



Federations

What's new in federalism worldwide

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Austria: Jörg Haider uses his power base in Carinthia as a springboard for broader ambitions

by Melanie A. Sully

Jörg Haider catapulted himself onto the national stage from his position as Governor of his "Land". When his presence in the capital became embarrassing for Austria and for his party he retreated to Carinthia, where he maintains an active "unofficial" leadership role.

The conflict in Kashmir challenges Indian federalism By George Mathew

The state of Jammu and Kashmir may be one of the smallest in the Indian federation but its fate has been a sore point since independence. There are many possible options India could consider for the region. George Mathew points out that the road to peace may not lie through solutions imposed from the outside but through vigorous local institutions of democracy.

Brazil's federal government imposes fiscal rules on the states By Matias Vernengo

Brazil's fiscal responsibility law was designed, in part, as an instrument of accountability and transparency. But many Brazilians worry that it may also have the effect of curtailing needed social programs.

Electoral reform and tensions in the Canadian federation By Brian K. Smith

The first-past-the-post voting system has given Canada a "pizza Parliament" for three elections in a row. There are five parties, most of them with exclusive or dominant support from a single region. Many see this as a threat to the stability of the Canadian federal system and there is a growing movement for electoral reform that draws support from both left and right.

Can a complex EU solution preserve what's left of a "federal" Yugoslavia? By Mihailo Crnobrnja

For the past decade news from the former Yugoslavia has been overwhelmingly negative. Now, with only two remaining constituent units – Serbia and Montenegro – the European Union is attempting to find a way to maintain some kind of federal structure.

The PRACTITIONER'S PAGE: Dirk Brand of Western Cape Province Making multilingualism a reality in South Africa

In the days of the apartheid regime South Africa had only two official languages. Now the country has to find ways to accommodate many languages. It has chosen to pursue an "asymmetrical" course, with each province having its own language policy. The Western Cape province has been a leader in forging a multilingual policy.

Contributors to this Issue

Dirk Brand is the Director of Intergovernmental Relations in the Office of The Premier of the Western Cape Provincial Government in Cape Town, South Africa. Economist **Mihailo Crnobrnja** held many positions in the former Yugoslavia including Minister of Economic Planning in the Serb Republic and Ambassador to the European Union. He now lives in Canada where he teaches, writes and consults. **George Mathew** is the Director of the Institute of Social Sciences in Delhi, India. He and the Institute collaborate closely with the *Forum of Federations* on many projects. **Brian K. Smith** is a communications consultant and freelance journalist in Ottawa, Canada. He worked as a reporter for the national radio news service of the Canadian Broadcasting Corporation for many years. **Melanie Sully** is a Lecturer at the Diplomatic Academy in Vienna and the author of *The New Politics of Tony Blair* and *The Haider Phenomenon*. **Matias Vernengo** is Assistant Professor of Economics at Kalamazoo College in Kalamazoo, USA, and a Senior Research Fellow for the Centre for Policy Studies.

The Forum of Federations, an international network, seeks to strengthen democratic governance by promoting dialogue on and understanding of the values, practices, principles, and possibilities of federalism.

From the editors

Welcome to the 9th issue of **Federations**, your “briefing notes” on federal happenings around the world. The articles contained herein are supposed to be fair and unbiased reports on events and developments that are likely to have an impact on the way people “do” federal governance.

In Brazil, the federal government has written new fiscal rules for the states. In India, the fate of Jammu and Kashmir continues to pose a dilemma for the Union government. In Canada, a regionalized federal parliament has fuelled a movement for electoral reform. These are some of the stories we bring you this month and we hope you find them to be accurately, clearly and honestly reported.

Of course, however much we aim for balance and fairness, we know many of you will want to take issue with at least something you read. We very much want to hear from you. The Forum’s website – **www.forumfed.org** - is the locus for debate and discussion about matters raised in **Federations**. If you write to us, we will post your letter on the web site. You can reach us by e-mail at: **forum@forumfed.org** or by fax or regular mail at the number and address at the bottom of this page.

And, while we’re on the subject of the web site, we encourage you have a look at it. We’ve posted all previous issues of **Federations** there; information about the *Forum of Federations’* programs, past, present and future; and a large and growing collection of research materials on federalism.

If news has broken out in your part of the world that has an important “federal” dimension and you haven’t yet read about it in this publication, please tell us about it. We are always open to ideas for articles for **Federations**. And we are always on the lookout for new authors who are interested in trying their hand at our particular brand of international reportage.


Federalism is a relatively old system – or, perhaps more accurately, architecture – of government. But it seems to be enjoying something of a renaissance lately. In an earlier issue of **Federations** we reported on the movement for federalism in the Philippines. We will have more on recent developments there in coming issues. We will also have more reports on federal developments elsewhere in Asia, and in Africa.

Nigeria, for instance, is dealing with the need for significant adjustments in its system of relations between the federal and state governments. These adjustments touch on such matters as taxes and royalties, security and criminal justice, and minority rights. We had an article on the question of oil and Nigerian federalism in an earlier issue and we promise more on the story of Nigeria’s evolving federal system in coming issues.

In the post September 11th world good governance has become something of an international watchword. We hear more and more of the argument that there is no point dispensing material assistance to countries that lack the structures of governance to appropriately use and distribute it.

Federal governance is a very important part of the good governance equation – or at least it is in a great many countries. The role of the *Forum of Federations* is to focus on ways of improving federal governance worldwide, bringing together experts in and “practitioners” of federalism to learn from each other’s experience and expertise.

As this issue of **Federations** goes to press, the *Forum* is expanding its activities in a number of countries, including Nigeria and India. The *Forum* also recently launched a Global Dialogue on federalism worldwide about which we will have more to report in the coming months.

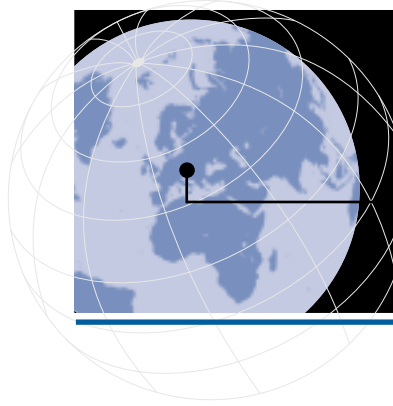
Again, at the risk of becoming tiresome, please write to tell us what you agree or disagree with in this issue of **Federations**. 

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Austria: Jörg Haider uses his power base in Carinthia as a springboard for broader ambitions

BY MELANIE A. SULLY

In the Spring of 1999 Jörg Haider became state governor of Carinthia, Austria's southernmost province bordering Slovenia. It was a post Haider had held before (1989-1991) but had lost after alluding to the "sound employment policies" of the Third Reich. Although he soon withdrew the remarks his first period in office was abruptly over.

During this short time he claimed that he had made a start in abolishing ancient titles and symbols (such as replacing the portrait of the governor in official buildings with the coat of arms.) As well, he reached out to the Slovenian minority living in the state and gave support to the burgeoning of democracy in Croatia and Slovenia.

Haider saw himself as a modern reform politician – his opponents saw him as a dangerous threat to democracy and the rule of law.

Carinthia was a state that had long been under the hegemony of the Austrian Socialist Party (SPÖ). After the Second World War, efforts were made by the SPÖ to woo former Nazis with a view to integrating them into the new democracy. This was especially important in a state like Carinthia, where pan-German nationalist sentiment was particularly strong. Haider was born in Upper Austria but felt emotionally and politically at home in Carinthia. It was from its capital, Klagenfurt, that he launched his attack on the federal Freedom Party making a bid for the national leadership of the FPÖ in 1986. And it was to Carinthia that he was later to turn as a power base for greater ambitions.

A campaign on social policy

Haider was and remains the first governor in Austria to have come from the Freedom Party (FPÖ). Article 2 of the federal constitution states that "Austria is a federal state". Austria has a highly centralized federal system consisting of nine autonomous member states (Länder). They have limited legislative powers, some executive powers but no separate court system. Seven states have governors from the conservative People's Party (ÖVP) and the Socialists (SPÖ) rule two. Governors can often achieve the aura of benign "father" figures and possess considerable powers of patronage. Traditionally, state governors can score points by attacking the politics of "Vienna", playing on anti-capital sentiment in much the same way as US politicians rail against "Washington".

In 1999, the FPÖ gained 42.1 percent of the vote in the Carinthian state elections, becoming the strongest party. It was a sensational turn around in political fortune. Haider had fought a campaign on social policy, promising cheaper rents and electricity prices and a better deal for those with young families. It was a programme which was attractive to workers and which was to prove successful in the federal elections of the same year. Such a platform makes it difficult to pigeonhole Haider as merely a right wing extremist. His policies were a challenge to the old party system of Austria that had failed to respond adequately to a new age.

In his second period as state governor Haider pioneered a scheme of monthly cheques for those with young children. This had been a particularly attractive

election pledge and eventually became a project that was adopted by the new coalition government of the FPÖ and ÖVP for the whole of Austria. The scheme allows for 436 Euro to be paid per month for those with babies for three years. Both the FPÖ and the ÖVP see the project as a milestone in family policy and as a model for Europe. Haider was particularly proud that the initiative had come from Carinthia.

A "simple party member"

Haider has remained a controversial and, for the media, a fascinating politician. No cover story on an Austrian magazine has sold so well as one with a photo of Jörg Haider. His reputation as a radical, extreme populist has spread across the borders of tiny Austria.

In October 1999, federal elections were held in Austria. Haider had promised to stay in Carinthia and technically, although leader of the FPÖ, was not the party's leading candidate for the election campaign. Inevitably, his personality dominated the campaign and his election rallies were attended by the masses, including a fleet of foreign journalists and camera crews. The result was yet another shake up for the old party system and for the first time the FPÖ overtook the ÖVP to become the second strongest party in Austria.

Long and protracted negotiations ensued until eventually, in February 2000, a coalition government was formed between the FPÖ and the ÖVP bearing the signature of the governor of Carinthia, Dr Jörg Haider. The new government was possible because Haider refrained from claiming the post of federal chancellor for himself

or his party. International furore was so great that such a move was unthinkable.

Haider had to content himself with returning to Carinthia, leaving his party in office. Soon afterwards, after intense media exposure, he resigned as party leader becoming as he wryly put it a "simple party member".

No one really expected that the simple party member would go back to Carinthia and quietly take a back seat. Haider's charisma and ability to mobilize voters and his hold on the party functionaries was too great. Some FPÖ members in cabinet gradually felt torn between their former leader's oppositional style and their new roles as responsible members of a government. Haider blissfully criticized the government from afar, crossing swords with the FPÖ Minister of Finance in fighting for policies for Carinthia.

In 2001, Haider campaigned in the Vienna elections in which his party suffered heavy losses. The result sent shock waves throughout the party.

Haider became increasingly irritated with his party's participation in a government that had to take unpopular measures to stabilise the budget. The 1999 election had been won on the platform of policies for the "man on the street" not on social welfare cutbacks. Although he was no longer leader, Haider still sought to direct the course the party followed. Indeed, his successor, Susanne Riess-Passer, had stated after her election by the party congress that the party would "remain the party of Dr Haider". Many of the ministerial appointments for the party were Haider loyalists and the meetings of the federal party and its parliamentary party were frequently held in Haider's Carinthia.

The agenda of the party, it seemed, was set by the "man in the South" – often to the embarrassment of the party in government and to the irritation of the coalition partner, the ÖVP.

One such source of tension was the question of EU enlargement. Austria's relations with the Czech Republic were

particularly strained over the nuclear power station across the border at Temelin. Three state branches of the FPÖ initiated a "popular initiative"¹ calling for the closure of Temelin or a veto on Czech membership. The initiative gained over 915,220 signatures in January 2002 despite the fact that it was opposed by Haider's party's coalition partner, the ÖVP.

Handshake with Saddam

Haider was particularly fond of using the instrument of direct democracy for furthering his aims. He fought a decision of the constitutional court to extend bilingual signposts in Carinthia by organizing a public consultation. He frequently cited Article 1 of the

"The de facto leader, Haider, was in a position of remote-controlling the cabinet."

constitution that states, "Austria is a democratic republic. Its law emanates from the people". For Haider the constitutional court was "politically corrupt" and motivated by party political interests.

These events were overshadowed in February 2002 when the Carinthian state governor was suddenly seen on Iraqi television jovially shaking hands with Saddam Hussein. Haider had gone to Iraq ostensibly for humanitarian reasons and to help start up a blood bank to help children suffering from leukaemia. The visit became a front-page story at home and abroad although Haider had frequently visited Arab countries.

For almost a week there seemed to be no story of interest to the Austrian media other than Jörg Haider. It drowned even the success of the country's Olympic athletes in Salt Lake City. Haider's Baghdad trip coincided with a visit of the FPÖ leader to Washington. Confusion and turbulence in the party back home led to a

dramatic exclusive television interview in which Haider announced he would withdraw entirely from federal politics to concentrate on Carinthia.

FPÖ leader Riess-Passer abruptly cut short her visit to New York where she was to have visited Ground Zero and flew back to an emergency meeting of the party executive.

From Carinthia, to Austria... to Europe?

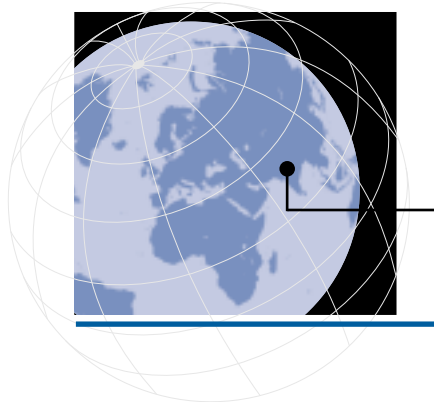
Haider stood by his decision to nominally withdraw from federal politics and left the coalition committee – that in any case had met irregularly. Riess-Passer was entrusted with full powers to deal with internal problems in the party. She was immediately confronted with the resignation of her Infrastructure and Transport Minister and found a quick replacement from Carinthia in a man dubbed "Haider's clone".

Now the FPÖ team in government had an above average contingent from Carinthia. Many believed that the "de facto" leader, Haider, was in a position of "remote-controlling" the cabinet from the confines of Klagenfurt. The problem with having an "informal" leader as an important power player is that it is not easy to vote him out of a position he does not formally hold!

No one really believes that Haider will stay out of federal politics. He is a member of the top organs in the FPÖ, including the party presidium and executive. He also seems to have taken on the role as chief advisor to Vice-Chancellor and leader Riess-Passer.

It is rumoured that his ambitions could however lead elsewhere to the European stage. The diverse parties in the countries of the EU that are sceptical about EU enlargement and a centralized Europe have no real focus or leader. Carinthia possibly could act as a springboard not just for the national political arena but also for the European stage. ⑥

¹ A popular initiative aims to collect signatures to force action in parliament. Voters must sign the petition in the presence of officials. The public consultation is advisory and poses a question to be answered by a "yes" or "no".



The conflict in Kashmir challenges Indian federalism

BY *GEORGE MATHEW*

India considers Kashmir to be a “jewel in its crown.” The State of Jammu and Kashmir has three distinct regions: Kashmir (population 5,441,341), Jammu (4,395,712) and Ladakh (232,864). Kashmir is a Muslim-dominated area, Jammu Hindu and Ladakh Buddhist.

When the State joined the Indian Union (see box) it had special status and more powers than the other states. In fact the Union (or federal) government only retained powers over three areas: defence, foreign affairs and communication. However, over the years all the provisions of the Indian Constitution were made applicable to the State. That had far reaching consequences leading to the rupturing of the emotional and psychological bond between Kashmir and the rest of India. The watershed was 1953. By then the right wing political formations had accelerated the demand for immediate and “full accession” of Jammu and Kashmir to India. There was growing mistrust between Kashmir’s political leadership and the central government in Delhi, which resulted in the dismissal from power and arrest of the state prime minister, Sheikh Abdullah on 9 August 1953.

This contributed to the rise of an armed insurgent movement in the State. As veteran Kashmir specialist Balraj Puri points out, “while extension of the jurisdiction of the Union autonomous institutions and several Central social welfare laws to the State provided some safeguards to the rights of its people, other measures directly increased the Centre’s hold on the State. But all these measures were viewed from the angle of autonomy versus integration”.

Today, for all practical purposes, Jammu and Kashmir has been co-opted into the

A Tumultuous History

Ever since the State’s accession to India in October 1947, Jammu and Kashmir has raised questions about its relations to and place in the Indian Union. These questions have had a bearing not only on the State’s ties with India but also on Indian federalism itself.

When both India and Pakistan were created by an Act of the British Parliament, the princely states were given the option to join either of the two. The sovereign decision of the king or prince as the head of the state was legal and irrevocable.

At that time the Maharaja (King) of Dogra dynasty was facing a popular struggle for democratic governance, social reforms and economic justice led by the political party, the National Conference, under the leadership of Sheikh Abdullah. Then, the Kashmir people’s struggle found a sense of commonality and solidarity with India’s independence movement led by Gandhi. Maharaja Hari Singh was, in effect, compelled to sign the Instrument of Accession to join the Indian Union on October 26th 1947, as he was unable to face the tribal attack sponsored by Pakistan. An interim government was immediately formed headed by the popular Sheikh Abdullah.

However, Pakistan’s claim has been that because the majority in the Kashmir Valley are Muslims, the region must naturally join Pakistan.

At the time Kashmir joined India, Sheikh Abdullah was seen essentially as a Kashmiri patriot who would have preferred independence, if it were feasible. Since the Dogra dynasty had oppressed the people, he saw the integration with India as the next best available option. But he never wanted subservience.

The Muslims in the Kashmir Valley have a distinct culture of their own, their own language and *sufi* tradition and customs, which they proudly call ‘Kashmiriyat’. They have nothing in common with the dominant Punjabi culture in the eastern part of Pakistan adjoining Kashmir.

After the partition of India in August 1947, there was a Pakistan supported attack on Kashmir through tribal infiltration in which regular forces from the Pakistan army also gradually got involved. The conflict was brought to the UN in January 1948 and a cease-fire came into effect on January 1st 1949. The UN observer team has since remained stationed in the area. The cease-fire line agreed upon, supervised by the UN observers, turned into the line of control and subsequently became the *de facto* border between India and Pakistan. A little more than a third of Jammu and Kashmir came under the control of Pakistan and is now more commonly known as *Azad* (Free) Kashmir – what India calls Pakistan Occupied Kashmir (POK). The Pakistan Government refers to the Indian State of Jammu and Kashmir as “Indian Occupied Kashmir.”

When the accession took place the Government of India said it was willing to allow the citizens of the State to decide its future. In a broadcast on November 2nd 1947, Prime Minister Jawaharlal Nehru said:

“We have declared that the fate of Kashmir is ultimately to be decided by the people. That pledge we have given not only to the people of Kashmir but to the world”.

However, in 1957 Prime Minister Nehru changed his position and stated that the accession of Kashmir to India had been decided once and for all.

What happened in that ten-year period (1947-57) radically changed Jammu and Kashmir’s status and its position in the Indian Union.

Indian Union and is treated like any other state. However, it remains the only state in India that has its own Constitution.

A conflict with a number of causes

Actions of the Union government apart, other factors account for the continuing conflict in the state. First, the elections to the Jammu and Kashmir Assembly have never been free and fair, except for the one held in 1977. The use of official machinery for vote rigging also contributed to the state's growing sense of disillusionment with and isolation from the Centre.

The second factor was rampant corruption. The Central government has been doling out large grants to the state but they have gone to line the pockets of the corrupt leaders, bureaucrats and middlemen. Very little goes to the intended beneficiaries.

Large-scale human rights violations have also created deep resentment among the people. The insurgency situation in the state took a toll of 12,771 civilian lives between 1990 and January 2002, according to official statistics. The security forces deployed by the Union government have violated human rights and have earned the deep distrust of the people. A large number of civilians have fallen victim to the excesses of the security forces, though reliable data is not available.

The fear among the Kashmiris about the loss of their cultural identity has also added to their sense of alienation and Pakistan has capitalized on this longstanding alienation of the Kashmiri people.

Many in India see four possible scenarios for the future of Jammu and Kashmir:

- The Muslim-dominated Kashmir Valley could join Pakistan, while the Jammu and Ladakh regions would remain with India.
- Kashmir could become independent.

- Jammu and Kashmir could go back to its pre-1953 status, in which it had greater autonomy.
- The status quo could continue and the line of control could be converted into an international border between India and Pakistan.

The last, given the stance of the current Indian government, is the most likely. But there could be another approach that might respond to the Kashmiri need to preserve its distinct identity and fortify Indian federalism as well.

Genuine democracy?

Civil society organizations, pro-federalism thinkers and practitioners are of the view that true and genuine democracy is the only answer to the Kashmir problem. Free and fair elections at the State and federal levels are a necessary condition. But more significantly, democracy and democratic values must percolate down the line. Village councils (Halqa Panchayats) hold the key.

If Jammu and Kashmir had a vibrant local self-government system, would the situation have been different? Everyone with whom this writer discussed this issue during a recent visit to the State was of the view that democratically elected local self-government would have made a lot of difference.

Deprivation and frustration are the main factors that draw the young and old towards the extremists' demands. With people-oriented developments and community participation, militancy could be contained considerably.

It is an open secret that Pakistan tried its best to subvert the recently held village council elections in Kashmir, for they didn't want the people of Kashmir to participate in any political activity in the Valley.

It must be said to the credit of the ruling National Conference that in the last five years it has brought some of the fragile State institutions back on the rails. The

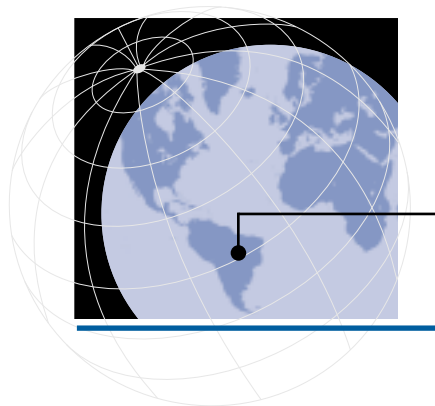
fact that the State government could hold the 2001 Census operations successfully in spite of serious threats from the militants is no mean achievement. The Halqa Panchayat elections to the local democratic institutions took place with extraordinary enthusiasm of the people. This was a major political initiative and took some of the sting out of the militants.

In the light of the September 11 terrorist attacks in the US, and the subsequent international developments, the Kashmiris were hopeful that militancy would subside in the Valley. This has not happened.

Jammu and Kashmir is facing the painful reality of marginalization. Those at the helm of affairs in Delhi somehow refuse to recognise it. Kashmir and its multi-faceted problems are often misunderstood and misinterpreted, resulting in people's misery and their further alienation from the rest of India.

Vibrant democratic institutions and decentralization of power in a true federal spirit are the best way to arrest that alienation. The State government has to take a pro-active role to strengthen these instrumentalities. The Union government, while attempting to combat militancy and terrorism, should not spare any effort to seriously grapple with the basic issue of building confidence among the Kashmiri people.

The elections to the local bodies have shown that the spirit of Kashmiris cannot be undermined by militancy from within or from across the border. The next challenge is the State Assembly elections scheduled for September this year. Will the State and the Union governments succeed in bringing all shades of political formation under the democratic process? Will the governments take concrete steps to convince the people that this election will be free and fair? These are questions uppermost in the minds of all concerned with Kashmir and the well being of Kashmiris. ☺



Brazil's federal government imposes fiscal rules on the states

BY **MATIAS VERNENGO**

President Fernando Henrique Cardoso declared recently that the Brazilian federal government is trying to create a “federalist mentality” in the country. The two examples of the new federalist mentality the president cited were the federal law that allows states to set regional floors for the minimum wage and the federal fiscal responsibility law that imposes limits on state governments’ ability to spend.

The fiscal responsibility law is crucially important in an electoral year, since it is supposed to reduce the risks of populist measures by candidates seeking re-election (or by politicians supporting candidates, as in the case of President Cardoso himself and his preferred candidate, Health Minister José Serra.)

Ideally, the new law would avoid the all too costly effects of excessive spending in an electoral year. One just has to look south to Argentina where the De La Rúa government inherited such damaging fiscal deficits from the Menem administration.

Cutting the public sector

The Brazilian fiscal responsibility law builds upon previous legislation according to which the federal administration refinanced states’ debts in exchange for an agreement on sustainable budgetary equilibrium at the state level. In order to avoid price inflation the Brazilian federal government believes both levels of government have to pursue prudent fiscal policies.

The emphasis on fiscal equilibrium is in line with the views of the World Bank and the International Monetary Fund, and with the principles upheld by structural adjustment programs,

according to which inflation results from excessive fiscal deficits.

The Brazilians have put special emphasis on cutting the cost of public sector workers. Between 1995 and 1999 Brazilian states spent on average 70 per cent of their disposable revenues on wages and salaries. But what many fear is that while it may be necessary to limit the salary burden, workers could end up bearing the brunt of the adjustment.

In fact, lower wages in the public sector added to the relatively poor performance of labor markets in the second half of the 1990s. In particular, after the 1997 Asian crisis, the average real income of workers fell to levels that are roughly equivalent to the level of the beginning of the decade, which are in turn forty per cent lower than the levels of the mid-1980s. And unemployment has been higher, reaching levels eighty per cent above those of the early 1990s.

In addition to the fiscal responsibility act the federal government has imposed limits on the debt that states can carry. The federal government can suspend its transfers to the states if the states do not respect the debt limits. This last measure has a severe impact on the ability of states to spend, and can be seen as an act of fiscal re-centralization. Some see this as being paradoxical, since it implies that in Brazil fiscal responsibility is not part of a movement towards fiscal decentralization, and of increasing participation by all levels of administration in the budgetary process.

In other words, the Brazilian fiscal responsibility law goes beyond the mere regulation of the relation between the different tiers of government, and increases the discretionary power of the

federal authorities. In a way it imposes fiscal centralism in the name of economic stability.

Higher deficits and debt

In the first half of the 1990s there were *primary* fiscal surpluses (revenue minus spending excluding interest payments) and the *primary* deficit only increased after 1994. After 1998 the primary deficit becomes a surplus once again. In contrast the *operational* deficit (including interest payments) has been high all through the 1990s, with the exception of 1993 and 1994. In fact, the operational deficit exploded after the Mexican ‘Tequila’ crisis of December 1994. The operational deficit remains high today, even after the adjustment efforts that followed the 1999 crisis – of which the fiscal responsibility law is an important element.

The fiscal situation was not dramatic in the early 1990s. Then from the mid-1990s onwards – despite the fact that prices had been stabilized – the fiscal situation became more difficult to manage. Not only did the operational deficits increase steeply, but also the debt-to-GDP ratio grew from 29.2 per cent in 1994 to more than 50 per cent in 2001.

The increase in the federal government net debt has been impressive. Ironically, the fiscal responsibility initiative demands limits on local government debts, but not on the federal government. Of course, debt-burden in Brazil is relatively low compared to OECD countries such as Belgium or Italy that have debt-to-GDP ratios higher than 100 per cent.

The federal government was able to keep the primary deficit under control by increasing revenues to more than 30 per cent of GDP, and by cutting several expenses. Spending on wages fell from around 32 per cent to around 22 per cent. Transfers to states and local governments fell from 25 per cent to a little more than 15 per cent. In fact one of the main effects of the new law is that it forced all levels of the public administration to cut wages and limited debt in the lower tiers of government.

Cuts in social rather than "financial" spending

Despite concerns about the impact of the fiscal responsibility law on social conditions it has been negligible so far. In fact, the degree of income inequality has been fairly constant. At the end of the 1990s it is about the same as in the late 1970s. The recent fiscal initiative cannot be held responsible for the socioeconomic inequalities that plague the Brazilian society.

Still, the constraints the new law imposes on social spending, even if they do no harm, do not help to pay the accumulated social debt. For example, this year the federal government will cut R\$ 2 billion (around US\$ 800 million at market prices) from the health budget. These cuts will not in the short run affect Brazil's comprehensive anti-HIV/AIDS strategy, considered by many as a model program among developing countries, but they may affect the ability to run the program as effectively in the future.

And if social spending has been relatively constrained, the same cannot be said about the financial expenses of the federal government. The cost of interest on the accumulated debt, although fluctuating, has been kept at high levels. There are two explanations for this:

- Since the depreciation of the currency in January 1999, the fear of rekindling inflationary pressures has led to a reinvigoration of anti-inflationary policies. Brazilian authorities see high interest rates as an instrument to control inflation.

- The persistence of current account deficits since 1994 implies that high interest rates are needed in order to attract the capital flows to close the balance of payments. In both cases high interest rates are needed to solve problems generated by the external accounts.

And so, while the fiscal responsibility law effectively constrains *social* spending it is unable to control *financial* spending.

And budgetary cuts have not been limited to social expenses. They have extended to public investments as well.

For example, investment in energy production and distribution has been below the level needed to maintain

The "participative" budget has proven that the democratic and transparent administration of resources is an efficient way to avoid corruption and mishandling of public funds.

potential growth. Between 1995 and 1999 investments have been on average US\$ 3.7 billion, below the US\$ 6.5 deemed necessary by specialists. As a result the federal government is imposing severe restrictions on energy consumption. On average, industrial users reduced their energy consumption by 20 per cent in 2001. In some sectors (e.g. aluminum, cement) the reduction was 25 per cent.

More importantly, the cuts in energy production in the 1990s meant that government spending on hydroelectric plants fell and the slack was taken up by smaller private investment on thermoelectric plants. This means that the spending cuts have had a negative impact on the environment.

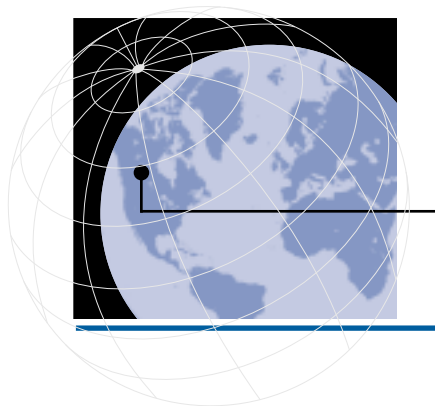
The "participative" model

Most Brazilians would agree that the pursuit of fiscal responsibility is in itself a noble task. Transparency in administration of the public affairs and accountability are laudable objectives. And there is widespread support for a decentralized form of fiscal federalism—as long as that does not jeopardize social welfare.

In this connection many Brazilians look to some of the policies discussed recently at the World Social Forum in Porto Alegre, capital of the Brazilian southern State of Rio Grande do Sul. The Social Forum, which serves as a counterpart to the Davos (now New York) World Economic Forum, promotes transparency and democratic participation in the budgetary process. These ideas build on the "participative" budget developed by the Worker's Party, that has run the city of Porto Alegre for the last twelve years, and the state for the last four.

The way the "participative" budget works is that decision making on taxes and spending is not limited to technicians and government representatives. It is the population, through a process of debates and consults, that defines and decides on amounts of expenses, as well as where and when the investments will be done. The "participative" budget has proven that the democratic and transparent administration of resources is an efficient way to avoid corruption and mishandling of public funds.

Unlike the fiscal responsibility law that tries to reduce corruption by limiting the spending abilities of the authorities, the "participative" budget tries to achieve the same result by stimulating the democratic participation of the citizenry. Ask many Brazilians what they think of this question and they're likely to respond that while fiscal responsibility is a good thing — it is even better when accompanied by democratic participation. ☺



Electoral reform and tensions in the Canadian federation

BY BRIAN K. SMITH

There's a notion, percolating almost underground in Canadian society, that Canada's electoral system is broken.

The latest group to champion the cause of electoral reform has adopted a name suggesting that Canada's system is inherently unfair. "*Fair Vote Canada*" complains that the first-past-the-post voting system greatly exaggerates regional differences. That's not the only criticism of the system. But in a nation with the size and diversity of Canada, it's a damning indictment.

Canada operates with a constituency voting system, commonly known as "first-past-the-post". Each district elects the candidate who wins the most votes – which does not have to be a majority of votes. The more candidates there are, the smaller the percentage of votes needed to win.

Canada adopted the system in the nineteenth century. Several Canadian provinces have tried alternatives over the years but now use the first-past-post system.

Despite its ubiquity, this system produces some odd results.

Twice in the last decade, political parties that lost the popular vote won majority governments in provincial legislatures. Occasionally, parties have won every single seat in a provincial legislature, simply by having their support spread evenly among the various constituencies.

But critics suggest the system has more insidious effects.

Exaggerates regional divisions

Louis Massicotte, of the Université de Montréal, writes: "The most common criticism of the existing system is that it fosters national division."

Massicotte is one of a growing number of political scientists who are examining the

anomalies of the Canadian electoral system. "Regional variations in party support are exaggerated by the electoral system, and the country appears more polarized than it really is. Electoral regionalism is an undeniable fact of Canadian life.... However, the first-past-the-post system has exaggerated this regionalism by amplifying both the strengths and weaknesses of parties in different regions. The existing electoral system ... has rewarded parties with strong regional appeal, and disadvantaged weaker nationally-oriented parties that attract votes more evenly from one region to another."

A glance at the Canadian House of Commons would confirm that complaint. Recent election results leave the impression that political opinion in western Canada is overwhelmingly right of centre with deep grievances against the rest of the country. Quebec, which has debated separation for a generation and more, sent a large majority of separatist-minded politicians to Ottawa, in two straight elections. And Ontario, with a strong Conservative government provincially, has returned more than 95% Liberals to the House of Commons, in three straight elections.

Is Canada really this balkanized?

In Parliament, yes. In the country, probably not.

In the most recent election in 2000, the governing Liberals won about 2.3 million votes in Ontario. That was about twice as many votes as the opposition Canadian Alliance, but it resulted in 50 times as many seats. In the West, the electoral anomaly was reversed. The Liberals received about 950,000 votes in the four Western provinces – about half the Alliance – but they only received one-fifth as many seats.

Some observers believe this is a temporary phenomenon. After all, Canada

was shaken by a political crisis ten years ago, when a constitutional package was defeated in a referendum, followed by the emergence of new political parties that fundamentally opposed the status quo.

But even during earlier periods the parliament was no less divided. In the seventies and eighties, western Canada sent Conservatives to Ottawa out of all proportion to their actual popular support in that region, while Quebec remained a virtual Liberal fiefdom at the national level for most of a century, despite significant popular support for other parties there.

Ideological imbalances and "false majorities"

Those advocating reform argue that a different voting system would reflect Canada's regional variances for what they really are: one way in which Canadians differ from each other and not entrenched animosities.

There are other problems with the first-past-the-post system too.

Fair Vote Canada complains, "Canada's winner-take-all voting system has the unfortunate and unsettling habit of dramatically distorting the voices of voters. Typically, in federal elections, the voting system creates false majority governments where 40% of the popular vote, for example, is translated into 50% to 60% of the seats."

With multiple parties, candidates frequently win with less than 30% of the vote. A majority of the voters have said "no" to the eventual winner, leaving many people disillusioned about the electoral system. That disillusionment has translated into declining voter turnout, from about 70% during the 1970's and 1980's to just 60% in the most recent election.

Modified p-r

Academics, journalists, politicians and others have been pointing out the weaknesses of the Canadian electoral system for years – and proposing solutions

Back in 1979, the Pépin-Robarts Task Force on Canadian Unity warned about the growing “sense of alienation and exclusion” across Canada.

“When party membership in the central parliament becomes concentrated in regional blocks,” the Task Force said, “It is an advance signal of eventual disintegration. The regional polarization of federal political parties corrodes federal unity. Because we see developing signs of such a situation in Canada, we have come to the conclusion that electoral reform is urgent and of a very high priority. The simple fact is that our elections produce a distorted image of the country, making provinces appear more unanimous in their support of one federal party or another than they really are.”

Pépin and Robarts recommended a modified form of proportional representation (or p-r). From each province, 20% of the seats would be set aside on a compensatory basis, with those seats being distributed among parties, to ensure the total accurately reflects the popular vote in that province.

Modified p-r is used in many modern democracies, notably Germany. The fact that the percentage of proportional seats would be fairly small would likely assure that Canada would still have majority governments (or at least governments in which one party holds a large plurality of the seats and thus a relatively strong minority position). Pure p-r tends to produce multi-party coalitions.

In 1979 Pépin-Robarts represented the view of a significant element of Canada’s political establishment. However, their views were lost in the upheaval of other changes, leading, in 1982, to fundamental amendments to the Canadian constitution. Since then, the case for electoral reform the Pépin-Robarts Task Force made has been taken up by a series of unlikely allies.

Two political opponents came together last year to pursue the campaign for some form of proportional representation. Judy Rebick is a political

activist, feminist, broadcaster and author. Walter Robinson is federal director of the Canadian Taxpayers Federation and a broadcaster as well. As they noted gleefully in an essay they distributed:

“Judy Rebick leans to the left. Walter Robinson leans to the right.”

“As two individuals from opposite ends of the political spectrum who disagree on most issues, we wholeheartedly agree on one thing: Changing our electoral system to better represent the wishes of voters is an urgent necessity.

“Versions of proportional representation systems are employed in more than 90 jurisdictions and can be tailored to reflect the needs of different countries. For example, some people believe a German system of combining first-past-the-post and proportional representation might be most suitable to Canada. Such a system would retain the concept of members of parliament representing traditional ridings, while the overall result would better reflect the voters’ wishes.”

Editorial boards at several Canadian newspapers have also joined this quiet campaign.

However, there’s a powerful institutional obstacle to electoral change. (Perhaps surprisingly, the electoral system is not covered by the Canadian constitution, which in twenty years has proven almost impervious to change.)

The simple fact is that governing parties owe their success to the existing system. Politicians who win office with a particular set of rules usually believe they can do so again. Inertia is seldom as powerful as when combined with self-interest.

On the agenda in Quebec

Ironically, a notable exception exists in the one province that has been consumed by the debate about whether to leave Canada. Quebec is the second most populous province and the only one that is predominantly French speaking. The governing Parti Québécois (which advocates political independence for Quebec) struggled for years inside the constraints of the first-past-the-post system. In its first election, in 1970, it gained almost a quarter of the popular vote (putting it in second place in that regard to the victorious Liberal party of Quebec) but fewer than seven per cent

of the seats. Partly as a result of this experience the Parti Québécois has advocated some form of proportional representation from its earliest days

It is a policy that has survived, though it has never been implemented.

The first P-Q government lasted from 1976 to 1985. In 1994, the party swept back into power, benefiting this time from the existing electoral system. Then in 1998, it handily won re-election, despite losing the popular vote to the provincial Liberal Party. In the polarized politics of Quebec’s sovereignty debate, the Liberals won massive support among English-speaking and other non-francophone voters. But those votes were concentrated in relatively few ridings, while the Parti Québécois won most of the predominantly French-speaking seats.

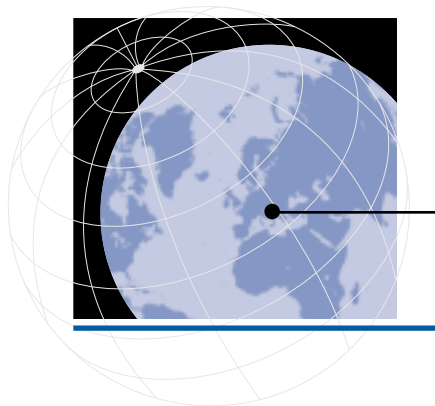
Regardless of this fact, the P-Q remains committed to the idea of change, a commitment Quebec’s new Minister Responsible for Electoral Reform, Jean-Pierre Charbonneau, recently reaffirmed.

Quebec is also home to a political action group that advocates electoral change. “*Le Mouvement pour une Démocratie Nouvelle*” shares some of “*Fair Vote Canada’s*” sense of outrage.

The skewed results of first-past-the-post elections inevitably skew political debates and policy choices, as well. At the national level, debates have become regionalized. The principal opposition parties represent western Canada and Quebec, almost exclusively. They often focus debate on issues that can prolong resentment among their constituencies, further exaggerating regional tensions.

The strongest argument for maintaining a first-past-the-post regime is that it at least produces majority governments with stability in policy direction. However, in Canada, the regional tensions that are a by-product of the system are likely having the opposite effect. The stability in government is offset by the *instability* inherent in regionally based political parties.

In a nation beset by tensions between the federal and provincial governments, an ongoing separatist debate and simmering cases of regional resentment, that type of instability can hardly be a good thing. ☺



Can a complex EU solution preserve what's left of a "federal" Yugoslavia?

BY MIHAILO CRNOBRNJA

Many Montenegrins, in the population in general and in the government of Montenegro, want total independence from what remains of the Yugoslav federation. The idea of independence from Serbia does not have overwhelming support in Montenegro. In fact, the population is almost evenly divided on the question of breaking up with Serbia.

Serbia, the larger of the two remaining members of the Yugoslav federation

(it has fifteen times Montenegro's population), is resisting the separation – offering instead a "reconstructed and minimal" federation.

A year of discussions between the post-Milosevic leaderships of Serbia and Yugoslavia on the one hand, and the leadership of Montenegro, on the other, has so far produced no result. At the beginning of 2002 the European Union stepped in, offering its services as a

mediator. Since this passive role turned out to be unproductive, the European Union stepped up its intervention, offering to the two sides a model for a solution within the framework of "a democratic Montenegro within a democratic Yugoslavia".

At the same time, the EU made perfectly clear that the rejecting side would find the road to the European Union to be much more difficult. So modern-day

An intertwined history since 1876

Serbia and Montenegro both gained modern statehood and international recognition at the Berlin Congress of 1876. They maintained their respective independence until the end of the First World War. In 1918 Montenegro annexed itself to Serbia and then, as a part of Serbia, entered into the newly created "Kingdom of the Serbs, Croats and Slovenes", renamed "the Kingdom of Yugoslavia" in 1928. The decision was made by the National Assembly of Montenegro. The Assembly decided to oust their own king Nikola and to submit their sovereignty to the Serbian crown. The population was very divided on this question. Roughly half of the population considered themselves to be Serbs, sharing with them a common language and alphabet, religion, and historical roots. The other half felt that the historical development of Montenegro warranted state independence, in spite of the similarities with Serbs. Modern-day "independentists" claim that the Assembly vote of 1918 was rigged and that Montenegro should have never become a part of Serbia.

The Kingdom of Yugoslavia was a highly centralized state in which both Serbia and Montenegro lost their respective state identities. However, the Kingdom was ruled by the Serbian Karadjordjevic dynasty and was clearly dominated by Serbs through the army, police and state administration. Generally speaking, the political elite and the population of Montenegro came to terms with such a situation. Throughout the interwar period the pressure to decentralize and/or "federalize" the Kingdom came from Croatia, not from Montenegro.

Yugoslavia ceased to exist as a country during the Second World War. Serbia was occupied by Germany and Montenegro became a part of Italy. Immediately after the Second World War, the Socialist Federal Republic of Yugoslavia, sometimes dubbed the "Second" or "Tito's" Yugoslavia, was created as a federal state of six republics. Serbia was the biggest of the six (with a current

population of about 10 million) and Montenegro the smallest (with a current population of only 660,000). Each republic had its own constitution, its flag and coat of arms, a parliament, an executive (consisting of a Cabinet and a President), judiciary, police, etc. In its early years this federalism was nominal since the state was highly centralized due to the dominance at all levels of the Communist Party. But over the next three decades, and ending with the constitution of 1974, the central state was gradually decentralized and the republics got to perform more and more genuine state functions and develop more pronounced mutual relations. Throughout this period, the relations between Serbia and Montenegro were very close.

The disintegration of the Socialist Federal Republic of Yugoslavia started effectively in the late eighties, when Milosevic came to power in Serbia. Montenegro had its own "anti-bureaucratic revolution", modeled after the Serbian one and generously helped by Milosevic's regime. In 1991 Slovenia, Croatia and Macedonia declared their independence and Bosnia-Herzegovina followed in 1992. The European Union organized a "Conference on Yugoslavia", a last-ditch attempt at finding a peaceful solution. When that failed, the EU led the way in recognizing the new independent states. Throughout the turbulent dissolution of Yugoslavia, and during the international conference, Montenegro stood firmly by Serbia and Milosevic's regime.

The new Federal Republic of Yugoslavia came into existence in 1992. It consisted only of Serbia and Montenegro. In 1999 there was a confrontation between Yugoslavia and NATO over Kosovo. The territory of Kosovo effectively became an international protectorate. According to the UN Security Council Resolution 1244 Kosovo, *de jure*, remains a part of Yugoslavia, but *de facto* the state of Yugoslavia exercises no legal, judicial, economic, security, defense, or any other functions in Kosovo.

"Balkanization" is still alive and well, as are the attempts of European powers to bring stability to this troubled region.

An "incoherent" distribution of powers

The current Federation is based on the Constitution of 1992. It was drawn up in haste to preserve the continuity of Yugoslavia following the departure of the other four constituent units and demonstrate to the world that it was the only legal successor to the previous federation. Drawing up a mutually acceptable constitution at the time was "a piece of cake" since both republics were ruled by like-minded former communists. It should be noted that Milo Djukanovic, later to become the leader of the drive for Montenegrin independence, accepted the constitution without a word of protest. At the time he was the Prime Minister of Montenegro.

According to the 1992 constitution the Federation's responsibilities are in the field of human rights, monetary policy, fiscal policy, economic relations with the outside world, customs, foreign policy and defense, as well as social welfare and environmental protection. The two federal Republics each have their own constitutions, parliaments, presidents and government structures.

The two constituent units (the "republics") have, in effect, more formal constitutional powers than the federal government. In addition, the republics exercise *de facto* a great many powers that are formally assigned to the federal government. The distribution of competences also contains numerous incoherencies and contradictions, most of which were designed to secure the President of Serbia, Milosevic's hold on power.

The federation functioned well, even if its legality was disputed, as long as Milosevic remained in power in Serbia. The leaderships of the two republics could do practically anything they wanted within their domain. The Federal President was Milosevic's puppet and the Federal Prime Minister was the puppet of the then still united and strong Montenegrin "reformed" communist party.

But in 1996 Milo Djukanovic, still the Prime Minister of Montenegro, started

challenging Milosevic on ideological grounds, asking for and advocating liberal economic and political reforms in Yugoslavia. The rift between the two leaders intensified in 1997 when Milosevic announced that he would run for the Presidency of Yugoslavia. That meant a serious shift in real power from Serbia to the Federation. Djukanovic rightly perceived that Milosevic would try to reduce his, Djukanovic's, exercise of power in Montenegro.

Milosevic's elevation to the Presidency of Yugoslavia caused the breakup of the ruling "reformed" Communist Party of Montenegro into two factions: the hard line, pro-Milosevic Socialist Peoples Party; and Djukanovic's breakaway faction, the Democratic Party of Socialists. In subsequent elections in Montenegro Djukanovic's party won. He and his party have ruled Montenegro ever since, though only by means of coalition governments since his support was never sufficient to rule alone.

The rift grows larger

Milosevic rewarded those in Montenegro loyal to him by appointing their leader as Prime Minister of Yugoslavia. This irritated the Montenegro leadership even more since it was an unwritten rule that the party with a majority in Montenegro should appoint the Federal Prime Minister. From then on the relationship between Montenegro on the one hand, and the Federal and Serbian authorities, on the other, worsened by the day.

Djukanovic set out on a course of open confrontation with Milosevic, heralding a new, ostensibly democratic, liberal and reform minded strategy for Montenegro. Over the last four years he gradually but surely eroded the remaining powers of the Federation, bringing them one by one to Montenegro. Ultimately, Montenegro even ended up with its own currency – the German Mark (now the Euro)!

The unusual aspect of Djukanovic's *de facto* demolition of the Federation lies in the fact that as long as Milosevic was in power the idea of an independent Montenegro was mentioned only as a possibility, but not as the main strategy. It was only after opposition in Serbia managed to oust Milosevic as President of Yugoslavia and, later on, his regime in

Serbia, that Djukanovic stepped up his independence rhetoric. The reason for such caution in the early days is most likely to be found in the attitude of the international community.

The international community supported the regime of Milo Djukanovic, and his policies, while it was in opposition and an irritant to Slobodan Milosevic. "The enemy of my enemy is my friend" was the premise on which Djukanovic received political, diplomatic and, most importantly, financial support.

But the international community was not going to give overt support to yet another phase of disintegration in the Balkans. Djukanovic seems to have read the international support as nominal opposition to independence, which would yield once faced with a *fait accompli*, as was the case with Slovenia ten years earlier. So instead of moderating his independantist drive, he put it into higher gear by announcing, among other things, a referendum on that issue in Montenegro.

The future

Once again the European Union got involved to try to prevent yet another disintegration of a Balkan state, with possible further ripple effects in Kosovo, Macedonia and then in Bosnia-Herzegovina. At the time of this writing (end February 2002) intensive negotiations are under way between the EU, Montenegrin, Yugoslav and Serbian officials. The EU has tabled a proposal which as yet has not been made public but which has already been dubbed "the Frankenstein state" suggesting that bits and pieces be put together to create a "compromise" state, unlike any other in the world. (*We will have more on this in the next issue of "Federations."*)

It is difficult to predict the long-term prospects of the current Yugoslav federation. Only two things are absolutely certain: first, it will not survive in its current form. Second, the population of Montenegro will remain deeply divided over separate independence – whether the two republics accept the new, EU-fashioned model, or reject it. Longer-term instability and even violence remain definite possibilities. (6)



the **Practitioner's** *page*

Dirk Brand of Western Cape, South Africa: Making multiculturalism a reality in South Africa

Dirk Brand is currently responsible for the management of intergovernmental relations in the Western Cape Provincial Government. He was involved in the constitutional negotiations for the current South African Constitution and was further instrumental in the drafting of the Western Cape Constitution in 1996. One of the developments that flowed from the Western Cape Constitution was the adoption of legislation regarding the use of official languages for the purposes of provincial government. He was the author of the Western Cape Languages Act, 13 of 1998. In this note he discusses some of the practical consequences of this Act as well as current developments regarding multilingualism.

In terms of the South African Constitution there are 11 official languages in South Africa. While most of the indigenous languages are regionalised, Afrikaans and English are the two official languages that are most widely spoken in South Africa.

Before 1994 South Africa was officially a bilingual country with Afrikaans and English the two official languages. A new inclusive democratic system was established in 1994, one of the implications being that recognition had to be given to all the major languages in South Africa.

This was easier said than done.

In practice it soon became clear that English was evolving as the language of government in most instances. The Western Cape, having a predominantly Afrikaans speaking community, was the notable exception, and Afrikaans dominated official communication by the Provincial Government.

The Bill of Rights recognises that everyone has the right to use the language and to participate in the cultural life of his or her choice. Furthermore, the national government as well as the nine provincial governments may use any particular official language for the purposes of government, but in doing so they must use at least two official languages and take into account usage, practicality, expense, regional circumstances and the balance of the needs and preferences of the population as a whole or in the province concerned.

Scope is thus created constitutionally for provinces and the national government to use two or more official languages and not all eleven of them at the same time. In a multilingual country such as South Africa this constitutional framework creates serious challenges to the various government institutions, but it also creates opportunities for writers, interpreters and translators as well as other professions.

Western Cape taking the lead

The Western Cape, the only one of the nine provinces that has adopted a provincial constitution, has taken a practical approach to the issue of official languages. This matter was debated thoroughly during the negotiations for the provincial constitution. In addition to the requirements in both the South African Constitution and the Western Cape Constitution a provincial law on languages, the *Western Cape Provincial Languages Act, 13 of 1998*, was adopted by the Provincial Parliament.

This was the first language Act in South Africa and is currently still the only one. Other provinces in South Africa have also

taken decisions on using two or more official languages for purposes of government, but nowhere has the issue of languages been addressed so comprehensively and within an innovative and modern legal framework as is the case in the Western Cape.

This *Provincial Languages Act* translated the constitutional requirements regarding the use of official languages into a more practical legal framework by creating a Language Committee for the Western Cape and determining a whole range of practical steps that must enhance the concept of multilingualism within the Western Cape. The Language Committee consists of 11 members representing the three official languages within the Western Cape, namely Afrikaans, English and Xhosa, Sign language and heritage languages. Its mandate is threefold, namely to promote multilingualism, to monitor the use of the three official languages of the Western Cape and to support the development of previously marginalised languages.

What do all these legal arrangements mean in practice? After the initial reaction of many people that it is perhaps impossible or that it will at least take many years to achieve the constitutional aim of recognising the equal status of the three official languages in the Western Cape, a new view is slowly gaining momentum, namely that we all need to approach the constitutional demands and the practical realities of living in a multilingual society positively and creatively. It will certainly take time, but it is achievable. Language diversity is an intellectual, cultural and economic asset that needs to be recognised and utilised.

The establishment of the Language Committee has really kick-started the promotion of multilingualism in the Western Cape. Language diversity is a reality in the Western Cape and forms part of our heritage. Approximately 60% of the inhabitants of the province speak Afrikaans as their mother tongue, while the rest is roughly equally divided between English and Xhosa. This does not mean that many people can speak all three languages. A substantial percentage of the inhabitants can, however, speak two of the three languages.

The Language Committee has a wide scope of activities and a quite daunting task to empower all the people of the Western Cape through language, to enhance human dignity through respect for one another's languages and to promote multilingualism. In the short period of time since its establishment in 1998 it has produced a number of concrete achievements, which include the formulation of a language policy for the Western Cape, providing financial support to projects aimed at improving communication and developing the three official languages and awarding bursaries to post-graduate students for language-related studies.

Some of the key principles of the Western Cape Provincial Government's language policy are:

- The province's language resources must be developed while protecting the language rights of its citizens;
- The language of the target audience will determine the language used by the provincial government in dealing with and providing services to the public;
- A member of the public may use any of the three official languages in communicating with the provincial or local government;
- The provincial and local governments shall serve a person in the language of his/her choice;
- Provincial and local government institutions must decide on their working languages for internal communication; and

- Signage for offices or facilities in provincial and local governments must be in the three official languages.

Some of the practical steps determined by the *Provincial Languages Act* are:

- All three official languages may be used in debates and other proceedings of the Western Cape Provincial Parliament and its committees;
- All legislation and official reports of the Provincial Parliament and its committees must be made available in all three official languages; and
- All official notices and advertisements issued by the Provincial Government for general public information must be issued in Afrikaans, English and Xhosa.

The specific functions of the Language Committee include:

- Monitoring the use of Afrikaans, English and Xhosa by the Western Cape Provincial Government;
- Making recommendations to the Provincial Minister and the Provincial Parliament regarding any proposed legislation, practice and policy dealing with language matters;
- Promoting the principle of multilingualism in the Western Cape;
- Promoting the development of previously marginalised indigenous languages; and
- Advising the Provincial Minister on any other language matter in or affecting the Western Cape with regard to the three official languages.

Language in education

The medium of instruction in primary and secondary schools is either Afrikaans or English, which means that a substantial group of learners do not receive instruction in their mother tongue. Evidence indicates that there is a direct relationship between poor examination results and a lack of mother tongue

education. The Western Cape Minister of Education has recently announced that multilingualism should also be addressed in schools by introducing mother tongue education at least in the formative years in primary school and teaching all learners a third language. An investigation is currently being done into the practical implications of such a policy. The Provincial Government has decided to go this route in order to improve the quality of education across the board, to empower people and to enhance their language skills.

Benefits of multilingualism

In a multilingual and multicultural society such as South Africa multilingualism is not only a reality, but also an important asset that brings a lot of benefits when properly utilized. These include:

- Improving effective communication;
- Enhancing efficiency in business by optimizing the language resources;
- Making education more accessible and of equal value; and
- Improving acceptance and understanding of different cultures and thus contributing to a positive change in attitude regarding different languages and cultures.

These practical measures taken by the Western Cape Provincial Government signify the start of a journey on which the various language communities are all travellers and all have a role to play. Languages develop over time and the proper development and utilisation of multiple languages can even take longer. These measures give expression to the basic values of the South African Constitution, the Bill of Rights and more specifically the language provisions in the national and provincial constitutions. In embarking on this road the Western Cape has not only taken the lead in South Africa but, more importantly, has made a significant contribution in building our constitutional democracy. ⑥