

BY ROD MACDONELL

THIS IS THE FIRST ANNIVERSARY ISSUE OF FEDERATIONS SINCE the magazine was reshaped, redesigned and relaunched last June. In that year our cover stories have:

- chronicled how Governor Arnold Schwarzenegger has taken on major federal responsibilities in California,
- celebrated India's resurgence and its diversity, and
- analyzed the many facets and factors that enabled Cristina Fernandez Kirchner to succeed her husband as president of Argentina.

This edition's cover story is about the erosion of powers of Australia's six states brought about mainly by High Court rulings, and how Australia's constituent units have strategically united to prevent the further decaying of their jurisdictions.

Prof. Anne Twomey explains that the election of Kevin Rudd's Labor Party in November 2007 brought the promise from Rudd that he will work with the six states, all also represented by Labor governments, to restore co-operative federalism to the land and end the so-called "blame game" with Canberra, the capital and seat of power of the Commonwealth government.

The Rudd government, which came to power after 11 years of rule by John Howard's Liberal Party, moved rapidly and decisively, holding a vast brainstorming summit in April 2008 which has opened the door to the possible reallocation of powers in the prosperous nation and world's smallest continent.

The format of the magazine is that each issue contains two

key elements, the news section with five or six articles, and the feature section which typically looks at a cross-cutting theme of relevance to as many as half a dozen federations, themes such as diversity, fiscal issues, post-secondary education and cities and metropolitan regions in federal systems.

This issue explores two closely-related themes, decentralization and devolution, in five non-federal countries – three in South America, one in Asia and one in North Africa. The publication of this section marks a departure from our focus on federations. (More about the thematic section in the introduction on Page 10.)

In federal countries, in order for government to function smoothly, the gears of intergovernmental relations need co-ordination and frequent attention.

In Nigeria, co-ordination between Cross River state and the Federal government went awry when Cross River proceeded with a US\$400 million business-hotel-resort-shopping complex meant to operate as a customs free zone, encouraging wealthy Nigerians to spend their disposable income at home.

The veteran Nigerian political reporter, Dejo Olatoye, recounts how the recently completed megaproject has become a languishing ghost town as Cross River presses the federal government to grant it the duty-free status it needs to operate.

Please explore our thematic section and our other substantive news offerings. They deal with the next phase of Iraq's tentative federalization, with further decentralization coming in Spain, Canada's ever-improving internal trade measures and an insightful inside look at Mexico's municipal challenges, as seen through the eyes of Senator (and former mayor) Ramon Galindo Noriega.

IN THE NEWS

Swiss nix citizenship rule

By a vote of 64 per cent, Swiss voters rejected an initiative that would have made it more difficult for foreigners to obtain Swiss citizenship.

The vote, held on June 1, turned down a proposal from the nationalist Swiss Peoples' Party that would have restored the right for voters in a local community to be the final arbiters on who gets Swiss citizenship. Every canton except Schwyz, in the heartland of Swiss conservatism, turned down the initiative.

Under Swiss law, local communities have held referenda to decide who should be allowed to become a Swiss citizen. The Swiss Supreme Court overturned the practice because there was no right of appeal against the vote and no reason given for rejection. The ruling sparked the referendum.

To apply for Swiss citizenship, an immigrant must live in Switzerland for 12 years and speak one of the country's official languages.

Seven Nigerian states sue federal government for oil revenues

Seven of Nigeria's 36 states are demanding a refund from the federal government of some 546 billion naira – about US\$4.7 billion. In May, the states filed their lawsuit in Nigeria's Supreme Court, claiming this amount as their rightful share of unremitted revenue from 2004 to 2007.

The revenue in dispute includes money the states allege the federal government wrongfully deducted from the common pool known as the Federation Account, which is largely funded by oil revenues.

The Attorney General and Minister of Justice were reportedly told by President Umaru Yar'Adua to explore a possible out-of-court settlement with the governors.

The states that filed the lawsuit are Abia, Bauchi, Benue, Niger, Ogun, Oyo and Osun.

Nepal to decide on powers of its president

Abolishing the monarchy, which Nepal did on May 28, was the easy step. Deciding on the powers of a new post of president is the more difficult one.

The newly-elected Constituent Assembly is in the process of writing a federal constitution for the new republic, but drafters have not yet completed the passages of the constitution that describe the powers of the president. The Maoist party, which won the largest number of seats in the 601-member assembly, wants the office of president to include strong political powers, similar to the U.S. Other parties want a more ceremonial president, with only the power to dissolve the parliament after a vote of non-confidence.