

But in practice, the sub-regional units have little capacity to prepare budgets and plans and the planning process becomes a top-down instead of bottom-up process (Aalen, 2002; 95).

In a parallel fashion, most urban areas in the regions are governed by a system of municipal governments. Contrary to the woredas, the municipalities [kebeles] do not receive any fiscal transfer from higher levels of government and hence, generally lacked, among other things, fiscal resources in relation to their responsibilities (Derrese, 2003). Meanwhile, to establish a base for meaningful participation of the people at woreda level, the government has been planning to effect block grants directly to woredas by ensuring the woreda's autonomy on resources (MOFED, 2002). Despite that, "ethnic federalism has dramatically enhanced service delivery as well as rural inhabitants' access to the state, allowing the EPRDF to gradually extend its authority deep into the countryside" (ICG, 2009; 18).

Table 1: Ethiopia's tax and Non-Tax Revenue Assignment for Federal and Regional governments

Tax and Non-Tax Revenue	Tax jurisdiction and Revenue generation	
	Federal Government	Regional Governments
Import Tariff	All import tariff	
Import Tax	Import sales tax Import excise tax, etc	
International Trade and Export Tax	International trade Coffee export tax Chat export sales tax, etc	
Personal Income and Employment Tax	Employees of Federal Government Employees of Federal Enterprises Ethiopian Employees of Int'l Organization	Agricultural Activities Cooperative Societies Non-Farm Employment
Business Income and Profits Tax	Federally Owned Enterprises Inter-regional Transport Services Rental Income Incorporated Farms Unincorporated Activities	State Farms State Owned Non-Agric. Enterprises Rental Income
Royalties	Excise Taxes Federally Owned Enterprise	Forest Services State Owned Enterprises Unincorporated Activities
Sales Taxes on Goods	Federally Owned Enterprises	State Owned Enterprises Unincorporated Activities Domestic Sales of Chat

Sales Taxes on Services (Value added tax after 2003)	Federally Owned Enterprises Corporations	State Owned Enterprises Unincorporated Activities
Capital Gains	Collected by the Federal Government	Collected by the State Governments
Rent	Federally Owned Houses and Properties State Owned Houses and Properties	State Land Use (Rural, Mining, Urban)
Other Non-Tax Revenues	Lotteries and Games of Chance Federal Stamp Duties Federal License Fees and Services	State License Fees and Services

Note. The Value Added Tax (VAT) has replaced sales tax since January 1, 2003 by the Value Added Tax Proclamation No. 285/2002. According to this proclamation, the VAT is administered by the central government.

Source: Compiled from the Constitution of the Federal Democratic Republic of Ethiopia and Value Added Tax Proclamation No. 285/2002 proclamations.

The 1995 constitution, though is not explicit on the expenditure responsibilities of the regions it provides general guidelines regarding expenditure side: the central government and the regional governments bear all financial expenditures necessary to carry out all responsibilities and functions assigned to them by law (Article 96). Although the central government collects most of the revenues, regional governments are responsible for the bulk of public expenditure including most health and education services (Derrese, 2003). The fiscal system concentrates power in the federal government, which controlled over 80 per cent of revenue and more than 60 per cent of expenditure between fiscal years 1993/1994 and 2001/2000 (Table 2 below).

Table 2: Trends in share of regional governments in total national revenue and expenditure in Ethiopia in the post cold war years

year	Share of regional governments (%)		Measure of Vertical Imbalance
	In total national revenue	In total national expenditure	
1993/94	17.8	36.2	0.51
1994/95	15.3	36.2	0.58
1995/96	16.6	40.2	0.59
1996/97	18.2	41.5	0.56
1997/98	20.3	40.7	0.50
1998/99	17.7	33.4	0.47
1999/00	19.7	26.8	0.26
2000/01	18.8	33.9	0.45
2001/02	15.6	32.7	0.52
2002/03	19.2	37.3	0.49
2003/04	22.2	38.1	0.42
Average	18.6	35.1	0.47

Source: MOFED (Ministry of Finance and Economic Development).

From Table 2, it can be inferred that the dominance of the federal government in revenue generation capacity, led the regional government to extensively rely on transfers from the central government. Despite the fact that regional governments have the power to raise some taxes and to perform vast spending activities, the predominant taxing powers rest with the federal government. As a result, “vertical imbalance, which is a mismatch between spending responsibilities and revenue raising powers of regions, is high” (Ibid, 29). The major reason for the vertical imbalance in the Ethiopian federation is that the tax bases assigned to the regional governments are weak, while the most lucrative sources are given to the central government (Aalen, 2002; 75). The regions and districts thus depend heavily on federal budget transfers (ICG, 2009; 17).

In Nigeria, the issue of fiscal federalism is probably the most important, since it deals directly with resource control and income distribution (Nnadozie, 2002). The issue of revenue allocation, thus, has provided the primary arena for distributional politics and struggles in the Nigerian federation. In more recent times, this issue has revolved around the following—the conflict among the federal, state and local governments; tensions among the states and their localities, tensions between the oil producing states and the federal government on the one hand, and between the federal government and the other states over revenue matters (Ibid). Fiscal federalism, revenue mobilization and allocation are dealt in Chapter VI of the 1999 Nigerian constitution.

Table 3: Nigeria’s Federal, State and Local Tax Jurisdiction and Assignment

Tax	Legal Jurisdiction	Collection	Retention
Import duties	Federal	Federal	Federation Account
Excise duties	Federal	Federal	Federation Account
Export duties	Federal	Federal	Federation Account
Mining rents & royalty	Federal	Federal	Federation Account
Petroleum profits tax	Federal	Federal	Federation Account
Capital gains tax	Federal	State	State
Personal income tax	Federal	State	State
Personal income tax: armed forces, e affairs officers, non-residents, residents of the Federal Capital Territory and Nigeria police force	Federal	Federal	Federal
Value added tax (Sales tax before 1994)	Federal	Federal /State	Federal /State
Company tax	Federal	Federal	Federation Account
Stamp duties	Federal	State	State
Gift tax	Federal	State	State
Property tax and ratings	State	State/local	State/local
Licenses and fees	Local	Local	Local
Motor park dues	Local	Local	Local
Motor vehicle	State	Local	Local
Capital transfer tax (CTT)	Federal	State	State
Pools betting and other betting taxes	State	State	State
Entertainment tax	State	State	State
Land registration and survey fees	State	State	State
Market and trading license and fees	State	Local	Local

Source: Salami (2010; 3) and Federal Republic of Nigeria Constitutions, 1999)

The Nigerian federalism is beset with structural imbalance. But true federalism implies that the constituent or federating units should pursue their own developmental programs at their own pace, utilizing resources within their territory and under their control (Chukwuemeka and Amobi, 2011; 127). However, as it is illustrated in Table 3, the federal constitution gave the federal government exclusive power to collect levies like customs and excise, company tax, education tax and mining rents, petroleum profit tax, etc. The lion share of total Nigerian revenues is collected and retained by the federal government. For instance, between 1990 and 2008, about 93.9% of the total Nigerian government revenues were collected by the federal government which implies the local and state governments put together, collect less than 7% of Nigeria's government revenues (Salami, 2010; 3). Similar to Ethiopia, "in Nigeria, local government expenditure has constantly surpassed the potential for revenue sources owing to the great gulf between their needs and their fiscal capacity" (Wondosen, 2008; 5). This has largely been caused by the incongruous nature of their revenue rights and fiscal jurisdiction with the duties and functions constitutionally allocated to them.

Nigeria's fiscal arrangement has been guided by the country's constitution and Nigeria's local governments have autonomy to perform their functions in line with the constitution. However, the fiscal system in Nigeria grants minimal fiscal autonomy to the sub-national governments in terms of revenue assignment and the autonomy of local governments is not absolute (Salami, 2010; 2). There is no gainsaying the fact that fiscal laws in Nigeria clearly give more tax powers to the federal government than the remaining two lower tiers of government (Olaopa, 2002; 5). More important is the fact that, like the previous constitutions, the 1999 constitution still establishes a priori the status quo that the federal government ought to be in charge of oil revenues and ought to decide how to allocate it to Nigerians (Nnadozie, 2002).

Section 162(1) of the constitution states that the federation shall maintain a special account to be called the "Federation Account" into which are paid all revenues collected by the government of the federation. All funds standing to the credit of the Federation Account must be distributed among the federal, the state governments and the local government. For this purpose, vertical allocation formula is adopted (Table 4). The 1999 constitution promulgated by the General Abdulsalam Abubakar's Administration adopted the 1992 Revenue Allocation formula (Ojo, 2010;

24). However, Ojo asserts that most states especially the Southern states [oil producing states] are dissatisfied with the revenue allocation formula. This dissatisfaction has to do with what they observed as over-concentration of federal revenues in the Federal Government (Ibid, 25). Moreover, no reliable formula has been evolved to meet the citizen's yearnings and aspirations, and such experienced deficiencies have triggered off many actions among the lower tiers of government who continually complain of fiscal imbalance (Chukwuemeka and Amobi, 2011; 127). From its provisions Nigeria's 1999 constitution advocates central planning and a centrally planned economy where the state controls resources, harnesses these resources, and plans economic development (Nnadozie, 2002; 17).

Table 4: Vertical Revenue Allocation Formula in Nigeria

Vertical	Percentage
Federal Government	48.5%
State Governments	24%
Local Governments	20%
Special funds	7.5%
Total	100%

Source: Okeke, M and Obiora C. (2010), Intergovernmental Relations and Fiscal Federalism In Nigerian Fourth Republic, *Journal of Business and Financial Studies*, 1(1) 206-207 pp.207

4.4. Party system and the Working of the Federation

Political parties are supposed to be the strong pillars and instruments through which democracy can be cultivated and entrenched. Parties are equally expected to serve as instruments of political education, interest aggregation, political socialization, and political recruitment (Dode, 2010; 190). In democracies, a political party is more or less permanent institution with the goal of aggregating interests, presenting candidates for elections with the purpose of controlling governments and representing such interests in government (Olarinmoye, 2008).

In modern day where the dominant form of democracy is indirect or representative democracy, political parties are the principal mechanism for ensuring citizen participation and representation in public policy decision-making (Agbaje, 1998). In a representative democracy political parties promote vital competition on different policy issues and play essential roles by offering ideological alternatives. They also give channels for citizens' participation in government decision-making processes and they are significant conduits and interpreters of information about government (Wondosen, 2009; 60). It is therefore difficult to imagine any modern democracy without political parties as they are the connecting links between diverse groups of peoples and governments.

There are four major party systems, which states choose to adopt. These are the zero, one, two and multi-party systems (Olarinmoye, 2008; 190). In modern democracy, multi-party system is preferable to represent diverse interest within society. However, "the mere adoption of party pluralism will not automatically advance the cause of democracy without the institutionalization of certain institutional parameters to promote and sustain due process in theory and practice (Omotola, 2009; 612). Particular to a federal political system, the structure of party systems and the role played by political parties are important determinants of the operation of federal systems. The organization of political parties reinforces or corrodes the federal division of power. If the same party organisation controls both federal and regional level of government and has a centralized party structure, this might weaken the power of the regional governments in a way that undermines regional autonomy (Aalen, 2002).

The emergence and evolution of political parties in Nigeria has been closely tied to Nigerian constitutional development or evolution of Nigerian constitution (Olarinmoye, 2008; 68). However, when the first political party in Nigeria, the Nigerian National Democratic Party (NNDP) emerged in 1923, its activities were restricted to contesting elections into the Lagos city council and the main objective was perhaps, that of buying legitimacy for the colonial government through very limited franchise restricted to Lagos (Omotola, 2009; 620). Ethiopia's party developments have passed three main stages: the no-party parliamentary elections of the imperial period, the one-party parliamentary election of the *Derg* military government, and the multi-party parliamentary elections of the EPRDF (Ethiopian Peoples Revolutionary Democratic Front) administration (Wondowosen, 2009). In the post-cold war years, "Transitional Government of Ethiopia (TGE) publicly committed itself to the introduction of pluralist, multi-party democracy. This was significant in that, until that time, Ethiopia had never had political parties or pluralist democracy" (Keller, 2002; 22). Nigeria, with some years of interruption, "returned to multi-party democracy in 1999 following the transition inaugurated and successfully completed by General Abdulsalim Abubakar" (Omotola, 2009; 621).

The political parties in Ethiopia are generally too poor in resources to organize a significant constituency. They have no firm roots in the past because of the systematic repression of political parties during previous regimes and the absence of a civic tradition (Aalen, 2002). After the coming to power of the EPRDF in 1991 a number of ethnic-based political parties mushroomed in Ethiopia. The EPRDF, as an ethnic-based party coalition, encouraged the formation of political parties along ethnic lines (Wondowosen, 2009; 62). The organization of political parties in Ethiopia, though not a legal requirement, follows along ethnic lines. Out of the 76 registered political parties, for example, 72 of them are organized under the umbrella of one or more ethnic groups (Meles, 2004; 13). The majority of the opposition parties have an ethnic base (Aalen, 2002).

Wondowosen identified two kinds of the "loyal opposition" parties which are legally registered and have been participating in elections: 1) Ethnic parties (regional parties) and ethnic-based

political organizations²⁴. 2) Non-ethnic parties or pan-Ethiopian parties. This category of “loyal opposition” in Ethiopia is very fluid, because as we have seen in the last two decades, today’s loyal opposition could be “illegal” or “illegitimate” opposition tomorrow (Wondowosen, 2009; 65-66). The EPRDF’s emphasis on ethnic political organisation prevents viable trans-ethnic parties to emerge (Aalen, 2002; 8). Since political representation is organised on ethnic grounds, groups are encouraged to claim “ethnic rights” at the expense of others and ethnicity also has become the primary means of mobilization (ICG, 2009; 24). It is argued that political parties can influence the way a federation works and secession would not be an exception as a constitutional issue of major interest. However, “no provision of the constitution has attracted the attention of political parties than ownership of land and secession” (Meles, 2004; 13). Especially before 2005, the ruling party in Ethiopia ensured electoral superiority by outreach of the predominantly ethnically based opposition parties.

With the adoption of the 1999 Nigerian constitution and multi-party system the number of political parties has increased ever. Initially, three political parties – Peoples Democratic Party (PDP), the All Peoples Party (APP), later All Nigerian People Party (ANPP), and the Alliance for Democracy (AD) were registered by the Independent National Electoral Commission (INEC) (137,621). Then, their number has grown to 30 in 2002 and 50 in 2007²⁵ (Dode, 2010; 192). Despite that, “Most political parties in Nigeria are poorly entrenched in Nigerian civil society with a

²⁴ These include: Alaba People's Democratic Organization (APDO), All- Amhara People's Organization (AAPO), Afar Democratic Union (ADU), Bench People's Unity Democratic Movement (BPUDM), Gamo Democratic Union (GDU), Gurage People's Democratic Front (GPDF), Gambella People's Democratic Front (GPDF), Gambella People's Democratic Movement (GPDM), Gedeo People's Democratic Movement (GPDM), Gurage People's Democratic Organization (GPDO), Harari Democratic Unity Party (HDUP), Hadia People's Democratic Organization (HPDO), Kembata People's Democratic Organization (KPDO), Keficho People's Unity Democratic Organization (KPUDO), Oromo National Congress (ONC), Sidama People's Democratic Organization (SPDO), Tembaro People's Democratic Organization (TPDO), Tigri-Worji Union (TWU), United Oromo Democratic Organization (UODO), Wolaita People's Democratic Organization (WPDO), etc.

²⁵ Some of these parties are: Action Congress of Nigeria (ACN), Advanced Congress of Democrats (ACD), African Democratic Congress (ADC), Alliance for Democracy (AD), All Nigeria people's Party (ANPP), All People's Party (APP), All Progressive Grand Alliance (APGA), Democratic Alternatives (DA), Democratic People's Party (Nigeria) (DPP), National Democratic Party (NDP), New Democrats (ND), People's Democratic Party (PDP), People's Redemption Party (PRP), People's Salvation Party (PSP), United Nigeria People's Party (UNPP), Communist Party of Nigeria (CPN), People Progressive Party (PPP), Masses Movement of Nigeria (MMN), National Conscience Party (NCP), Democratic Socialist Movement (DSM). In addition to that, the main competing parties in 2011 Nigeria's National Presidential Election includes: Congress for Progressive Change (CPC), Social Democratic Mega Party (SDMP), Fresh Democratic Party (FDP).

gap existing between them and the mass electorate” (Olarinmoye, 2008; 68). Lack of political ideology, low level of politics of socialization, hangover or lingering effects of military dictatorship, politics of money, corruption, lack of a vibrant civil society (advocacy) groups, fractured and uninstitutionalized (fragile) political parties (especially of the opposition) characterize the Nigerian party system (Dode, 2010).

It is important to note that political parties in Nigeria are elite groupings. They are created and directed by the elites in society who believe that control of government and of political power should be their preserve (Olarinmoye, 2008). In such circumstance, parties have suddenly descended to the level of being used to promote personal and sectional interests at the expense of the collective good especially national integration and development (Omotola, 2009). Similar to the Ethiopia case “most parties have ethnic and regional bases or display identity orientations” (Olarinmoye, 2008; 68). The dominant themes in Nigerian parties seem to be ethnicity, religion and money than dedication to well-defined beliefs and principles of action. Parties also have no ideological stance on major national questions other than the transformation and manipulation of forces of identity particularly ethnicity and religion (Simbine, 2005). The consequence of ethnic mobilization for electoral purposes in Nigeria is an institutional context where elections are transformed into highly competitive zero sum games (Olarinmoye, 2008; 67).

As it was noted earlier, in federations whether party organizations are centralized or decentralized have crucial effects on the relationship between central and regional level. Constitutionally, Ethiopia is a federal polity, but its federal entities are controlled by the strongly centralized ruling party (EPRDF) that predetermines decisions from the capital to remote rural *kebelles* (Aalen, 2002). A dual dynamic is at work: a more visible, formally decentralized state structure and a more discreet but effective capture of the state by the EPRDF and its affiliated regional parties (ICG, 2009; 15). Despite the principles of political pluralism enshrined in the constitution there is a mismatch between the political-pluralist elements of the constitution and the political praxis of the dominant party (Keller, 2002). Several scholars argued that decentralization in Ethiopia facilitates democratization in as much as it enables more people to influence the political process. This is problematic, however, since the authors of decentralization are also wedded to the modus operandi of democratic centralism, inhibiting decentralization and democratization

(Markakis, 2003).

Aalen stated that EPRDF's central committee has the power to implement specific plan of actions which are the basis for the EPRDF's five-year plans that are implemented nationwide -- and adopted by all the regional parties and acts as the basis for regional policies and plans. Aalen, moreover, dictated that "the constitutional rights for the regions to formulate and implement plans and policies are severely diminished by the fact that the regional governments, which are all under the EPRDF's hegemony, follow the centrally designed policies and five-year plans" (Aalen, 2002; 85). Both supporters and opponents of ethnic federalism recognize that centralized party rule and federal interventions in the regions undermine local self-government -- state institutions and the party system are systematically intertwined (ICG, 2009; 17). The centralized party structure of the EPRDF is clearly contradictory to the provisions of the federal and regional constitutions, which give these levels the right to self-administration. It promotes upward accountability to the party organs above rather than downward accountability to the people of the region. Although some "regions have relative variation in their socio-economic conditions, they have been subjected to one-size-fits-all policies developed by the central political leadership" (Paulos, 2007; 381).

The party system in Nigeria more or less resembles to the party system in Ethiopia. The ruling party (PDP) dominates the federation. Irrespective of the multiplication of parties in fourth republic and apart from a few isolated States in the northern parts of the country, the PDP controls more than 70% of the Nigerian political offices at the federal, state and local government levels (Dode, 2010; 192). The opposition parties that ought to serve as alternative parties have been strategically weakened through the overt and covert activities of the PDP (Ibid). Moreover, the composition of opposition parties is "fluid and unstable, and can be viewed as mere instruments of transition from military to civil rule" (Omotola, 2009; 624). From the dynamics of the happenings in Nigeria, it is clear that apart from a very few individuals in and out of government, it appears that the majority of the political class are "class opportunists" (Egbewole and Etudaye, 2010; 219). The Alliance for Democracy (AD) that looks different was, however, affected by its inability to meet the federal character clause in the constitution and up till today remains essentially a Yoruba party (Omotola, 2009; 625).

An overview of the manifestoes of political parties in Nigeria shows that their objectives and strategies are not radically different from one another in their planks and are all virtually addressed to the same issue (Simbine, 2005; 24). Moreover, they are “elite parties and non-ideological organizations having less interest in political principles than in securing and retaining political office for its leadership and distributing income to those who run it and work for it (Olarinmoye, 2008; 68). Given the obvious poverty of ideology that characterizes the first three political parties of the Fourth Republic, PDP, APP and AD, it should not be surprising that almost all the other parties that sprang up or broke away from them did not do so because of ideological disagreements. Neither was it that they have articulated alternative views of governance for sustainable democracy and development as a viable basis of popular mobilization to wrestle power from the incumbent party (Omotola, 2009; 226).

Chapter Summary: - It can be said that the formation of both Ethiopia and Nigeria as a state, is related with the phenomenon of the late 19th and early 20th century international order. Put differently, they are rooted during the era of colonialism by European powers. Like several African countries they are multi-national states holding several ethnic groups under one umbrella. However, these ethnic groups have suffered from the absence of democratic governance. Restructuring the state, then, came to be viewed as a solution for such a suffering. Both Ethiopia and Nigeria adopted a federal constitution in the post cold war years and vowed for a federal state structure. Although both constitutions guaranteed economic and political power decentralization to lower levels of governments to ensure the empowerment of local groups and/or the mass, still there is a kind of power centralization at the center which encumbered accountability of the government to the mass. Moreover, the party system has strengthened centralization of power.

CHAPTER FIVE

Referential Analysis and Concluding Remarks

It can be inferred that the colonial and post-colonial sub-Saharan African states were characterized by the problems of state building and national consensus, state weakness and inefficiency, ethno-cultural division and oppression, political and economic inequality, power centralization, elite's monopoly of power and unaccountability to the mass, undemocratic governance, susceptibility to external ideological orientation, and external support for domestic control. Meanwhile, with the progressing globalizing world and emerging global concerns state sovereignty has begun to be challenged from above by international and supranational trends and by new territorial forces from below in ethnically divided states. The global economy created a multitude of social groups and exacerbated social contradiction, accelerated polarization and led structural basis for popular uprising. The 'neo-liberal' version of electoral and elitist democracy seems inadequate to redress the inherent political and economic problems in ethnically divided and economically backward states of sub-Saharan Africa that are short of requisite institutions.

Given the aforementioned discussion, it is conclusive to deduce that there is reinforcement and interplay between democratization and federalization in sub-Saharan Africa. In a mutually reinforcing process, state building and regime consolidation occur or fail to occur together²⁶. State structuring and restructuring increases the possibilities for state efficiency, regional autonomy of ethno-cultural groups, power decentralization and political and economic equality and hence strengthens mass empowerment, economic welfare and popular democracy.

The fact that sub-Saharan African states in general, Ethiopia and Nigeria in particular are multi-ethnic in composition, makes a federal state structure imperative in the post cold war years. Hypothetically, a federal state structure is preferable in multi-ethnic states for the fact that federalism emphasizes non-centralization of power and the existence of dual polity at national and sub-national level. And this is supportive to make the government accessible to the people, encourag-

²⁶ Bratton and Chang (2006), moreover, asserted that democratization introduces institutions that link citizens to the state and, meanwhile, state building increases capacities to improve mass welfare.

es democracy and multiculturalism, and reduces ethnic rivalry for power and brings about political stability and economic change. However, this is realizable only if there is codified constitution which spells out a constitutionally guaranteed power division between and among the polities. In this regard, both Ethiopia and Nigeria rightly devoted and adopted a written constitution in the post cold war years which recognized the existence of national and sub-national levels of government, and which guaranteed a constitutional power division with each component unit of the federal system having clearly marked powers and functions. In spite of that, in both states there are shortcomings with regards to regional state formation and the power assigned to the component units of the federation and the nature of the federation by itself.

In Ethiopia, the constitution signified ethnic federalism whereby the ethnic communities are the founder and the component units of the federation, thus, regions are formed based on ethnicity in order to ensure ethnic self-determination. Given the long-term ethnic quest for democracy and self-determination in the country as elsewhere in sub-Saharan Africa, the constitution has been rightly crafted and laid a foundation for realization of democracy. However, regardless of the number of ethnic group that exists in the country, the constitution established only nine regional states. Different ethno-political groups have been forcibly merged in one regional state, thus, leading to ethnic rivalry to control regional power and domination of one ethno-political group by another.

In Nigeria, although the number of regions increased, due to ethnic pressure, from initially three ethnically based regions to thirty six states recognized by the constitution in the post cold war year's, fifteen states belong to the former northern region. And, given the weight of ethnic group in the nation the arrangements of the states disproportionately favor the north to dominate political and economic power. Thus, in both states although federalism has become necessary to enhance democracy, because of the problematic of regional state formation, the politics of exclusion and domination continued to persist negating the very principle of democracy.

It can be inferred that in multi-ethnic states like that of sub-Saharan Africa, it is not a federal alternative problematic by itself but the way it is adopted. Given the loss of legitimacy of African nation-states because of the failure to recognize the diversity of the many political identities, the

claim to introduce federalism as “the only way of democratically restructuring a country, enhancing the political participation of the population and giving ethno-regional rights to the previously oppressed peoples or nationalities”²⁷ as the case in Ethiopia, a federal alternative becomes all the more necessary. However, the way the federalization process has taken place is problematic because of the reason that it has been adopted in a top-down approach and domination of institutions without all-inclusive consensus and grassroots mobilization. It was inaugurated without deeply considering the ethnic and regional minorities regarding their possible vulnerability in the future and lack of will on the part of leaders to provide opportunities for the formation of a common political consciousness and for integration from below. Subsequently, it has precipitated lack of national consensus, ethnicity and ethnic politics, ethnic rivalry for economic and political resource and ethnic conflict, power centralization and administrative inefficiency, political instability and economic underdevelopment and so forth.

This in turn has diminished what Gentili (2005b; 49) has rightly pointed out “the actual processes of democratization, institution building and governance [that] are heralded as the only hope in achieving social transformation; that is, democracy, development and sustainable peace in Africa”. Thus, before resorting to adopt a federal system, first these problems needs to be contemplated again and again with due emphasis and the decision to adopt federalism should not be taken in haste. In ethnically divided sub-Saharan states which most of them are characterized by a decades of authoritarian rule, to enable all groups to build confidence in democratic processes and to disassociate politics from ethnicity, a process of national dialogue and reconciliation should comes prior before a resort to adopt federal system. The mass populous in general and each and every ethnically defined group in particular should be consented to bring about widespread sense in the general population of national unity and national consensus. This is because democracy has never been defined and understood based on the interests of the few who are destined to rule.

²⁷ This was claimed by Meles Zenawi (Ethiopian prime minister) and quoted by Aalen (2002; 47). Aalen, moreover, noted that the argument is based on the assumption that democracy can only be established through ethnicity, through regionally defined ethnic rights.

It was theoretically argued that power sharing on the basis of a distribution of competences and clearly defined checks and balances between the federal level and the members of the federation is essentially a truly democratic element and value in the constitutional setup of a country. In both Ethiopia and Nigeria, despite constitutionally guaranteed power decentralization to sub-national units, the overwhelming political power still rests with the central government. Indeed, the initiative to constitutionally decentralize power in both states can be considered as, at least, a break to the power centralizing trends that had been inherent before the end of the cold period. To some extent, it also made the state accessible to the population in general and minority groups in particular, and improves state efficiency to address public needs. In spite of this, there is a power balance tilted to the central government with enormous power and control over policy making at the sub-national level. Consequently, the democratization process has hindered and led to some grievances among ethnic groups and rivalry among them to control the federal/central government state apparatus.

As it was observed from Ethiopian and Nigerian federal experiment, although federalism has proved to be promising alternative in institutionalizing democratization for mass empowerment and popular democracy, it continues to be challenged by centralizing trends which has been inherent in the sub-continent. A resort to federalize one's country should not be limited to a compromise among elites and it should not be crafted in a top-down approach. In order for federalism to work, there should be real administrative power devolution to sub-national units with the appropriate financial capacity to effectively undertake their responsibility and realize the development of their country. A redesign of the sub-continent's state system should involve a more diffused system of political rule than the centralized one.

The existence of sub-national units in a federal system is justified if and only if the constitution allocates them fiscal power and enough resources to appropriately address public services and local needs and guarantees the degree of autonomy of state and local governments in carrying out various economic tasks. Moreover, in multi-ethnic states like Ethiopia and Nigeria, fiscal matters can assume political dimension transcending the purview of economics. In both the case of Ethiopia and Nigeria, the constitution divided fiscal power between the national and sub-national governments and sub-national units are given the power to raise tax, generate their own

revenue and carry out spending activities. However, the predominant taxing powers and revenue sources rest with the central government. Hence, it has resulted in vertical imbalance_ a mismatch between spending responsibilities and revenue raising powers of regions_ and state governments to rely on the budget transfer from the federal government.

Since political and economic decentralization transfer decision-making powers, duties and resources from central government to bodies outside the central core and split state power between the centre and the regions, it is weighty to protect state inefficiency and encourages cross-cutting links among ethnic interests. However, though both Ethiopia's and Nigeria's constitutions are acclaimed to multiply the arenas in which decisions are taken by dividing power between the centre and the regions, the predominance of central government in taxing power and revenue sources could not bridge the institutional gap. The autonomy of the sub-national units and local governments to perform their function in line with the constitution is minimized which, hence, lessen the accountability of local officials to their locality, inefficiency to perform their responsibility and to address the need of the local people. Hence, these kind of centrist tendencies possibly encumber the transition to a full-fledged democracy and sustainable development.

What is more problematic, including the federal states of Ethiopia and Nigeria, is the fact that "African governments, most of which are heavily dependent on external aid and all upon foreign investment, continue to have the monopoly on decisions on access and redistribution of development resources" (Gentili, 2005b; 47). The democratic deficit is evident in the fact that citizens, as electors, do not have a say in the decision-making process regarding fundamental policy decisions such as the adoption of stabilization and structural adjustment programmes. Moreover, current participatory methods are merely techniques designed to convince the citizens to approve the policies and development programmes on which they have had no control in the first place and which will most likely penalize them²⁸ (Ibid). It should be taken into account that "centralist state frustrated many efforts in the seventies and eighties to bridge the gap between the govern-

²⁸.Gentili, moreover, asserts that it is not a paradox then that democratization and economic liberalization, intended as deregulation where only the fittest could compete, seems on the one hand to have made the struggle for control of the state more fierce, and on the other has accelerated the display of different forms of factionalism (Gentili, 2005b; 48).

ment and the population” (Gerti and Dijk, 2005; 173). And it is impossible to imagine bringing about genuine democracy and economic development in diversified states without enhanced political and economic decentralization that ensure the participation of citizens in general and the commitment of each ethno-cultural groups in particular.

The aspiration to constitutionally acknowledge the politics of recognition, with regional self rule along ethnic line as in Ethiopia and/or with a large number of regional state as in Nigeria, undoubtedly reduce heterogeneity, split power among ethno-cultural groups and alleviates future conflict. However, establishing regional states based on ethno-cultural group as the case in Ethiopia and/or increasing the number of regional states as the case in Nigeria to accommodate the interests of ethno-cultural group does not make sense to realize democratic transition, political stability and economic development without a real and empirically observed power sharing and regional autonomy. Shared political authority systems at the regional level ought to prove more flexible and politically manageable than more rigidly defined constitutional structures. Federal power decentralization undisputedly contrasts with elitist and electoral democracy and the governance strategy in which states devolve their administrative structures without relaxing centrally controlled bureaucratic and fiscal constraints.

Given the fact that the majority of the resistance struggles has been launched against the centralizing and authoritarian governments in the sub-continent have been inspired for recognition and autonomy, regional governments should be given the necessary autonomy and their autonomy should not be restricted by federal government. For instance, the extreme reliance of regional states on the Federal Government for fiscal resources indisputably reduces their autonomy. Thus, a balanced, fair, transparent and consensus based frame for intergovernmental fiscal relations must be established. Sub-national governments must be given financial autonomy with adequate taxation powers for their expenditure match with revenue rights and fiscal jurisdiction and decentralization of functions should be matched by decentralization of revenue collection with a progressive shifting of federal responsibilities to the states. Regional rebels are more likely to abandon an armed struggle if agreements are shaped that focus on an increase in regional autonomy. Power sharing arrangements will encourage stability and lower the stakes in ethnic conflicts and destructive ethnic mobilization is likely to be minimized if the country’s institutions

provide all ethnic groups with fair and predictable rules for competition for scarce resources and the benefits of economic growth.

Unless and otherwise, revenue allocation will be a constant source of tension and conflict due to its inherent unfairness and politicization there will be no vacuum for independent political opposition parties to emerge that replace armed resistance group. Hence, in a situation where there is an operation of armed groups there will be a continuity of 'security complex' in the sub-continent whereby one state always endeavors to support armed resistance in another state and vice versa. The relationship between these states will continue to be competitive rather than cooperative overriding a development agenda they should rather deal with together; hence, they will together celebrate 'development of underdevelopment' and stay liable to external manipulation. Thus, to develop a workable a federal state structure and to smooth the progress of democratization, first there should be restoration of political legitimacy, substantive decentralization program and meaningful bargaining power between central state and regional governments.

Moreover, hypothetically it was remarked that in federal political system, the structure of the party system has important role to bring about territorial representation, and channeling the diverse interests. Modern democracy, which is at most representative democracy, is unthinkable without political parties, and particularly in federal arrangement they are usually decentralized in their structure in order to enable them to place peripheralizing pressures on the federal system. In this regard, in both the case of Ethiopia and Nigeria a positive aspect of the party system and the working of the federation is the fact that unlike the cold war year's sub-Saharan states which were devoted to a single party rule, there is no constitutional limit to a single party system in post cold war years. Multi party system is espoused and political parties are allowed to exist and operate in the federation. Moreover, there is the presence of regionally unique and/or ethnic based parties which enhanced the possibility of territorial and ethnic representation, and aggregation and channeling of varied appeals. Despite this, there are instances of quandaries in the party system and structures of the political parties that hindered the working of the federation and democratic governance at national and grass root levels.

In Ethiopia, beside the existence of a number of regional and ethnic based parties there are no

strong national and coalition parties that can compete with the ruling party and provide an alternative platform that can appeal to a nationwide interest. While the existing national coalition parties are not regionalized with a decentralized structure, the regionally unique parties relied on ethnic mobilization for electoral purposes which ends in competitive zero sum game. Moreover, the structure of the ruling party is centralized and its regionally affiliated parties which dominates regional states are accountable to central party organ rather than to the regional people. Paulos rightly, reveals that “a clientelistic intra-party relationship in Ethiopia has undermined the virtues of decentralization (allocative and production efficiencies, accountability, responsiveness, etc.)” (Paulos, 2007; 381). It is likely that the regional political and business elite who are loyal to the central political leadership are the main beneficiaries of the new patronage network (Ibid).

The constitutional rights for the regions to formulate and implement plans and policies are weakened by the fact that the regional governments follow the centrally designed policies and plans. What should be thought here is that the accountability of local government officials and politicians to central government and not to the local population that they are deemed to represent might lead to future instability. This is because “the local population can no longer rely on the intermediate level of government for protection and turns to its own groups, which are organized along ethnic lines” (Gerti and Dijk, 2005; 174). Therefore, in order to ensure the autonomy of sub-national units in the federation and their accountability to their respective population as well as to deter potential problems the decision-making power of ruling party needs to be decentralized.

Similarly, in Nigeria parties have no ideological stance on major national questions other than the transformation and manipulation of forces of identity, and they are elite groupings which often used to promote personal and sectional interests at the expense of the collective good. Despite the multiplication of parties in fourth republic, the ruling party dominates the federation and opposition parties that ought to serve as alternative parties are weakened by it. It can be inferred, thus, that irrespective of the inauguration of multi-party system with the adoption of federal constitution in Ethiopia and Nigeria in the post cold war years, the working of the federation has been undermined by the party system that delayed a genuine move to full-grown democracy. The federal division of power defined in the constitution is undermined by the centralized party struc-

tures and the domination of the ruling party. Therefore, federal power decentralization should not serve as alternative lines of political and economic alliances between central state actors and system of patronage networks they need to maintain their political base but as a device to extend and renew those systems.

Sub-Saharan governments before a resort to embrace federal system are also expected to break the cycle of political opportunism and patron-client relation that characterize the ruling party, and its structure of decision-making power should be decentralized. The regional and local organizations and candidates of the ruling party should maintain sufficient autonomy to direct their own campaigns and shoulder their responsibility accordingly with local interest rather than incorporated into an administrative-political hierarchy to national party in the capital city. It is also important to assert that the existence of strong national coalition parties and ethnically depoliticized which are at most representative of cross-cutting segmental interest should be taken for granted. The first and most important vehicle of a political party should be its ideological stance and other forces of identity and ethnicity better not to appear to take the place of ideology.

It is a fact that external aid and loan for economic development in sub-Saharan Africa has become conditional on key democratic reform including political and economic power decentralization and autonomous fiscal and political powers of local governments. This will have undeniable spillover effect for most of sub-Saharan African countries which are highly dependent on external aid and loan. Therefore, political and economic power decentralization has twofold importance. On the one hand, as new decentralization programs are implemented, state leaders could be offered rewards from external donors for adhering to newly crafted regional administrative structures including economic investments in the newly decentralized regions, combined with budgetary support to national ministries. On the other hand, inclusive decentralization program would respect regionally specific political traditions and inspire the commitment of every ethnic group for nationwide economic development. Unless and otherwise, the door will be open for unexamined investment to proliferate and only benefit political appointed elites through corruption that in turn lead to unbalanced development, social dissatisfaction, social cleavages along ethnic line and popular uprising.

In general, although the federal system in both Ethiopia and Nigeria is formalized in the constitution and aims at enhancing regional autonomy from the central government, still there is a kind of power centralization at the center that encumbered accountability of the government to the mass. The Ethiopian and Nigerian federal system reflects a scanty power of the regional states, concentration of fiscal power on the federal government, and centralization and domination of power by the ruling party at the center. Thus, we can conclude that there is a disjuncture between a political superstructure manifested by elitist and electoral democracy and the promises of federal political system; regional autonomy, equitable resource distribution, mass empowerment and popular democracy at the base.

Meanwhile, as it was discussed earlier in this thesis, the end of cold war ended strategic importance of the sub-continent and witnessed different international political and economic practices. The compliance with these political and economic practices unquestionably requires a determination and inspiration for democratic governance and state legitimacy in the sub-continent. What can be observe from the current popular uprising and democratic revolution in the Arab world and North African countries, which are said to be economically better in relative to sub-Saharan African countries, is the fact that in today's world it is unthinkable to forcibly control and quit popular dissatisfaction and uprising and to overshadow a quest for democracy. This is because of the fact that states are losing control over various transactions that are occurring within their borders and the international community is intervening and meddling without the approval of the authorities of the affected states. Likewise, a trial to eclipse democratic quest irrefutably will end in harsh political and economic crisis and in gross violation of human rights.

Especially, this is would have more severe consequence in sub-Saharan African countries which are divided along ethnic lines and which already have a bad record of gross human right violation committed along ethnic line. It is also important to stress that from the ongoing uprising in Arab world we can be aware of the fact that in this globalizing world the probability for escalation of popular uprising from one country to the neighboring country is apparent and inevitable, especially, in countries where regimes, societies and the dissatisfaction are similar. Therefore, in anticipating the probability of such uprising at any time, sub-Saharan African leaders should undertake a proactive political and economic reform that best redress the grievances of ethno-

cultural groups and fix democracy accordingly. That is to say, as far as democracy is not just an end but also a means to improve domestic political and economic relations, democratic expectations in multi-ethnic countries are inextricably linked with demands for political equality, fair access to economic resources and group autonomy.

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Declaration

I declare that this thesis is my original work and has not been presented for a degree in any university and all the sources of materials used for the thesis are duly acknowledged.

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This thesis has been submitted with my approval as a university advisor.

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