

László Vértesy, associate professor
Teketel Lemango Bekalo, PhD student
National University of Public Service

XIII. évfolyam | Vol. XIII
2022/1-2. szám | No. 1-2/2022
Tanulmány | Article
www.dieip.hu

Comparison of local governments in Hungary and Ethiopia

I. Introduction

The concept of local government refers to government entities at the local level, including representative bodies, administrative units, and central government local branches. Local governments are commonly referred to as municipalities, local councils, or district councils.¹

In political terms, it is concerned with the governance of a specific local area, constituting a political subdivision of a nation, state, or another major political unit. It is the administrative body for a small geographic area, such as a city, town, county, or state. A local government typically controls a specific geographical area and cannot pass or enforce laws that affect a larger area. Thapa defined local governments as democratically elected public entities with administrative, legislative, and executive duties in the regions under their control. They are bodies that choose or define certain measures inside a specific geographic region.²

The European charter of local self-government (Strasbourg, 1985) states that local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their responsibility and in the interests of the local population (Article 3). These rights are exercised by councils or assemblies composed of members freely elected by secret ballot based on direct, equal, universal suffrage and may possess executive organs responsible to them. The domestic legislation, and where practicable, the constitution recognizes the principle of local self-government. Therefore, local authorities' elemental powers and responsibilities are prescribed by the constitution or statute(s). Within the limits of the law, they have complete discretion to exercise their initiative about any matter which is not excluded from their competence nor assigned to any other authority.

Local government has generally been supported because it is a crucial component of the democratic process and the deepening of widespread involvement in decision-making. No political system can be called complete and democratic without a local government system.

The aim of local government is twofold. The first is to provide goods and services in an administrative capacity; the second is to represent and involve individuals in establishing particular local public needs and how these requirements might be satisfied. Within local government institutions, local representative governance is a process that spans and integrates representation and administration at the local level. It is necessary to define local government and comprehend the meaning of local government democracy and ideals to comprehend the function and structure of local government.³ Generally, the main aim of this paper is to analyze local governments in Hungary and Ethiopia. Likewise, primary and secondary data sources were

¹ UN: *Local Governance and Decentralization: Programme experiences and views from the field*. United Nations Development Programme, 2013. 53(9), pp. 25–26.

² Thapa, Ishwor: *Local Government: Concept, Roles and Importance for Contemporary Society*. Public Administration Tribhuvan University, 2020 1(July), pp. 1–10. <https://doi.org/10.13140/RG.2.2.23009.33123>

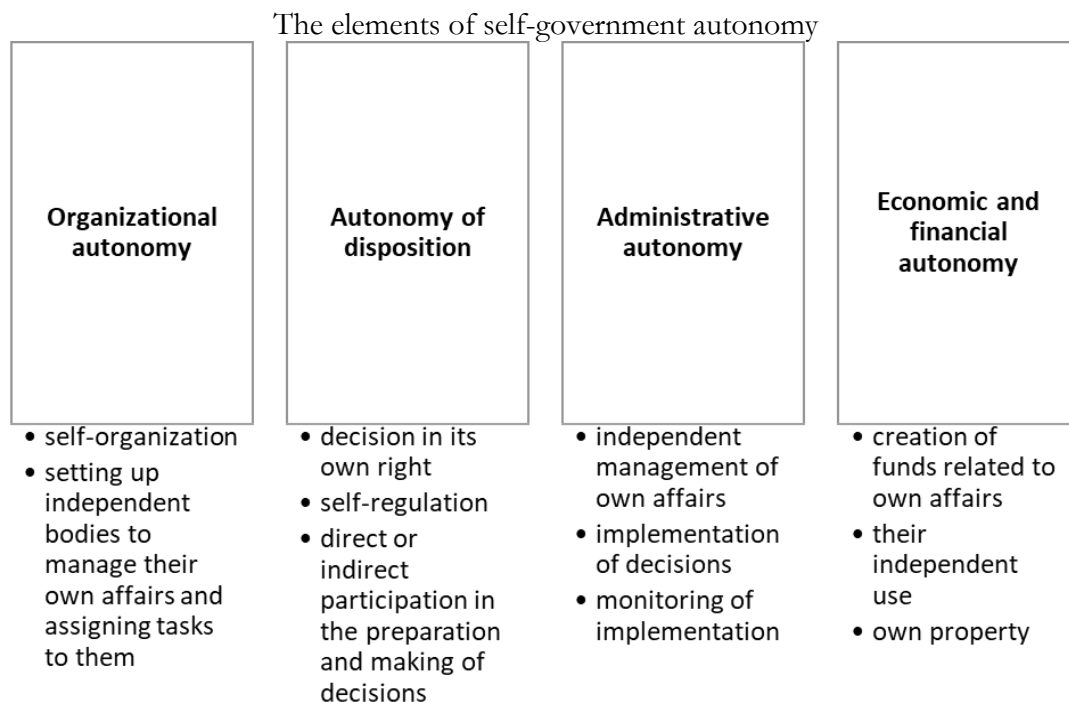
³ University of Pretoria: *The role and purpose of local government*, 2009. pp. 50–89.

employed to analyze the paper, especially primary sources like the FDRE constitution and government strategies and secondary sources from peer-reviewed articles, books, and internet sources.

The concept of self-government in a general sense is an organizational principle, a mechanism of operation, and a procedural technique:⁴

- as an *organizational principle*, the establishment and functioning of self-government in an institutionalized organizational form, which includes: i) self-organization, ii) the decision in its own right, iii) self-regulation, iv) self-management: decision-making, implementation, control (self-control), and v) self-improvement (self-correction option);
- as a *mechanism of operation* in a dual sense i) it appears in the definition of its goals, as the goals must offer members the opportunity for self-expression and self-realization and ii) representing and defending the interests of members;
- as a *procedural technique*, the local government assumes the development and application of regularised solutions, which i) enables the members of the local government to participate in the preparation and adoption of local government decisions, and ii) means a will-forming activity, either through representation or directly through various participatory solutions.

Local government presupposes autonomy as independence as the right and possibility of separation from others. The scope of autonomy also determines the scope of self-government. The extent of autonomy depends on the recognition by the central government. One of the characteristics of constitutional democracies under the rule of law is the provision and protection of territorial, personal (community) autonomies, as required. Local government always assumes group quality; local government means the power and management system of the group with itself.⁵



Source: Vértessy László: Public Administration and Good Governance. National University of Public Service (Nemzeti Közszolgálati Egyetem), 2017. 70-76.

⁴ Petrétai József: Az önkormányzatok fogalmáról, jellegéről és alkotmányi szabályozásáról. in *JURA* (a Janus Pannonius Tudományegyetem Állam- és Jogtudományi Karának tudományos lapja) 1995/1.

⁵ Vértessy László: *Public Administration and Good Governance*. National University of Public Service (Nemzeti Közszolgálati Egyetem), 2017. pp. 70-76.

II. Development of local governments in Hungary and Ethiopia

While both countries have a long history, this chapter briefly summarises the development of local governments in Hungary and Ethiopia, primarily focusing on the political changes after the 1990s.

II.1. Hungary

The roots of self-government in Hungary back to the middle ages. Under feudalism, initially, the royal county was already autonomous. In 1232 the Kehidai Diploma permitted the Zala County servants by the king to judge for themselves their affairs. Later in the second half of the 13th century, the noble counties were established, placing the royal counties. The concept of self-government and county self-government look back on nearly eight hundred years.⁶ Only the free royal towns were excluded from the county legislature because of their privileges and were directly subordinate to the king from the 15th century. Before 1848, only noble villages and market towns with organized councils existed as villages under the county's authority. Other villages (serf villages) were under the authority of the landlord.⁷

The divisional administrative structure (separate state administration and local governments), typical for modern states, developed in Hungary in the 19th century, in the period of dualism, from 1870 onwards. The local governments were the counties as territorial self-government on the one hand and the cities on the other. Within the powers of self-government, they could i) make their own decisions in their internal affairs, ii) create regulations and implement them, iii) choose their officials among themselves. After World War II, during the socialism, the council system (*tanácsrendszer*) provided, in principle, an opportunity for the district level to move towards a certain degree of self-government, which, given the knowledge of the political dictatorship, could only remain formal.⁸ There are two major subsystems of public administration in Hungary; these are state and local administration. State institutions primarily perform public administration, but local governments also perform obligatory state administrative tasks.⁹

Two subsequent waves established the present system of Hungarian local by qualified majority legislations in 1990 and 1994. Act LXV of 1990 and Act LXIII of 1994 recognized the rights of municipalities and transformed them – from the earlier socialist centrally directed local councils – to autonomous, democratically elected self-governments.¹⁰ The new system followed the principles of the European Charter of Local Self-Government of the Council of Europe and the historical traditions of Hungarian public administration.¹¹ These legislations focused on providing complete legal independence of self-governments of all settlements. Thus, the municipal level and system were inherently highly fragmented and became one of the smallest units in Europe. The median population of Hungarian municipalities is 810, and only 476 from the 3,154 local governments have a population over 3,000, while Budapest has 1.7 million

⁶ Agg Zoltán: *A megyerendszer változó szerepe a magyar közigazgatásban*. Budapest, MTA Társadalomtudományi Intézet, 2006. p. 76.

⁷ Rényi József: *A helyi önkormányzat és a felette gyakorolt állami felügyelet elve és jogrendszere különös tekintettel a kormányhatósági felügyeletre*. Budapest, Franklin, 1896. p. 116.

⁸ Csizmadia Andor: *A magyar közigazgatás fejlődése a XVIII. századtól a tanácsrendszer létrejöttéig*. Akadémiai Kiadó, Budapest, 1976. p. 496.

⁹ Józsa, Zoltán: The main stages in the development of the official administration in Hungary. *Zbornik Radova Pravnog Fakulteta*, Novi Sad, 2020. 54(2), pp. 833–856. <https://doi.org/10.5937/zrpfns54-26268>

¹⁰ Hajnal, György and Ványolós, István: *Hungarian public administration: From transition to consolidation*. In: Public administration in post-Communist countries. Former Soviet Union, Central and Eastern Europe, and Mongolia. CRC PRESS, Boca Raton 2013. pp. 277–292. <https://doi.org/10.1201/b14237-13>

¹¹ Soós Gábor: *Local Party Institutionalization in Hungary*. Hungarian Academy of Science, 2005. pp. 1–253.

citizens.¹² The counties were given self-government and some functions of public administration, but they lost their funding-allocating rights regarding the lower tier and their role in regional development.¹³ Local governments have become politically free and legally equal but often lacked experience and generally did not have sufficient administrative, financial, and human resources to fulfil their tasks.¹⁴

Over almost 30 years, there were two significant amendments to the system. In 1996, the act on the debt settlement of local governments was adopted, laying down the procedure to be followed in the event of the insolvency of a local government and reinforcing that they must have no claims on the state budget concerning their liabilities.¹⁵ The second major reform came in 2010 after a change of government with the Fundamental law (Chapter IX) and a new cardinal act (adopted by two-thirds majority) of the National assembly: Act CLXXXIX of 2011 on Local Governments in Hungary (Mötv.). Local affairs are related to the supply of public services to residents, the exercise of self-governance-type public power and the creation of organizational, personal and financial conditions.¹⁶ In line with a general trend towards centralization (Kornai 2015),¹⁷ deconcentrated forms of providing public services (county government offices, district offices) were given preference over municipal (decentralized) service delivery.¹⁸ The act on economic stability made municipal borrowing conditional on central government approval. In conjunction with the reform, the municipal debt of over HUF 1,300 billion (about EUR 4 billion) was fully and unconditionally bailed out by the central government.¹⁹

II.2. Ethiopia

Ethiopia was an extremely decentralized country until the second half of the 19th century, i.e., within their different territories, provisional and local nobilities exercised autonomous power while the emperor acted as the central power. Around 1855, a gradual centralization of power was initiated. By the second half of the 20th century, Ethiopia had become a highly centralized unitary state. As this article argues, the process of centralization was accompanied by the policy and practice of using local authorities for control.²⁰ The country's decentralization was marked by dual powers, regional lords, and a central king.²¹ However, there is evidence that local administrations were equally autonomous within their domain. Hence, it can be argued that, historically, Ethiopia was a decentralized country in which three levels of authorities co-existed a provisional, a district level and a village level. Therefore, it has its governors at each level, i.e., the

¹² Vasvári, Tamás: Beneficiaries and cost bearers: evidence on political clientelism from Hungary. *Local Government Studies*, 2020, pp. 1–28. <https://doi.org/10.1080/03003930.2020.1768852>

¹³ Kaiser Tamás: Improving state capacity of security: whole-of-government approach in restructuring territorial public administration in Hungary. in I, Markina (szerk.) *Security Management of the 21st century: National and Geopolitical Aspects: Issue 2*. Prague, Nemoros (2020) pp. 45-54.

¹⁴ Rajca, Lucyna: Reforms and centralization trends in Hungary and in Poland in a comparative perspective. *Przegląd Sejmowy*, 5(160) January 2020, pp. 133–151. <https://doi.org/10.31268/ps.2020.69>

¹⁵ Wetzel, Deborah and Anita Papp: Strengthening Hard Budget Constraints in Hungary. In *Fiscal Decentralization and the Challenge of Hard Budget Constraints*, ed. Jonathan Rodden, Gunnar Eskelund, and Jennie Lilvack, Cambridge, MIT Press. 2003. pp. 353-391.

¹⁶ Varga Zs. András et al.: *The Basic (Fundamental) Law of Hungary*. A Commentary of the New Hungarian Constitution. 2015. Articles 31-32.

¹⁷ Kornai, János: Hungary's U-turn. in *Society and Economy. In Central and Eastern Europe, Journal of the Corvinus University of Budapest* 37.3 2015. pp. 279-329.

¹⁸ Kákai László and Vető Balázs: Állam vagy/és önkormányzat? Adalékok az önkormányzati rendszer átalakításához. *Politikatudományi Szemle* XXVIII/1. pp. 17–41. <https://doi.org/10.30718/POLTUD.HU.2019.1.17>

¹⁹ Vasvári, Tamás: Beneficiaries and cost bearers: evidence on political clientelism from Hungary. *Local Government Studies*, 2020, pp. 1–28. <https://doi.org/10.1080/03003930.2020.1768852>

²⁰ Ayele, Zemelak Ayitew: Local government in Ethiopia; still an apparatus of control? *Law, Democracy & Development*. African Journals Online. Vol 15. 2011. pp. 1-27.

²¹ Assefa Fiseha: *Federalism and the accommodation of diversity in Ethiopia*: A comparative study. 2nd ed Nijmegen: Wolf Legal Publishers 2007. p. 42.

king, Melkegna, and Chika Shum. Thus, in some areas of these governor positions, these governors were elective, but mostly they were hereditary, particularly in northern parts of Ethiopia. So, the decentralized governance system that existed before 1855 allowed for the development of numerous local governance institutions that were in line with the traditions of the relevant community.²²

Decentralization began in Ethiopia after 1991, as the Derg collapsed in the face of armed challenges from the combined forces of the EPRDF, led by two opposition movements that first took root in the north-eastern part of the country among Eritrean and Tigrayan peoples: the EPLF and TPLF. With Prime Minister Meles Zenawi (1995–2019) at its head, the TPLF became the leading organization in regime transition, drafting the new constitution and the EPRDF coalition government.²³ Therefore, since the 1990s or especially during the transitional period Ethiopian decentralization process has taken place in two phases;²⁴ nine regional states and two chartered cities administered by the federal government established during the first phases like Amhara, Oromia or Somalia regions. According to Art. 50 sub-Art. of FDRE constitution state government is established at state and another sub administrative unites that they find necessary. Adequate powers shall be granted to the lowest units of the government to enable people to participate directly in the administration of such units.²⁵ The second phase decentralization process, or the local level decentralization program, began after 2001 by mainly devolving service delivery to districts (*woredas*).²⁶ Therefore, the decentralization of power and functions from regional government to other subunit governments, i.e. zone, special *woreda*, *woreda* and *kebele* level. District-level decentralization aimed to deliver efficient and effective service in education, health, water, and other infrastructures.

Decentralization is an outcome of adopting a federal system of government in Ethiopia. With the devolution of power to regional governments, the implementation of economic policies and development programs is shifting, to a large extent, from the centre to the regions. The application of fiscal federalism ensures a single system of taxation, allows some revenue collection by the regions and some revenue sharing with the federal government while putting the majority of the revenue under the central authority, provides budgetary subvention to the regions, and grants the regions full autonomy in budgetary expenditures.²⁷

By deepening and broadening the decentralization process, measures are currently underway to pave the ground to render districts (*woreda*) the centre of socio-economic development. By way of ensuring their autonomy on resources, it is already planned to effect block grants directly to districts. These measures will provide a basis for meaningful participation by the people in local development programs. Typically, this will entail primary education, primary health care, rural water supply, rural roads, and agricultural extension. Activities such as small-scale irrigation, market infrastructures, and cottage industries could also be included depending on financing, capacity building and private investment. Gender equality will continue to be emphasized in decentralization and empowerment. As the government seeks to implement these decentralization efforts relatively quickly, it faces immense fiscal and institutional challenges. To be sustainable, this second wave of democratic decentralization will require a

²² Ayele, Zemelak Ayitenew: Local government in Ethiopia; still an apparatus of control? *Law, Democracy & Development*. African Journals Online. Vol 15. 2011. pp. 1-27

²³ Tidemand, Per, Sola, Nazar, Bofin, Peter, and Chaligha, Amon: Comparative Assessment of Decentralization in Africa: Tanzania In-Country Report. September, 2010. pp. 1–74.

²⁴ Shiferaw, Meskerem: *Status of Local Governance at Woreda/District Level in Ethiopia*. Scholar Works at Western Michigan University, 2007. pp. 8-9.

²⁵ FDRE. (1995). The Federal Democratic Republic of Ethiopia Constitution. Federal Negarit Gazeta, December 1995, 1–38. http://www.ethiopianembassy.be//pdf/Constitution_of_the_FDRE.pdf

²⁶ Araya, Elsa, Fritz, Verena, Kay, Kerenssa, Rogger, Daniel, Somani, Ravi, Digie, Tesfaye, and Abay, Adebabay: Moving Further on Civil Service Reforms in Ethiopia: Findings and Implications from a Civil Service Survey and Qualitative Analysis. Washington, DC: World Bank Synthesis Report. 2017. p. 28.

²⁷ MOFED: Ethiopian Sustainable Poverty Reduction Program 2002-2005. Ministry of Finance and Economic Development, July 2002.

systematic approach to developing enabling legislation for local governments within regions, including the re-demarcation of financing viable local jurisdictions and the harmonization of various forms of local government (including woredas and municipalities).²⁸

III. Local governments in the structure of the State in Ethiopia and Hungary

There are some relevant differences between the two countries' structures: Hungary is a unitary state with a centralized state administration and decentralized local governments, but Ethiopia is a federal state with a decentralized regional state, zone and districts system.²⁹ Observing the fundamental legal provisions on local governments, local government has no status in the Ethiopian constitution, i.e. local governments are the creatures of regional government. However, in Hungary, local governments are established by the Fundamental law and particular acts. It is also interesting that there are no significant differences in the population's density, but the number of inhabitants per local unit is different. The average in Hungary is 3,083 people/settlement, while in Ethiopia, it is 153,086 people/woredas and 7,858 people/kebele.

Administrative entities in Hungary and Ethiopia

	Hungary		Ethiopia	
Area	93,030 km ²		1,104,300 km ²	
Pop.	9,730,000		117,876,227	
Density	105/km ²		92.7/km ²	
NUTS1	Statistical large regions (<i>statisztikai nagyrégiók</i>)	3	n.a.	-
NUTS2	Planning and statistical regions (<i>tervezési-statisztikai régió</i>)	7+1	Regional states and cities (<i>keilil</i> and <i>astedader</i>)	11+2
NUTS3	Counites and Budapest	20	Zones	68
	Districts (<i>járások</i> and <i>kerületek</i>)	174+23	Districts (<i>woreda</i>)	916
LAU1	n.a.	-		
LAU2	Local governments	3155	Neighbourhoods (<i>kebele</i>)	10.000+5.000

Source: own compilation of the authors (Ethiopia's correspondence is based on Austria and Germany NUTS-LAU) <https://ec.europa.eu/eurostat/web/nuts/national-structures>

The territory of Hungary shall consist of the capital (Budapest), counties, towns and villages. According to Act CLXXXIX of 2011 on Local Governments in Hungary, the following settlement categories exist in Hungary: municipality, a large village, town, town with county rank, the capital city. The capital and towns may be divided into districts. The Hungarian local governments comprise the capital, the 19 county governments (NUTS3) and at LAU2 level, the 3154 municipalities divided into towns (*város*) and communes (*község*). In order to facilitate the integration into the regional politics of the European Union, seven planning and statistical regions were formed (NUTS 2).³⁰ However, from 2015, the Central Hungary region parted into

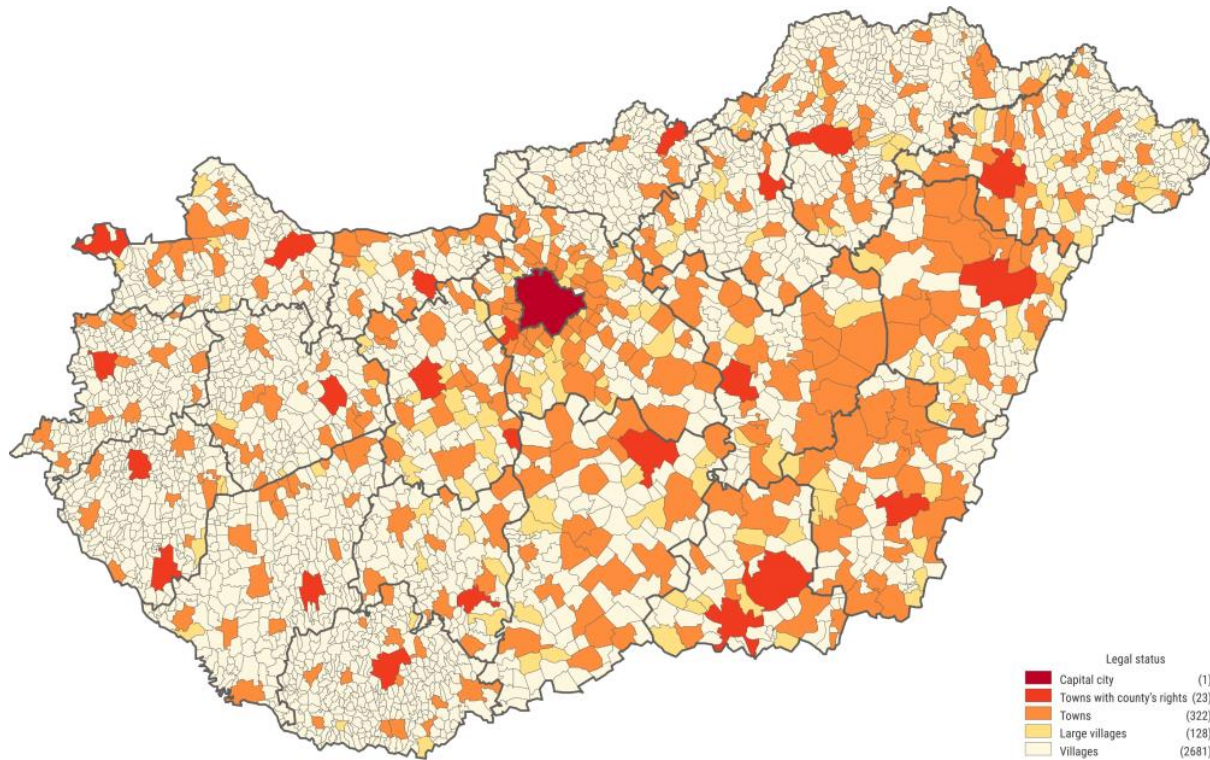
²⁸ MOFED: Ethiopian Sustainable Poverty Reduction Program 2002-2005. Ministry of Finance and Economic Development, July 2002.

²⁹ Marsai Viktor – Hettyey András: The F-word in Ethiopia and Somalia: Federalism as a solution for Africa's woes? *Journal of African history politics and society* 2015:1, pp. 23-41.

³⁰ According to the legislation in force at present the region is a NUTS2 level territorial unit according to the Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003, on the establishment of a common classification of territorial units for statistics (NUTS). Reinforced by amendments of Act XXI of 1996 on Regional development and Regional Planning.

Pest county and Budapest, and as a consequence, there are eight planning and statistical regions.³¹ In 2013 the districts (*járás*) were formed as the lowest level territorial and organizational units of the public administration, situated between the levels of settlement and county. They function as a state administrative, managerial body, not as a local government.

Settlements of Hungary by legal status



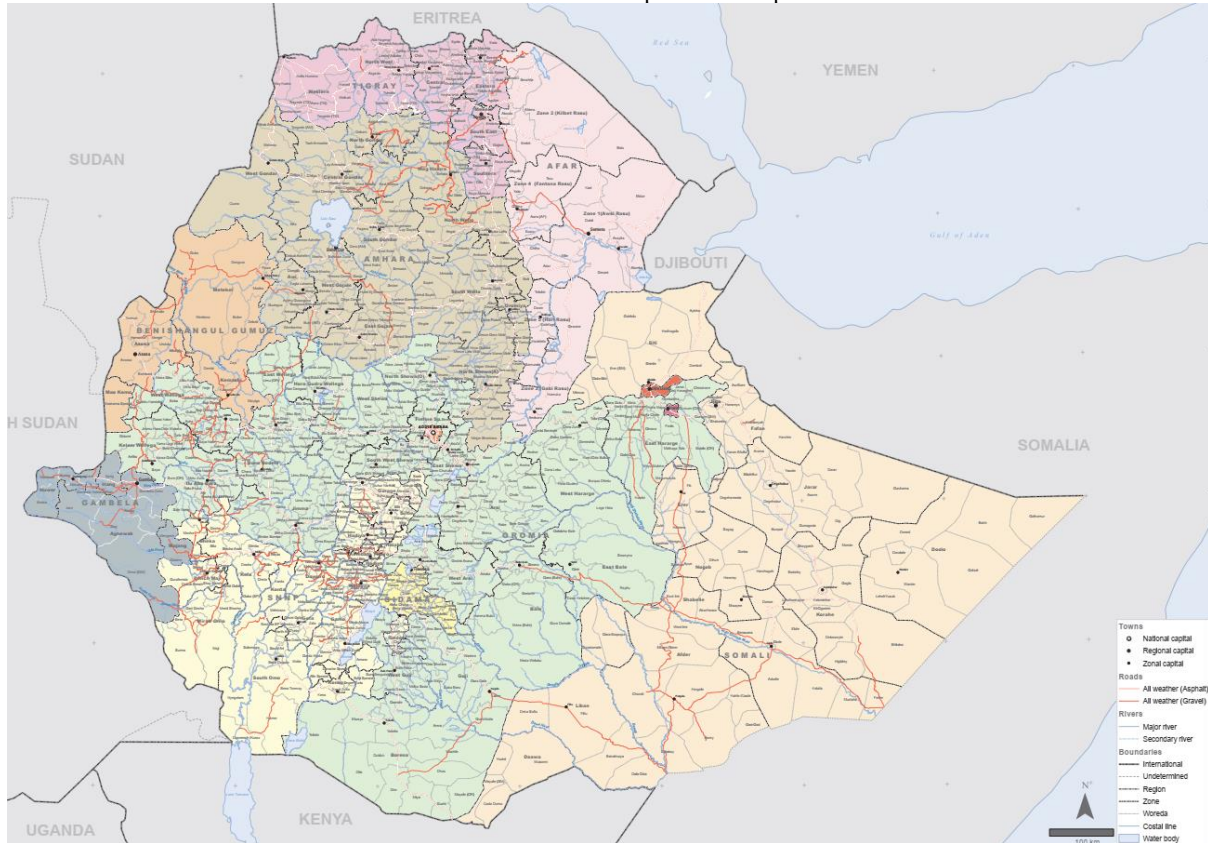
Source: Hungarian Central Statistical Office Regional Atlas – Settlements, 2022

Within the framework of local governments, consecutive pieces of legislation established a two-tiered system – based on historical traditions – where municipalities (villages, towns/cities) represent the system's basic unit. At the same time, the 19 counties (*megye*) and Budapest form the middle tier. There is no hierarchy between these two levels, as they have different responsibilities. Certain cities have county rights (*megyei jogú város*) and act as municipalities and counties. The capital is nine times larger than the second-largest city and has a special legal status with its own two-tiered local government system. This system consists of the local government of Budapest itself and the local governments of the 23 districts of the capital. In this system, the district governments fulfil the role and functions of municipal governments independent from the Budapest city government.³²

³¹ Government decision 2013/2015 (XII.29) on the division of the Central Hungarian region

³² Soós Gábor: *Local Party Institutionalization in Hungary*. Hungarian Academy of Science, 2005. pp. 1–253.

Administrative map of Ethiopia



Source: UN Office for the Coordination of Humanitarian Affairs - OCHA Services: Ethiopia: Administrative map (2020) <https://reliefweb.int/map/ethiopia/ethiopia-administrative-map-october-2020>

Ethiopia has five levels: federal government, regional government, zone administration (special woreda), woreda/town administration and kebele government. The country comprises 11 regions and two city administrations under these regions, plenty of zones, woredas and neighbourhood administration: kebeles. In addition to the nine federal states within the country, there are two federal-level city administrations in Addis Ababa and Dire Dava. The federal states are divided into zones, but there is some contradiction: the Ethiopian statistics for 2005 and then 2007 differ somewhat in the number and area of the zones. The system is sometimes made less transparent by special districts (*woreda*) that fall outside the zones and thus enjoy essentially equal status with them. Most references count to 68 zones, but since the system is quite flexible, other data show 70 zones,³³ while the highest figure is 85 zones.³⁴ At this level, administrative boundaries conversion is not uncommon either.

Below the zones, the fourth level of Ethiopian administration is provided by the woredas, of which roughly 670 are rural, and 100 are urban. According to the Census 2007, there are 736,³⁵

³³ Population census of Ethiopia 2005. Wayback, 2005.

<https://web.archive.org/web/20091113212038/www.csa.gov.et/surveys/National%20statistics/national%20statistics%202005/Population.pdf>

Population census of Ethiopia 2007. Wayback, 2007.

https://web.archive.org/web/20120214221803/www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

Reliefweb – Administrative map of Ethiopia. Reliefweb, 2010.

<https://reliefweb.int/sites/reliefweb.int/files/resources/7335D5D03CB0FA02852577650057A166-map.pdf>

³⁴ Briefing Note – Ethiopia Country Office. Unicef, 2016.

www.unicef.org/ethiopia/ECO_Ethiopia_Country_Profile.pdf

³⁵ Araya Elsa (ed.): *Moving further on Civil Service reform in Ethiopia*. World Bank. 2019. p. 127.

and according to World Bank Report 2019, 800 Woredas and 116 city administrations (916).³⁶ Although the federal constitution does not formally establish woredas, the regional constitutions have made provisions concerning their existence, power and functions. From 2002 onwards, the districts' autonomy increased significantly, providing them with a broader budget and human resources. The woredas perform both state administration and local government functions. Special woredas are a subgroup of woredas (districts) that are organized around the traditional homelands of an ethnic minority and are outside the usual hierarchy of zones in their respective Region. These special woredas have many similarities to autonomous areas in other countries.

It is essential to highlight that the smallest administrative unit below the woredas are the settlements, wards, neighbourhoods (*kebele*). This administrative unit representing peasant associations was established by the Derg in 1975 and survived after the 1991 victory of the EPRDF.³⁷ It is estimated that roughly ten thousand rural and five thousand urban kebeles are currently found.³⁸ The kebeles are further subdivided into twenty-five and five households communities, respectively.

IV. Autonomy and power of local governments in Ethiopia and Hungary

The roles and functions of local government in Ethiopia are limited, while in Hungary, roles and functions of local government are wide in scope.

In Hungary, local governments function to manage local public affairs and exercise local public power. Article 32 of the Fundamental Law sets forth that the management of local public affairs and within the framework of the Acts, local governments:

- adopt decrees;
- make decisions;
- autonomously administer their affairs;
- determine the rules of their organization and operation;
- exercise the rights of ownership for local government property;
- determine their budgets and autonomously manage their affairs on that basis;
- may engage in entrepreneurial activities using their assets and revenues available for this purpose, without jeopardizing the performance of their mandatory duties;
- shall decide on the types and rates of local taxes;
- may create local government symbols and establish local awards and honorific titles;
- may request information from the organ vested with the relevant functions and powers, initiate decisions or express an opinion;
- may associate freely with other local governments, establish associations for the representation of their interests, cooperate with local governments of other countries within their functions and powers, and become members of international organizations of local governments;
- exercise further functions and powers laid down in an Act.

Acting within their functions, local governments adopt local government decrees to regulate local social relations not regulated by an Act or on the basis of authorization by an Act. The Act CLXXXIX of 2011 on Local Governments in Hungary defines different types of public tasks. The tasks undertaken by the local authorities and their bodies may be divided into

³⁶ World Bank: *Ethiopia Country Profile - World Observatory on Subnational Government Finance and Investment (SNG-WOFI)* 2019.

³⁷ Ethiopia: *Ethnic Federalism and Its Discontents*, 2009. p. 3.

³⁸ UN: Briefing Note – Ethiopia Country Office. Unicef, 2016.
www.unicef.org/ethiopia/ECO_Ethiopia_Country_Profile.pdf

two groups: local government and public administrative tasks, or can be obligatory and voluntary. The law differentiates when establishing the obligatory tasks and competencies, taking into account the capabilities of the local governments, especially economic performance, the population, and the size of the administrative area. In the recent period, the county's tasks were reduced; nowadays, they provide only territorial development, rural development, spatial planning, coordination tasks since adopting the spatial planning plan, territorial development concept for the county and preparing a territorial development program.

Within the obligatory tasks of local governments (municipalities) stand out the municipal development, spatial development, municipal management (local roads, public cemeteries, public lighting, chimney sweeping), kindergarten services, social, childcare, primary health care, sport, youth and cultural services, housing and space management, civil defence, rescue services, public safety, local taxation, tourism, public transportation, sales opportunities, minorities and ethnicities, local public-employment. Further legislation addresses other (obligatory) state administrative tasks. Both are financed by the government budget from the central and local government subsystems. The voluntary local authority tasks can be any activity not prescribed to the exclusive power of other bodies by the law. The undertaking of voluntary tasks may not endanger the undertaking of obligatory tasks. The source of their financing is primarily provided from the proper income of the local government or separate sources secured for this aim.

Without any limitation but such a control of the municipal autonomy, the government ensures supervision of the legality of local governments through the capital or county government offices.³⁹ Local governments must send local government decrees to these offices immediately after their promulgation and the office. It may initiate a judicial review of the local government decree if the decree or any of its provisions breach any law. Furthermore, the office may apply to a court for establishing a local government's omission of its obligation based on an Act to adopt decrees or make decisions.⁴⁰ For the local financial matters, to preserve a balanced budget, for any borrowing or other undertaking of commitments by local governments, to the extent defined amount and certain conditions, the government's prior consent is required.

Autonomies and contents of local governments

	Hungary	Ethiopia
Organizational autonomy	<ul style="list-style-type: none"> - determine the rules of their organization and operation - associate and cooperate freely with other local governments, establish associations and become members of international organizations 	<ul style="list-style-type: none"> - organizational strengthening of woreda level public institutions - introduction of appropriate rules and operations, but they are not free from the interference of regional and zonal administrations - organize and manage their human resources
Autonomy of disposition	<ul style="list-style-type: none"> - adopt decrees - make decisions 	<ul style="list-style-type: none"> - adopt decrees following the regional constitution

³⁹ The capital or county government offices are the territorial state administration organs of the Government with general competence.

⁴⁰ Fundamental Law of Hungary Articles 32-34

Administrative autonomy	<ul style="list-style-type: none"> - autonomously administer their affairs - create local government symbols and establish local awards and honorific titles - request information from the organ vested with the relevant functions and powers, initiate decisions or express an opinion 	<ul style="list-style-type: none"> - administer their affairs, but it is not free from upper-level interference. - approval of the social service, economic and administrative plans - maintenance and construction of lower grade rural roads - manage community coops and voluntary initiatives
Economic and financial autonomy	<ul style="list-style-type: none"> - exercise the rights of ownership for local government property; - determine their budgets and autonomously manage their affairs on that basis; - engage in entrepreneurial activities using their assets and revenues available for this purpose, without jeopardizing the performance of their mandatory duties; - decide on the types and rates of local taxes 	<ul style="list-style-type: none"> - preparation and approval of woreda budget - the power to set the specific tax rate and raises local taxes - entitled for delegated revenue-raising powers, which are negligible; they are almost dependent on regional government transfer

Source: own compilation of the authors based on the Fundamental Law of Hungary Article 31 and the Ethiopian 1995 Constitution and Regional Government Constitutions.

In Ethiopia, local government powers and functions are criticized as not clear and vague; for instance, the 1995 constitution does not provide for specific local government functional competencies clearly, except by specifying in a vague statement that regional states shall pass adequate authority to the local government. Even if the roles and functions of local government are defined in regional constitutions, they are ambiguously defined. The main regional constitutional powers and duties of the Woreda Council or local government and its executive are:⁴¹

- preparing and approving the annual woreda development plans and budgets and monitoring their implementation;
- setting specific tax rates and collecting local taxes and levies (principally land use tax, agricultural income tax, sales taxes, and user fees);
- administering the fiscal resources available to the woreda;
- constructing and maintaining low-grade rural tracks, water points and woreda level administrative infrastructure (offices, houses);
- administering primary schools, health institutions, and veterinary facilities;
- managing agricultural development activities and protecting natural resources.

Finally, local governments in Ethiopia's rural woredas have the power to decide on land use, including the locations of schools, wells, health posts, and clinics. They can also manage community co-ops and volunteer initiatives. Unfortunately, these discretionary rights exist only

⁴¹ Yilmaz, Serdar - Varsha, Venugopal: Local government discretion and accountability in Ethiopia. Public Administration and Development. 2008. 33(2), pp. 125–142. <https://doi.org/10.1002/pad.1646> and Oromia National Regional State Megeleta Oromia, 2008

on paper since most legislative and planning decisions appear top-down, emanating from the national party or federal government and funneled down through regional and zonal administrations to the local level. The regional constitutions can stipulate other duties and functions that woredas should undertake.

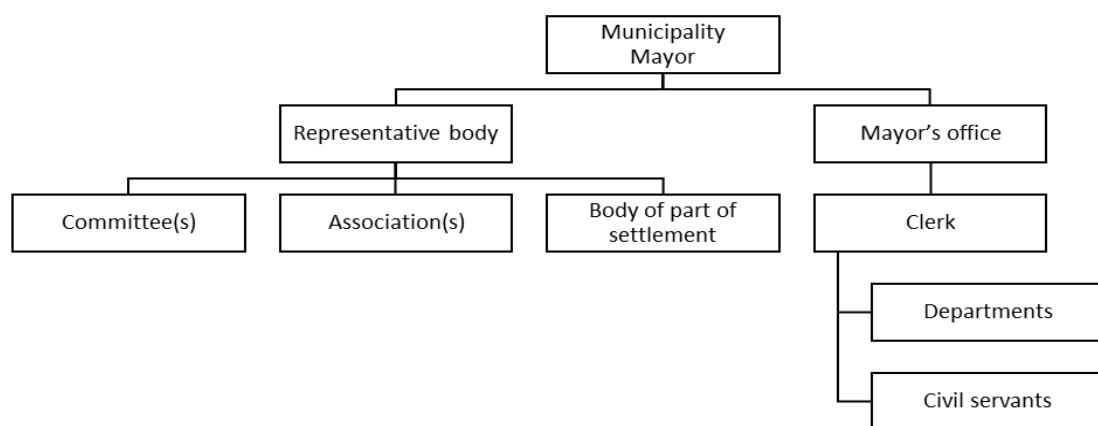
Generally, although kebeles lack the same constitutional formality as regions, zones, and woredas, they serve as most people’s primary point of contact. The main purpose of the so-called neighbourhood watch system is to control society, which performs political, security, social and economic tasks simultaneously.⁴²

Besides, Liyu woredas/special districts and woreda administrations have the power to plan and enforce different financial and social service issues, as stipulated in all regional constitutions. Nonetheless, the woredas’ authority over essential public services and other economic development issues are not expressly specified in the constitutions of the regions.⁴³

V. Structure of local governments in Hungary and Ethiopia

Finally, we considered presenting the organizational structure of local governments. In Hungary, the functions and powers of a local government are exercised by its representative body. The mayor heads the local representative body. The local government representatives and mayors are elected by universal and equal suffrage in a direct and secret ballot, in elections that guarantee the free expression of the will of the voters. The county representative body elects the president of a county representative body from among its members for the term of its mandate. A representative body may elect committees and establish an office, as provided by a cardinal Act. The town clerk (or notary) is the first professional leader of the local government, and as such, he/she must have adequate – primarily legal, administrative and organizational – knowledge and skills. The qualification prescriptions are also determined by law. The public service employment of the notary is not created through election but by appointment by the mayor for an undetermined period. The office tasks may be undertaken in two ways: through the operation of an independent mayor’s office (county local government, lord mayor’s office) or a joint office created by several local governments.⁴⁴

The theoretical structure of local governments



Source: Vértessy László: *Public Administration and Good Governance. National University of Public Service (Nemzeti Közszolgálati Egyetem), 2017. 70-76.*

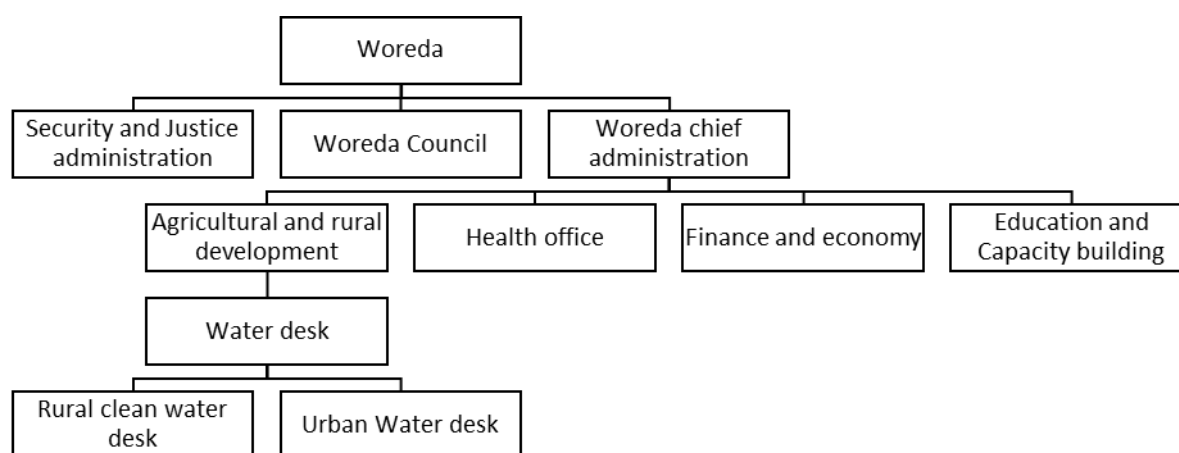
⁴² Marsai Viktor: *Etiópia. Országismertető. Dialóg Campus, Budapest, 2020. p. 155.*

⁴³ Lemango, Teketel Bekalo: *Local Government Autonomy and its challenges: In the Ethiopian Experience. in Jogelméleti Szemle 2021/4. pp. 94-102.*

⁴⁴ Steiner Erika: *Introduction to the Hungarian local government system. Norway Grants, Hungarian National Association of Local Authorities (FÖOSZ), 2018. p. 9.*

In Ethiopia, the woredas comprise three main organs: a council, an executive and a judicial.⁴⁵ The Woreda Council is the highest government organ of the district, which is made up of directly elected representatives from each kebele in the woredas.⁴⁶ The representative of the people in each kebele is accountable to their electorate. The woreda chief administration is the district's executive organ that encompasses the district administrator, deputy administrator, and the head of the main sectoral executive offices found in the district, which are ultimately accountable to the district administrator and district council. The quasi-judicial tasks belong to the Security and Justice administration. In addition to woredas, city administrations are considered at the same level as the woredas. A city administration has a mayor whom members of the city council elected. As different regional constitutions govern woredas, the names of the bodies may differ.

The theoretical structure of woredas



Source: Atnafu, Aldo Morka: *Devolution of Power and Woreda or District Development in Benshangul Gumuz Regional State: The Case of Metkel Zone (North West Ethiopia)*. *International Journal of African Development* v.4 n.2 Spring 2017

The lowest level of local government with limited autonomy there are the kebeles. They are at the neighbourhood level and are the primary contact for most citizens living in Ethiopia. Their administrative unit consists of an elected council, a cabinet (executive committee), a social court and the development and security staff. Kebeles are accountable to their woreda councils and are typically responsible for providing basic education, primary health care, agriculture, water, and rural roads. The kebeles are headed by cadres loyal to the political coalition who see the people's everyday lives. Therefore, they are also excellent for observing movements undesirable for the central government.⁴⁷ However, the influence of the bosom is not unlimited and complete. The system is becoming less and less functioning at lower levels in fast-growing urban communities. OPDO in Oromia only introduced the sub-intestinal system in 2001, but it did not fully become operational until the 2005 elections. The EPRDF usually tries to put pressure on the local groups within the kebele to join the local representatives of the party association by paying the membership fee in exchange for accessing certain facilities and services.⁴⁸

⁴⁵ Mulubiran Fikadu, Telaye: *An Assessment of Woreda Capacity* - The case of Gindeberet and Abuna Gindeberet Woredas in Oromia National Regional State. Addis Ababa University, Department of Public Administration and Development Management. 2012. p. 36.

⁴⁶ World Bank: *Ethiopia Country Profile* - World Observatory on Subnational Government Finance and Investment (SNG-WOFI) 2019.

⁴⁷ Marsai, Viktor: Régi-új frontvonalak - Etiópia és a szélsőséges iszlamisták. *Nemzet és biztonság: biztonságpolitikai szemle* 2017 10:5 pp. 31-44.

⁴⁸ Ethiopia: *Ethnic Federalism and Its Discontents*. 2009. pp. 18–20.

Therefore, at the kebele level, an elected council (in theory, approximately 100 members), an executive committee of five to seven citizens, and a social court make up their administrations. The primary responsibilities are to prepare an annual development plan, ensure the collection of land and agricultural income tax, and organize local labor and in-kind contributions to development activities. Even if they collect the above-listed taxes, they transfer them to the woreda government and the kebele lacks the same constitutional formality level as regions, woredas, and urban administrations.

VI. Conclusions

This paper aimed to compare Ethiopian and Hungarian local governments in terms of organizational autonomy, economic and financial autonomy, disposition autonomy, and administrative autonomy. When comparing the two countries, local governments in Ethiopia are not autonomous, particularly in the components listed above. On the other hand, local governments in Hungary are autonomous, and they make decisions independently and accept responsibility for them.

Moreover, most legislative and planning decisions appear to be top-down, emanating from the national party or federal government and funneled down through regional government to the local level; most of these discretionary rights exist only on paper. Other duties and functions that woredas should perform can be specified in regional constitutions. The authors believe that Ethiopian local governments should be given special consideration in their decision-making process regarding the transfer of planning, financing, and management decisions for some public functions to the local government, including autonomous management of their administrative structures and resources. As a result, all of these lead local governments to be more creative and innovative, improve service delivery, and increase the government's overall efficiency and effectiveness. Finally, in Hungary, local governments are more autonomous than in Ethiopia; therefore, the country has a lot to learn from the Hungarian local government system and structures.