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Editorial Note

The Ethiopian Civil Service University (ECSU), as a capacity building higher learning institution, has been contributing its share in the ongoing process of public sector transformation and development by providing specialized education, training, and consultancy as well as in undertaking problem solving research. Given the current level of development across Ethiopia, ECSU has attached a very great value to research and community service activities. Cognizant of this fact, research and community service have recently been organized as one of the academic wings of the university.

In light of this, among others, two national conferences were organized under the theme of '*Public Sector Transformation and Development*'. The first one was carried out before last year by selecting some eight published research articles from ECSU first batch PhD program candidates' publications, to the attention of conference participants invited from federal and regional public sector institutions, higher education institutions, researchers and academics of the university. The platform was a very interesting knowledge and experience sharing venue for both organizers and participants. The second national conference was organized on the same theme and some twenty nine research works were presented at it. What made this different from the previous one was that most of the papers (i.e., 23 of them) were financed by ECSU and the remaining seven papers were submitted from external researchers through call for papers.

The proceedings of the 2nd national conference on Public Sector Transformation and Development contains 29 research papers on public sector problem areas. The papers have been categorized into two sub themes : Theme one, *Ethics, Public Service Reform and Capacity Building* consists of 15 papers and the remaining 14 papers are placed under theme two which is, *Development, Public Policy, Governance and Cross-Cutting Issues*. Some of these articles are due to be published in the forthcoming, newly introduced journal of ECSU, *African Journal of Leadership and Development (AJOLD)* which coming very soon.

I have the conviction that readers from public sector institutions would consider the findings and recommendations in these proceedings, as an input in their particular area of intervention, as it is found to be relevant. In line with this, I herby would like to confirm that ECSU is always ready to work with you in organizing specific forum of discussion, such as policy brief forum or any kind of discussion aiming at customizing recommendations made in the research outputs. Because, ECSU is committed to providing problem solving research services as part of its mandate of building capacities in the public sector. I also expect from the readers from research and academic community to come up with some kind of initiatives and insights for further research and express interest to work together for our common objectives of transformation and development.

Finally I would like to express my deepest gratitude to the conference organizers, Dr. Alemayehu Debebe, Ato Zigiju Samuel, Ato Gedion Mezmur and W/ro Senait T/haimanot. The managing editor, Zigiju Samuel, who has worked hard to make this proceedings a reality, deserves my heartfelt thanks and sincere appreciations. I also acknowledge the contribution of paper presenters, reviewers, moderators, and facilitators of the conference. Enjoy the reading.

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Message from the Vice President for Research and Community Service

It is a great honor and pleasure for the ECSU leadership in general and for me in particular to host participants drawn from different part of the country who are our key stakeholders, representatives of federal and regional public sector institutions, and colleagues from different higher learning institutions. It is well-known that our country Ethiopia has been in a process of transformation and development and ECSU is charged with a special role in this process. Thus it has made a tremendous contribution in providing specialized education up for public sector leaders and public servants. A great number of public servants have been provided with relevant and tailor made training services that has enabled them to render expected quality public services in various institutions. The recognition made by the federal government during the 20th anniversary of the university as a best performing academic institution in the area of public sector capacity building, serves as one of the inspiring springboard for our proactive involvement in the process of development. As a member of the leadership of ECSU, I feel a great sense of responsibility to work hard in the areas of education, training, consultancy and most particularly in problem solving research and community services.

Currently the university has given due attention to expand its research and community services so that the challenges to implement development policies and strategies could be supported by scientific research findings and recommendations. In line with this, our national research conferences are being organized with main aim of disseminating problem solving research findings to users in the public sector. The research outputs presented at this conference and due to be published in the conference proceedings are done in vital areas of public sector intervention. I believe that the findings and recommendations would be employed to bring about improvement in public sector development.

At this juncture, I would like to affirm that, ECSU would enhance its research and community services further to the level of expectation of the government and the general public. Moreover, ECSU would work hard to fine-tune its research activities with Growth and Transformation Plan of the country. I hope all stakeholders, federal and regional government institutions; particularly the Ministry of Public Service and Human Resource Development would enhance thie support in our endeavor to discharge our responsibilities of building capacities of public sector institutions.

On the whole, I would like to call upon readers of the proceedings to find ways of making use of the research findings so that the intended objectives of our research service are successfully met. The university leadership is always ready to work with all concerned stakeholders in the area of implementing relevant and applicable recommendations mentioned in the proceedings. I would like also to thank the conference organizers, staff members of Research and Publication Coordination office and Center for Research in Ethics and Integrity, and other academic and administrative units and paper presenters who have contributed their efforts to this conference in different ways.

I wish you all the best

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Theme One

Ethics, Public Service Reform and Capacity Building

Job Satisfaction and its Determinants in Addis Ababa: Evidence from Public Employees

*Fassil Sisay Yehuala**

Abstract

Public managers in any country at times find it difficult to disregard the issue of employees' satisfaction with their jobs as it directly affects their productivity and is often a cause of high turnover. This paper explores determinants of civil servants' satisfaction with their jobs in the Addis Ababa City Government, Ethiopia. Data gathered from 372 randomly selected public servants in five sub-cities (Bole, Arada, Yeka, Gulele, and Kirkos) were analyzed by employing an ordered probit model. The major findings revealed that women, averagely educated, and married people reported higher levels of satisfaction with their jobs. This study also indicated an inverted U-shaped relationship between age and satisfaction with jobs. Regarding job-related characteristics, perceived satisfaction with jobs tends to be higher for employees who live in their own house; work in a conducive environment; believe to have a secured job; travel for a short span of time and work for less than five years in their workplace. In addition, respondents in the Bole sub-city and those working in the land administration sector reported a higher satisfaction level with their jobs. Finally, it is recommended that the City Government should get down to and improve the specifics in the work environment; facilitate options for home ownership for civil servants; create scenarios of helping them to have private cars; improve their earnings; and, regularly assess employees' satisfaction with their jobs through research.

Keywords: *Managers, satisfaction with jobs, government employees, Addis Ababa*

1. Introduction

Governments around the world, especially those in developing countries, face complex challenges in enhancing the efficiency of public sector organizations. Employees' satisfaction with their jobs is of interest for public managers as it directly affects productivity and is often a cause of a high turnover of the staff of an institution.

Studying employees' satisfaction in a workplace is valuable because a higher level of one's satisfaction with jobs is supposed to be related to a higher level of one's performance and productivity. Even though the true nature of a potential relationship between employees' job satisfaction and job performance is quite contested (Saari and Judge, 2004), the finding of Organ and Ryan (1995) suggests the relationship to be positive. In addition, a meta-analysis by Judge et al. (2001) has confirmed the same result and the true mean correlation is estimated to be 0.30. Hence, the more satisfied the employees are, the more likely they are to perform better in their jobs.

In any nation, in order to improve their members' satisfaction, labor unions are basically interested in identifying major determinants of employees' satisfaction with their jobs. Employees themselves are interested in studies on their satisfaction with jobs as the studies help them make decisions on obtaining better chances (as in earning promotion or fringe benefits) in their workplaces. Moreover, studies have shown that an employee's job satisfaction has a significant positive impact on his/her overall well-being. Moreover, according to Andersen and Kjeldsen (2010), "job satisfaction is

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closely related to employee[s'] work motivation, which concerns the energy an employee is willing to invest in order to achieve a given objective connected to his work." Thus, it would be impossible to improve the quality of service delivery until employees satisfaction is well-established (Kim and Han, 2013). Therefore, understanding the level of job satisfaction of civil servants is vital.

A modern civil service system in Ethiopia has a long history. A Western style of administrative system is believed to be introduced during the reign of emperor Minilk II in 1907. Since then, the Ethiopian public administration system has gone through a series of reforms on different fronts. The civil service reform program is one of the reform programs that the current government has seriously considered. As part of the civil service reform program, the public service delivery reform sub-program deals with the improvement of service provision in the country. Since this sub-program is embedded in other public administration reform programs, its success or failure has a huge impact on the overall performance of the public administration.

In general, the public service delivery trend of the Ethiopian public service institutions can be regarded currently as inefficient. More specifically, it is characterized as time consuming, costly, incompetent, non-responsive and non-dynamic. Mengesha and Common (2006) emphasize that "public service delivery in Ethiopia can be improved if the commitment, ownership, and the drive for change are in place."

In Ethiopia, studies on employees' job satisfaction are not common. It appears that it is under researched as there are a handful of publications on it. Studies in the remote past in the country focus only on teachers (Mengistu, 2012, Gebremichael and Rao, 2013) and healthcare workers (Mengistu and Bali, 2015). That is, a satisfaction study drawn on different sectors of the civil service is not adequately available yet. In the light of this, this study would be a modest contribution to potential attempts made to fill this gap in the literature as it compares employees' job satisfaction levels across different sectors (i.e. education, trade and industry, land administration, micro and small scale enterprise, and capacity building). The findings in this study would be very important for policy makers and stakeholders to know to what extent public servants in Addis Ababa are satisfied with their jobs and to identify major determinants that influence their job satisfaction.

In line with the above statement of the problem of the study, the main purpose of this research is to explore determinants that influence civil servants' satisfaction with their jobs in the Addis Ababa City Government.

With regard to the structure of this paper, preceded by the introduction section above, section two gives an overview of theoretical and conceptual issues about employees' satisfaction with their jobs. Section three is dedicated to methodological aspects of the study. Section four contains the results and discussions while section five features the conclusions and recommendations.

2. Review of Related Literature

Job satisfaction can be defined as "an overall affective orientation on the part of individuals toward work roles which they are presently occupying"(Kalleberg, 1977). In an article entitled *Work Values and Job Rewards: A Theory of Job Satisfaction*, Kalleberg (1977) empirically examined how job satisfaction of a worker is influenced by *work values* and *job rewards*. Work values refer to "[an] individual's awareness of the condition he [or she] seeks from the work situation, and they regulate his actions in pursuit of that condition." Such values thus refer to "general attitudes

regarding the meaning that an individual attaches to the work role as distinguished from his/her satisfaction with that role.” It is further conceptualized that work values are affected by life related experiences, social roles, or maturity levels (of the worker) which transform into valuation of potential rewards. These rewards reflect potential benefits, both intrinsic and extrinsic, that individuals experience in their own work. Even though a worker cannot influence the distribution of the rewards to any job positions, he/she can “have a certain amount of control over attainment of these positions.” This implies that both work values and job rewards significantly affect workers’ satisfaction or dissatisfaction with their jobs.

2.1 Theories of Job Satisfaction

2.1.1 The Hierarchy of Needs Theory

American psychologist, Abraham Maslow in 1954 developed a theory of human needs. Maslow (1954) arranged the hierarchy of needs of human beings in five levels. In the lowest level, physiological needs (basic needs for our existence such as food, shelter and clothing) are located. The need for safety, the second level of human needs, is about being safe from harm or danger. The desire for love and belongingness is in the third level. Then, the need for esteem follows. Finally, in the highest level of the hierarchy is the need for attaining a sense of fulfillment.

This theory indicates the premise that job satisfaction is dependent upon the fulfillment of the above mentioned human needs in different scenarios and at different times. One has to first fulfill the lowest level needs in order to continue to satisfy the next level need. A person has to satisfy his/her physiological and safety needs before he/she tries to satisfy his/her need for love. However, once an individual satisfies the needs in a particular level of the hierarchy, the needs no longer become motivation factors.

2.1.2 The Two-factor Theory

In 1950s, an American Behavioral scientist called Herzberg suggested two distinct factors – intrinsic factors and extrinsic factors of one’s motivation. The former represents factors leading to job satisfaction (e.g. job recognition, importance of the work, and career development opportunity) whereas the latter signals factors (e.g. salary, job security, working condition, and supervision) that prevent job dissatisfaction. For instance, a good salary is considered as an extrinsic factor that would not cause motivation. However, lack of a good salary would trigger dissatisfaction.

Several authors challenged many decades ago the two-factor theory. In an article titled *Work-Value Systems of White-Collar Workers*, Pennings (1970) argued that Herzberg’s thesis was found to be invalid and reported that there were “considerable and meaningful deviations from such a model when structural characteristics of the organization are taken into account.” Similarly, Ondrack (1974) rejected nearly fifty years ago the theory of Herzberg as his empirical analysis did not yield the two-factor pattern.

2.1.3 The Expectancy Theory

After criticizing Maslow’s and Herzberg’s theories, Victor Vroom suggested a model, with three components: Valence, Instrumentality and Expectancy. Basically, this theory is mostly referred to as the VIE model and, as Lunenburg (2011) put it a few years ago, it bases itself on four assumptions:

One assumption is that people join organizations with expectations about their needs, motivations, and past experiences. These influence how individuals react to the organization. A second assumption is that an individual's behavior is a result of conscious choice. That is, people are free to choose those behaviors suggested by their own expectancy calculations. A third assumption is that people want different things from the organization (e.g., good salary, job security, advancement, and challenge). A fourth assumption is that people will choose among alternatives so as to optimize outcomes for them personally.

2.1.4 The Equity Theory

In 1960s, Adam devised the theory of equity proposing that employees have the tendency to compare their outcome-input ratio with that of other colleagues. In other words, an employee compares the input he/she puts into work-related activity and the reward he/she receives because of it with the input other employees inject and the reward they get. If they perceive that they are treated unfairly, their level of job satisfaction is likely to shrink.

2.1.5 The Goal-setting Theory

According to the goal-setting theory, job satisfaction of employees is explained by their goal. Locke (1996) argues that “goals serve as standards of self satisfaction, with harder goals demanding higher accomplishment in order to attain self-satisfaction than easy goals.” The theory assumes a linear and positive relationship between the difficulty of the goal and task performance, given that the performer has a clear goal and an ability and commitment to accomplish it (Locke and Latham, 2006).

2.2 Determinants of Job Satisfaction

According to the theories discussed previously, there are a number of factors that determine job satisfaction of employees. Such variables can be classified as workers' demographic characteristics (age, gender, marital status, education, health status, parenthood, family size, etc), and job related characteristics (salary, income, professional status, activity sector, etc). The main determinants of satisfaction in a work place are presented as follows.

2.2.1 Demographic Characteristics

- **Gender**

Many researchers investigated the relationship between gender and job satisfaction. In most cases, it has been found that the level of job satisfaction for women is found to be much higher than that of men (Kim, 2005, McDuff, 2001, Clark, 1997, Bender et al., 2005, Kifle and Kler, 2007, Fiorillo and Nappo, 2011, Scott et al., 2005). A study on protestant clergy shows the existence of gender paradox within work satisfaction indicating that female clergy are more satisfied than their male counterparts even though they are treated unfairly, paid less salary and had smaller chances for career development (McDuff, 2001).

However, there are some contradictory results in the literature concerning the effect of gender. For instance, using data from Bangladesh, Azim et al. (2013) have indicated that gender and job satisfaction are not related. Furthermore, a study from Colombia indicates that “women tend to be less satisfied at work as the number of children increases, while men are more prone to satisfaction at work when they are single thus showing the importance given to the use of their own time” (Gamboa et al., 2011).

- **Age**

Regarding the impact of age on one's job satisfaction, studies have reported different findings. Earlier studies (Saleh and Otis, 1964, Clark et al., 1996, Blanchflower and Oswald, 2004, Gazioğlu and Tansel, 2002, Fiorillo and Nappo, 2011) suggest an inverted U-shaped relationship between job satisfaction and age. On the contrary, some recent studies claim a U-shaped relationship. That is, at the beginning of their jobs employees level of job satisfaction becomes high, in the middle ages it decrease, and then it return to higher level later on. It is argued that young people report higher level of one's job satisfaction because they have less expectation as they are fresh for work and also because getting a job in itself is an achievement especially during a high level of unemployment. As time goes by, they tend to feel less satisfied with their job because their expectation grows over time. Moreover, at some point, they tend to compare their jobs with those of their colleagues and start to develop discouraging attitudes towards their jobs (Clark et al., 1996).

The U-shaped relationship between job satisfaction and age is apparent for both men and women (Mumford and Smith, 2008). Empirical findings of some studies indicate that age does not significantly affect job satisfaction (Scott et al., 2005).

- **Marital status**

Previous empirical findings concerning the relationship between marital status and job satisfaction seem to be inconsistent. Drawing on data from Italy, (Fiorillo and Nappo, 2011) , reported that Italian married and widowed workers are more satisfied with their jobs than singles. However, (Gazioğlu and Tansel, 2002) have reported “married employees are less satisfied with their job than [...] single ones by all four measures of satisfaction”. Some studies (Azim et al., 2013, Scott et al., 2005), on the other hand, have reported that marital status and job satisfaction are not related at all.

- **Education**

Previous studies (Farooq et al., 2008, Clark and Oswald, 1995) reported that the relationship between education and job satisfaction is negative. It is stated that this negative relationship is due to the fact that basically as the level of education increases people's expectation also increases. It is further argued that highly educated people tend to be overqualified for most of the jobs available in the labor market. Hence, they would be dissatisfied due to the mismatch between the work they are doing and their level of education.

- **Health status**

After examining western Europeans' job satisfaction based on the European Community Household Panel Survey (1994-2001), Ahn and García (2004) reported that “health turns out to be a single most important determinant of overall job satisfaction.” Other studies also reported that the health status of workers seems to positively affect job satisfaction (Clark et al., 1996, Fiorillo and Nappo, 2011, Gazioğlu and Tansel, 2002). The healthier the person, the more satisfied he/she would be in his/her job.

- **Parenthood and household size**

Previous studies suggest that the effect of family size on job satisfaction is negative. The more people live in a worker's household, the lesser the job satisfaction of the worker (Fiorillo and Nappo, 2011).

According to Pouwels (2011), “becoming a parent raises one's happiness levels, but only temporarily. Almost immediately after the birth of the child, happiness levels drop and both

mothers and fathers become unhappier than they were before.” For Booth and Ours (2008), family characteristic is not a significant factor in job satisfaction.

- **Housing**

In the literature, housing is reported as an important predictor of job satisfaction. Results from previous studies pointed out “that there are significant relationships among the variables of housing, life, and job satisfaction” (Keller et al., 1997). Other studies (Fiorillo and Nappo, 2011) also asserted that housing satisfaction is directly associated with satisfaction in a work place.

2.2.2 Job Characteristics

- **Salary**

In many job satisfaction studies, personal wage (salary) is found to be an important predictor of employees’ satisfaction in their workplace. It is found that workers with a higher salary would be more satisfied than those with lower salary. For instance, *Clark et al. (1996)* reported that unlike the case of age, there is a direct association between salary and job satisfaction. Some other scholars (*Al-Zoubi, 2012*) argue that the relationship is curvilinear rather than linear. However, *Brown et al. (2005)* argued that “workers do not care solely about their absolute level of pay, nor are they concerned solely with their income relative to the average remuneration around them.”

- **Job security**

One’s satisfaction in one’s work place can be influenced by one’s job security. Workers that worry much about being laid off would most likely report a lower level of job satisfaction than those who perceive otherwise (*Blanchflower and Oswald, 1999*). In other words, the more secured a job is, the higher the employee’s job satisfaction. The same result was also attested in a study by *Gazioğlu and Tansel (2002)*.

- **Job Category, workload and work experience**

Regarding employment category, studies have indicated that supervisors are more satisfied with their job than others (*Blanchflower and Oswald, 1999*). Besides, workload is an important factor in determining a worker’s job satisfaction. People working beyond their capacity are less likely to be satisfied because of over burden. Similarly, underemployed workers are less likely to be satisfied with their jobs seeing that they do not fully utilize their abilities and experiences (*Addy et al., 2012*).

- **Working environment and commuting**

The relationship between one’s job satisfaction and working environment in an organization is reported to be positive (*Gazioğlu and Tansel, 2002*). Moreover, employees who commute short distances are believed to have higher level of job satisfaction than those who travel for longer distance.

3. The Methods

3.1 Methods of Sampling

The population of this study covers public servants working for the Addis Ababa City Government which is divided into 10 sub cities. For the data collection, through a purposive sampling, a three-stage sample design was applied. At the first stage, the primary sampling units (PSUs) were selected. Accordingly, five sub-cities (namely, Bole, Arada, Yeka, Gulele, and Kirkos) were selected at random. At the second stage of sampling, sectors within selected primary sampling units were selected. From each sub-city, five sectors (namely, Education Office, Micro and Small-scale

Enterprise Office, Land Administration Office, Capacity Building Offices, and Trade and Industry Office) were selected. Finally, sub-city level civil servants were randomly chosen.

To come up with a conservative sample size, Kothari (2004) advises researchers “to take the value of $p = 0.5$ where ‘n’ would be the maximum and the sample would yield at least the desired precision”. This would be the most conservative sample size assuming 95% confidence level and $P = .5$. In this regard, Cochran (1977) provided a simplified formula to calculate a sample size when information about the population is not available.

$$n = \frac{z^2 p q}{e^2} \dots\dots\dots (1)$$

Where n = desired sample size

Z = the value of the standard variate at a given confidence level and to be worked out based on a table and Normal Curve; (Z statistic = 1.96)

p = population proportion (0.5)

q = 1-q (0.5)

e = acceptable error (0.05)

The sample size in this study features 384 employees and has been calculated drawing on the above formula. In order to compensate for non-responses, additional (30%) employees were included in the survey (Israel, 1992). Accordingly, copies of the questionnaire were distributed among 500 sub-city-level public servants. Basically, the questionnaire was designed to gather basic demographic information, job related characteristics and employees’ level of job satisfaction. All the data for this study were gathered during summer in 2015 and the overall response rate was 75.2%. After cleaning the data for missing values, 372 cases were used for econometric analysis.

3.2 Operationalization

3.2.1 Dependent Variable: Job Satisfaction Index

To measure job satisfaction in a comprehensive manner, an index that contains several aspects of job satisfaction was developed. Based on the literature review, a set of seven satisfaction questions was prepared in line with variables indicating satisfaction in terms of earnings, type of job, job security, job environment, house-work distance, job time and work in general. Each of the seven items had 10 possible choices: from 1 (not satisfied at all) to 10 (fully satisfied).

After identifying the outliers, normality, and linearity, factor analysis was conducted. As a matter of fact, so as to find out whether or not a single scale could be extracted from the list of seven items, the principal component analysis (PCA) was considered ideal (Krishnan, 2010) and the Kaiser-Meyer-Olkin (*KMO*) test, a test that checks the suitability of doing factor analysis, produced a result of 0.902, which is higher than the adequate value 0.7. Bartlett's sphericity test was significant at the 0.001 level indicating the variables in the population correlation matrix were correlated. The graphical inspection of the scree plot suggests that since there is only one factor with an Eigen value greater than 1, only one factor should be extracted. Furthermore, a reliability test, a measure of the internal consistency (Spector, 1992), was conducted to see whether or not all the seven items belong to the scale. The seven variables were combined to form a single scale that measured job satisfaction of civil servants (Cronbach's $\alpha = 0.897$).

In order to get an index for job satisfaction, the most commonly used approach is to calculate the average of the items in the scale (Hair et al., 2009). Thus, scores on all seven items stated above were summed up and averaged, and higher scores of job satisfaction index imply the higher overall level of job satisfaction.

3.2.2 Independent Variables

According to the theoretical and empirical literature discussed in section two, a number of variables explain job satisfaction of workers and they can be classified as either demographic characteristics or variables related to work. Table 1 provides operational definitions of the independent variables.

Table 1: Description of Independent Variables

	Variable	Description
Demographic Variables	Age	An employee's age in years (continuous). Suspecting a non-linear relationship between age and job satisfaction, a test for nonlinearity with a quadratic term is conducted.
	Gender	Gender of the employee (categorical)
	Marital status	Marital status of the employee.
	Education	Educational qualification of the employee, categorized into three categories.
	Household Income	The current total monthly net household income (in Ethiopian Birr). The variable is transformed into natural log to maintain the non-linear relationship between household income and job satisfaction.
	Health Status	Respondents are asked if they have any chronic physical or mental health problem, illness, or disability (Categorical)
	Parenthood	Being a parent to children 14 years or younger (Categorical)
	Number of Children	Number of children (Continuous)
	Family size	Size of the household (Continuous)
	Housing	Housing condition (Categorical)
Job-Related Characteristics	Salary	Monthly salary in local currency (Ethiopian birr) is used. The variable is transformed into its logarithm.
	Job Security	Do you feel secured at your job (Categorical)
	Working environment	Is there conducive working environment? (Categorical)
	Sector	In which government sector are you working for? (Categorical)
	Sub-City	In which sub-city are you working for? (Categorical)
	Job category	Respondents are asked if they are supervisors or experts (categorical)
	Work Experience	Years of work experience (Categorical)
	Workload	How do you evaluate your workload (Categorical)
	Commuting	How far away is your office from your home? (Categorical)

Source: Author's conceptualization based on the literature review

3.3 The Econometric Model

Several studies employ different estimation techniques of the determinants of one's job satisfaction. This difference is due to the difference in assumption on the cardinal and ordinal nature of job satisfaction scales. Despite the fact that Ordinary Least Squares (OLS) regression suffers from many limitations (e.g. heteroskedasticity), in cases where dependent variables are ordinal, some researchers (Andreassi et al., 2012, Ahn and García, 2004, Durst and DeSantis, 1997, Kim, 2005) opt for it mainly for the sake of simplicity. Others (Clark et al., 1996, Vanin, 2001, Gazioğlu and Tansel, 2002, Nuland, 2007, Gamboa et al., 2011, Clark and Oswald, 1995, Fiorillo and Nappo, 2011, Mumford and Smith, 2008), on the other hand, employ an ordered probit technique taking into consideration the cardinal nature of job satisfaction scales.

Taking job satisfaction scale as continuous variable is invalid because it is difficult to assume that a person with job satisfaction index of eight points is twice as satisfied with his/her job as a person

with four points. Considering the fact that the dependent variable, job satisfaction index, is ordinal in nature, this study opts for ordered probit model. Jackman (2000) suggests a number of equations regarding the ordered probit model which assumes that the latent variable, y^* , is expressed as follows:

$$y_i^* = \beta x_i + \varepsilon_i, \varepsilon_i \sim N(0, 1), V_i = 1, \dots, N. \dots\dots\dots(2)$$

Where the observable ordered variable y_i , takes on values 0 through m

As discussed in section thereof this paper Job Satisfaction (JS) of employees is determined by a number of factors. Mathematically the relationship can be written as follows:

$$JS_i^* = \alpha + \beta x_i + \varepsilon_i \dots\dots\dots(3)$$

Where JS_i^* is the latent job satisfaction variable; x_i = determinants of JS; and ε_i = residual or unexplained part of the model.

$$P[JS_i = j] = \Phi(\mu_j - \alpha - \beta x_i) - \Phi(\mu_{j-1} - \alpha - \beta x_i) \dots\dots(4)$$

Where j takes a value from 0 to 10, μ_j is defined as $JS_i = j$ when $\mu_{j-1} < y_i^* \leq \mu_j$

4. Results and Discussions

4.1 Descriptive Statistics

The average age of the participants in this study is 34 years (SD=8.741), ranging from 17 to 60. As shown in Table 2, while the minimum family size is 1 and the maximum is 11, the average family size of civil servants in Addis Ababa is 3 (SD=2.179). The highest monthly salary of the respondents is 8,200 ETB (Ethiopian Birr) and the lowest salary is 617 ETB. The footnotes on the recent (2008 E.C) salary (scale updates) of government employees as in teaching are needed. On average, the sample civil servants in Addis Ababa earn about 3,600 ETB per month.

Table 2:Demographic Characteristics

	N	Minimum	Maximum	Mean	SD
Age	375	17	60	34.11	8.741
Family size	376	1	11	3.12	2.179
Number of children	375	0	7	1.00	1.315
Gross monthly salary	373	617	8200	3559.86	1318.328

Source: Field Survey, 2015

SD = Standard Deviation

Out of the 376 respondents, the male respondents constitute 54.79%, which is not statistically significantly different from 50% ($z=1.32$). This indicates that the gender composition of the sample respondents is in line with the gender composition in Ethiopian civil service. For this analysis marital status is categorized in two groups as married and non-married. The non-married category includes those who are single, widowed, divorced or separated. Out of the civil servants who filled out the questionnaire, nearly half (55.05%, $z=1.39$) are married. The majority (63.5%, $z=3.74$) of the 376 sample respondents have a minimum educational level with a bachelor or master's degree (upper level), whilst 141 (37.5 %) possess an educational level with a diploma or below a diploma (i.e. a certificate). This indicates that most of the respondents are well-educated.

Table 3: Cross Tabulation: Sector by Sub-city

Sector		Capacity ¹	Education	Trade & Industry	Land Admin.	MSE ²	Total
Sub-City	Arada	12(3.2%)	7(1.9%)	10(2.7%)	12(3.2%)	19(5.1%)	60(16.0%)
	Bole	19(5.1%)	13(3.5%)	20(5.3%)	18(4.8%)	16(4.3%)	86(22.9%)
	Yeka	22(5.9%)	13(3.5%)	13(3.5%)	16(4.3%)	14(3.7%)	78 (20.7%)
	Kirkos	14(3.7%)	14(3.7%)	9(2.4%)	15(4.0%)	14(3.7%)	66(17.6%)
	Gulele	19(5.1%)	12(3.2%)	16(4.3%)	20(5.3%)	19(5.1%)	86(22.9%)
	Total	86(22.9%)	59(15.7%)	68(18.1%)	81(21.5%)	82(21.8%)	376(100.0%)

Source: Field Survey, 2015

Table 3 features nearly half of the respondents (46.28%) have been working for a short span of time (1 to 5 years) in the public sector organization they are currently working for. Respondents who have more than five years occupational experiences and those who have worked for less than one year constitute 27.39% and 26.33%, respectively. This reveals that a significant proportion of the respondents (72.61%) have worked for less than 5 years in their respective public service organizations.

What follows in Table 4 is the level of employees' satisfaction in line with the seven set of satisfaction indicators: earnings, type of job, job security, job environment, house-work distance, job time and work in general.

Table 4: Level of Employees' Job Satisfaction

Indicators	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Earnings/Salary	19 (5.1%)	42 (11.2%)	107 (28.5%)	63 (16.8%)	145(38.6%)
Type of work	81 (21.5%)	70 (18.6%)	115 (30.6%)	48 (12.8%)	62 (16.5%)
Job security	69 (18.4%)	71 (18.9%)	95 (25.3%)	57 (15.2%)	84 (22.3%)
Job environment	61 (16.2%)	63 (16.8%)	94 (25.0%)	64 (17.0%)	94 (25.0%)
Commuting	81 (21.5%)	53 (14.1%)	104 (27.7%)	49 (13.0%)	89 (23.7%)
Work load	89 (23.7%)	77 (20.5%)	121 (32.2%)	40 (10.6%)	49 (13.0%)
Overall job satisfaction	90 (23.9%)	65 (17.3%)	108 (28.7%)	43 (11.4%)	70 (18.6%)

Source: Field Survey, 2015

The results in Table 4 imply that nearly half of the civil servants (55.4%, $z=1.48$) are either dissatisfied or highly dissatisfied with their salary but very few (i.e., significantly less than 50% of) the sample employees (16.3 percent, $z=-9.82$) are either satisfied or very satisfied with their pay. The ratings also signal that employees satisfied and highly satisfied with job security, job environment and distance to work place type of work account for about 35 percent each and those satisfied with their type of work and work load account slightly for more than 40 percent. Asked to explain how satisfied or dissatisfied with their jobs the employees were, 41.2 percent of the respondents stated that they were satisfied or highly satisfied; 28.7 percent of them opted for moderately satisfied; the remaining 30 percent chose the options dissatisfied or highly dissatisfied. Therefore, civil servants in Addis Ababa, in most cases, appear to be less satisfied with their salary but, to some extent, more satisfied with their jobs in terms of the other indicators of one's job satisfaction.

¹ Recently changed to public service and human resources development office

² Micro and small scale enterprises office

4.2 Econometric Results

In Table 5, a number of findings containing different ordered probit estimates of one's job satisfaction are presented. Model 1 contains variables measuring demographic characteristics of the sample employees. Model 2 adds job-related variables to the list of variables in Model 1. Finally, Model 3 includes salary. In each regression, the dependent variable is job satisfaction index (JSI).

Table 5: Regression Results: Ordered Probit

	Model 1	Model 2	Model 3
Demographic Characteristics			
Gender (Ref: Male)			
Female	0.252 (0.121)*	0.264 (0.133)*	0.273(0.136)*
Age	-0.001(0.049)	0.148 (0.052) **	0.143(0.054)**
Age Squared/100	0.007(0.063)	-0.178 (0.067) **	-0.173(0.068)*
Family size	-0.021(0.038)	0.012(0.039)	0.012(0.039)
Number of Children	0.094(0.076)	0.048(0.079)	0.046(0.079)
Child below 14 (Ref: Yes)			
No	0.197(0.157)	0.135(0.161)	0.131(0.161)
Marital Status (Ref: Non-Married)			
Married	0.327 (0.131) *	0.161(0.136)	0.1563(0.137)
Education (Ref: BA and above)			
Grade 12 and below	0.481(0.323)	0.564(0.364)	0.632(0.420)
Certificate and Diploma	0.489(0.122)***	0.377(0.142) **	0.394(0.151) **
Housing (Ref: Own house)			
Rental house	-0.469 (0.144)**	-0.347(0.151) *	-0.348(0.151) **
Health Problem (Ref: Yes)			
No	0.268 (0.168)	0.288 (0.171)	0.283 (0.172)
Job Related Characteristics			
Sector (Ref: MSE)			
Capacity Building		-0.026(0.166)	-0.027(0.166)
Education		0.128(0.191)	0.131(0.192)
Trade and Industry		0.007(0.182)	0.008(0.182)
Land Administration		0.425(0.184)*	0.404(0.194)*
Sub-City (Ref: Gulele)			
Arada		0.218(0.183)	0.219(0.183)
Bole		0.354(0.166)*	0.355(0.166)*
Yeka		0.251(0.168)	0.247(0.169)
Kirkos		-0.062 (0.171)	-0.075 (0.172)
Job position (Ref: Manager)			
Expert		-0.227(0.187)	-0.217(0.190)
Work Experience (Ref: >5 years)			
<1 year		0.587 (0.187) **	0.595 (0.175) **
1 to 5 years		0.287 (0.139)*	0.290 (0.140)*
Commuting distance (Ref: Far)			
Near		0.717 (0.132) ***	0.717(0.132) ***
Work Environment (Ref: conducive)			
Not Conducive		-0.757 (0.135) ***	-0.756(0.135) ***
Job Security (Ref: Secured)			
Not Secured		-0.675(0.132) ***	-0.681(0.133) ***
Workload (Ref: Above capacity)			
Below capacity		0.815 (0.292) **	0.814(0.292) **

Balanced		1.362(0.293) ***	1.358(0.294) ***
Gross monthly salary (log)			0.152(0.466)
N	372	372	372
Pseudo R ² (Nagelkerke)	0.185	0.527	0.528
-2 Log Likelihood	2815.930	2743.236	2743.131

Source: Field Survey, 2015

Note: *, **, and *** P<0.05, P<0.01, and P<0.001 respectively. Standard errors in parenthesis

4.2.1 Demographic Characteristics

• Gender

The result (cf. Table 5) shows that the coefficient for females is found to be positive and statistically significant in the three models. This indicates that women, in most cases, are more satisfied with their jobs than men. This finding confirms the findings in other studies (Kim, 2005, McDuff, 2001, Clark, 1997, Bender et al., 2005, Kifle and Kler, 2007, Fiorillo and Nappo, 2011, Scott et al., 2005).

The reasons are at times that women have lower level of expectations and hence can easily be satisfied with their job (Clark, 1997). At this juncture, one may ask, ‘what if only relatively happy females are interested in joining the labor market?’ However, the question of self-selection bias is found to be false (Clark, 1997, Kifle and Kler, 2007).

According to Dekel and Pauzner (2011), the reason for such disparities by gender is because men and women have different motives of choosing their jobs, that is, “women [shift] into their more satisfying jobs and forgoing income [...], while interestingly men shift into higher income jobs, forgoing job satisfaction”. Furthermore, Bender et al. (2005) confirmed that the gender paradox exists even in female dominated workplaces since female workers “value job flexibility and so choose to dominate the workplaces that provide job flexibility.”

• Age

As indicated in section two, the true relationship between age and job satisfaction is not resolved as different studies have revealed dissimilar results. This study indicates a non-linear relationship between age and job satisfaction index. Unlike the findings of Clark et al. (1996), Blanchflower and Oswald (2004), Gazioğlu and Tansel (2002), Fiorillo and Nappo (2011), the non-linearity relationship, in this case, is an inverted U-shaped relationship (cf. Model 2 and Model 3). That is, as age increases job satisfaction index initially increases, reaches a maximum point, and then decreases. This supports the argument of Saleh and Otis (1964) that the youngest and oldest employees are the least satisfied.

• Education

In the descriptive analysis, it was found that certificate and diploma holders (middle level education) reported a higher level of job satisfaction than others. The satisfaction level of individuals with lower level education (high school and below) is not found to be significantly different from that of the individuals with a bachelor or a master’s degree (which indicate a higher level of education). The finding that highly educated employees are less satisfied with their job is in conformity with the findings of previous studies (Farooq et al., 2008, Clark and Oswald, 1995). The least educated are less satisfied. The reason seems to be highly trained workers are underutilized whereas the least educated are overburdened.

• Marital Status

As reported under Model 1 of Table 5, it seems that married employees are more satisfied with their jobs than the non-married ones. However, when job related characteristics are controlled for, the

difference between married and unmarried employees vanishes (cf. Model 2 and Model 3). Similar to Scott et al. (2005) and Azim et al. (2013), this paper confirms that, keeping relevant factors constant, marital status and job satisfaction are not related.

- **Family Characteristics**

In line with Booth and Ours (2008), this study shows that family characteristics do not significantly affect one's job satisfaction. Even though previous studies find a negative relationship – the more the members in employees' families, the less satisfied the employees are with their jobs (Fiorillo and Nappo, 2011). This paper claims that family size does not have significant effect on an employee's job satisfaction. Contrary to Booth and Ours (2008), neither the number of children nor having children under 14 significantly affects workers job satisfaction.

- **Health Status**

Contrary to Ahn and García (2004), this study indicates that health is not an important factor in determining an employee's job satisfaction in the Addis Ababa City Government. There is no significant difference in a government employee's job satisfaction for workers who rated their health status healthy.

- **Housing**

In this study, housing has been found to be one of the indicators of one's job satisfaction. The coefficient for rental house is negative and statistically significant thereby indicating that employees living in rental houses tend to have a lower level of job satisfaction as compared to individuals living in their own house. As discussed in section two, this finding is in line with that of Fiorillo and Nappo (2011), and Keller et al. (1997).

4.2.2 Job Related Characteristics

- **Job Satisfaction across Sectors**

This paper also aims at analyzing whether or not there is a difference in the respondents' job satisfaction in different sectors. In Model 2 (cf. Table 5), it can be seen that employees working in the land administration sector tend to have a higher level of job satisfaction than other sectors.

Table 6 shows that almost half of the employees working in the land administration sector earn more than 4,500 ETB (about 225 USD) per month. One can assume that the difference could be because land administration workers earn a higher salary than others. However, as reported under Model 3 (cf. Table 5), when salary is controlled for, civil servants working in land administration department still tend to have a higher level of job satisfaction. Hence, factors other than salary are influential for the difference in employees' job satisfaction in different sectors.

Table 6: Gross Monthly Salary by Sector

		Gross Monthly Salary in ETB				Total
		<1500	1500-3000	3000-4500	>4500	
Sector	Capacity Building	3(3.5%)	30(34.9%)	46(53.5%)	7(8.1%)	86(100%)
	Education	4(6.8%)	18(30.5%)	25(42.4%)	12(20.3%)	59(100%)
	Trade and Industry	1(1.5%)	18(26.5%)	47(69.1%)	2(2.9%)	68(100%)
	Land Administration	4(4.9%)	19(23.5%)	18(22.2%)	40(49.4%)	81(100%)
	MSE	2(2.5%)	26(32.9%)	46(58.2)	5(6.3%)	79(100%)
	Total	14(3.8%)	111(29.8%)	182(48.8%)	66(17.7%)	373(100%)

Source: Field Survey, 2015

Land is a very important asset in Ethiopia in general and in Addis Ababa in particular. The high value of land mainly causes the land sector to be predominantly prone to corruption in Ethiopia

(Lindner, 2014). Because of bribery and informal fees, income (other than salary) of civil servants working in the land administration sector may be significantly higher than others. This, in turn, could lead to a higher level of the employees' job satisfaction. This appears to be a reason for the empirical findings that workers from the land sector have a higher level of job satisfaction than other employees.

- **Job Satisfaction across Sub-cities**

This study, after keeping other relevant factors constant, shows that individuals working in Bole Sub-city tend to have a higher level of job satisfaction. This indicates that a level of one's satisfaction in a workplace in Addis Ababa varies from a sub-city to sub-city.

- **Salary**

Many studies associate a high pay with a high level of one's job satisfaction. In this paper, however, salary does not have a significant effect on an employee's job satisfaction. Brown et al. (2005) reported a similar finding.

- **Job Security**

One's job security as a variable measures how the respondent feels about the security of his/her job. As shown in Table 5, the coefficient for individuals who feel insecure is negative and statistically significant. This indicates that job satisfaction is higher for those with positive perception towards the security of their jobs. Similar to Blanchflower and Oswald (1999) and Gazioglu and Tansel (2002), the more secure an employee feels about his/her job, the higher his/her job satisfaction.

- **Job Category, Workload and Work Experience**

With regard to job position, the result indicates that managers do not have significantly different level of job satisfaction as compared to experts (professional workers). Experts and those in supervisory positions reported the same level of satisfaction index. Regarding work load, however, workers whose workload is beyond their capacity, tend to have a lower level of job satisfaction. Contrary to Addy et al. (2012), underemployed civil servants seem to be as happy as workers with balanced work load. Concerning work experiences in employees' current organizations, findings of this study indicate that the longer an individual works in the same organization, the lesser his/her level of job satisfaction.

- **Commuting and Working Environment**

In this study, commuting for a longer distance is found to be associated with lesser level of job satisfaction. In addition, employees who perceive the work environment in their organization as conducive tend to have a higher level of job satisfaction. Employees doing a task, which is less than or equal to their capacity, reported a higher level of job satisfaction than those working above their capacity.

5. Conclusions and Recommendations

5.1 Conclusions

This paper presents an empirical analysis of the determinants of job satisfaction in Addis Ababa considering a variety of personal and job related characteristics. Drawing on an ordered probit analysis, some interesting findings have been indicated in the study.

Both individual and job characteristics explain job satisfaction of civil servants. Women are more satisfied than men; job satisfaction has an inverted U-shape relation with age; highly educated and the least educated are less satisfied relative to averagely educated; the married ones are more satisfied than the unmarried ones; family characteristics do not have a significant effect on job satisfaction of workers; health problems do not significantly affect job satisfaction; and living in a rental house have lower job satisfaction than living in one's own house.

Furthermore, individuals working for Bole sub-city administration as well as those working in land administration sector have a higher job satisfaction. More than half of the civil servants were dissatisfied or highly dissatisfied with their pay. However, salary does not significantly affect overall job satisfaction index. What is more, a good working environment produces higher levels of job satisfaction; commuting for longer hours reduces job satisfaction; civil servants who worked for less than 5 years in current organization report higher level of job satisfaction than those worked for five years and above; job security increases one's job satisfaction; and working above workers' capacity leads to a lower level of satisfaction in a work place.

5.2 Recommendations

Given the above conclusions, special attention should be paid by the Addis Ababa City Government and its stakeholders to:

- *Improve employees' working environment:* As indicated above (cf. section four) a working environment significantly affects the way workers feel about their jobs and ultimate consequences of their performance.
- *Facilitate paths to home ownership for civil servants:* Owning a home is an important predictor of satisfaction of workers in a work place. However, as civil servants are especially vulnerable to financial constraints, they remain unable to become homeowners.
- *Provide support in order for civil servants to become car owners:* The recent initiative by the government to provide public transport services for civil servants is an encouraging incentive. Furthermore, as commuting for a longer distance is still associated with a lower level of job satisfaction, actions have to be taken in this regard, as well. A potential solution can be to design a mechanism that would help public servants get a car at an affordable price (based on willingness and ability to pay, and in collaboration with (if possible, duty-free) car importers as well as the customs authority.
- *Improve civil servants' earnings:* Even though salary does not significantly affect the overall job satisfaction index, many respondents have expressed their dissatisfaction in terms of earning. The Addis Ababa City Government should design a mechanism to improve earnings of civil servants. Nevertheless, this does not mean that salary should be increased for all. Rather, a performance based salary structure, which links payment and performance outcomes, needs to be much better than ever before.
- *Regularly assessing employees' job satisfaction:* Job satisfaction studies are not common in Ethiopia. In order to meaningfully minimize problems with employees' level of job satisfaction and to figure out the most frequent determinants of their job satisfaction, conducting a timely survey (e.g. once a year as there is a high turnover in many government institutions in Addis Ababa nowadays) is highly recommended.

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The Implementation of Human Resource Management Reform Program and Practices of Professionalism in Selected Cities in Ethiopia

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Abstract

The purpose of this study was to examine the implementation of human resource management reform sub-program and practices of professionalism in the civil service institutions of selected five cities in Ethiopia. Data for the study were collected from 498 civil servants selected by employing simple random sampling and analyzed featuring thematic analysis and descriptive statistics. The study revealed that implementation of the components of HRM reform varies across the sampled cities. Mekelle and Hawassa cities are relatively in a better position followed by Adama and Harar cities. However, Asossa city is far from implementing the HRM reform sub-program. On top of this, components of the reform such as human resource planning, performance appraisal, recruitment and selection, remuneration and benefit packages have not been successfully implemented. Concerning the practices of professionalism, some improvements have been found in some areas such as competency of the civil servants, ethics and courtesy as well as compliance with the civil service law. However, a high level of affiliation of the civil servants with the ruling party together with political interference in the promotion, recruitment and selection of civil servants have been identified in this study. Therefore, it is recommended that the national, regional and local governments of Ethiopia should limit politicization of the civil service and show its genuine commitment for the implementation and enhancement of merit system and neutrality. Furthermore, the government needs to reconsider the threshold of tax exemption and to undertake family budget survey for decisions on the civil servants' salary scale.

Keywords: *Human Resource Reform, Professionalism, Civil Service, Ethiopia*

1. Introduction

The origin of the civil service dates back to 3000 B.C, i.e to the heydays of the ancient Egyptian civilization (Das 1998). In the nineteenth century, industrialized countries were engaged in professionalizing the civil service through civil service reform programs to curb the challenges like inefficiency and ineffectiveness, lack of the required knowledge, skill and attitude, nepotism, scandals, and corruption from which the civil service had been suffering from (ibid). In Africa, the issue of civil service reform and professionalism emerged mainly in the years that followed immediately after the independence of many African nations .It was highly influenced by the single party, and as a result, - the civil service created was inefficient and ineffective. The civil servants' poor performance made the African civil service subject to continuous reform since the 1970s and still they are the objects of reform in the governance structure of Africa because the civil service is unprofessional and has failed to meet public expectations (Bertucci 1998).

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Promoting professionalism in the civil service has become a central agenda for - governments, which are dedicated and committed to serving the country and the public interest. The assumption is that- it is only through a professional civil service system that governments can reach out for the public and successfully implement their development policies and strategies - (Klingner and Nalbandian 1993). Professionalized civil service institutions within a country are the guarantee for effective and efficient utilization of scarce resources, quality service delivery and customers' satisfaction (meeting citizens' expectations) and insuring over all national sustainable development (Adebabay 2011).

The beginning of modern civil service in Ethiopia dates back to 1907 when Emperor Menelik II initiated the formation of few ministers. Later Emperor Haileselassie I introduced various reform measures in modernizing public administration and in the appointment of salaried and educated personnel in the civil service based on the criteria of loyalty to the monarch and their family status rather than merit (Tilaye 2007). The *derg* (1974-1991) continued the centralization policy of the Emperor and seriously affected the development and professionalism of the civil service (Tilaye 2007). Generally, the civil service during the three regimes was not a neutral policy implementer, responsive to the peoples' interests, impartial, transparent, and accountable; among others, the civil service, as an institution was not professional and loyal to the public.

After the downfall of the Derg regime (since 1991), the current Government of the Federal Democratic Republic of Ethiopia has been taking some encouraging initiatives and reforms in economic, political and socio-cultural aspects against unprofessional, undemocratic and backward systems of the civil service in the past regimes. Among these - are the Civil Service Reform Program (CSRP) in general and the Human Resource Management (HRM) Reform Sub-Program in particular?

The rationale behind reforming and professionalizing the civil service is to retain competent, effective and efficient, innovative civil servants acquainted with the desired standards of knowledge, skill and attitude to serve the public interests impartially and in an ethical manner. Some of the pillars of HRM Reform programs relevant to promote civil service professionalism include using the principle of merit as a criterion for the recruitment, selection, performance evaluation, promotion and professional advancement of civil servants, effective human resource training and development functions, flourishing ethical principles and accountability in the civil service (Adebabay 2011).

However, in this regard, -the Ethiopian civil service system is still facing complicated problems. The international anti-corruption watchdog, Transparency International, -ranked countries' corruptions index for the year 2014. The Corruption Perceptions Index ranks countries based on how corrupt their public sector is perceived to be. A country's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean). A poor score is likely a sign of widespread bribery, lack of punishment for corruption and public institutions that do not respond to citizens' needs. In this regard, Ethiopia was placed 110th (out of 175 countries) with 33% total score. Accordingly, Ethiopia's score is close to zero, implying that the country is among highly corrupted countries (Transparency international, 2014). The above scenario leads to the question, "how was the implementation of the Human Resource Management Reform program and Civil Service professionalism as a result of the reform program initiated in Ethiopia?" Therefore, this research examined the implementation of HRM reform program initiated by the incumbent government and civil service professionalism in selected cities of Ethiopia.

2. Review of Relted Literature

2.1 Theoretical Literature Review

According to Verheijen (1998, pp. 4-6) there are different models used for the reform of public management or public administration. The author identified three models:- radical reform, incremental reform¹ and moderate managerialism. Among the radical reform is the 'New Public Management (NPM)'. This model has been used to analyze the implementation of the human resource reform sub-program in Ethiopia. As for Massy (1997), the term 'New Public Management' is used as shorthand for many of the new trends or reforms in public administration. The term is common in many European countries and is popularly employed to explain attempts to redefine administrative culture and structures in government. In USA, although the term NPM is not current, similar terms such as 'reinventing government' and 'post bureaucratic reform paradigm' are often used (Paulos 2001).

'New Public Management' is a strong intellectual pattern based on Public Choice theory and Agency theory and shows that it has different causes and elements (Paulos 2001). The first cause is considered to be a shortcoming- of public sector administration and, hence, the need for a wholesale adoption of private sector values such as 'risk-taking', 'customer focuses' and 'bottom-line orientation' (Larson 1987, PP 131). Others have pointed out that the assumption behind NPM is that private management is superior to public management; therefore, private sector techniques should be 'imported' into public administration (Shand 1996; Larbi 1999 -as cited in Paulos 2001). The second major force seems to be the need to overcome the inefficiency and ineffectiveness caused by traditional massive bureaucracies, the functionally organized agencies and the central planning approaches which predominated from the 1950s to the late 1970s (Kaul 1997 as quoted in Paulos 2001).

The third major cause for NPM revolves around the role of government. NPM proclaims that the preferred role of government should be changed from acting as the principal vehicle for socio-economic development to that of guiding and facilitating that development (Kaul 1997 as cited in Paulos 2001). It is also argued that government should move from a concern 'to do' towards a concern 'to ensure that things are done'.

The fourth major impetus for NPM is the need to have a decentralized management. Here the major areas of emphasis are breaking up the huge public bureaucracies into more autonomous business units or executive agencies, and giving managers increased control over budgets for which they are accountable. It also involves 'de-layering' of vertically integrated organizations (replacing traditional tall structures with flatter and more responsive structures); downsizing or rationalizing and trimming the public sector in order to achieve 'leaner' (small and compact) and 'meaner' (cost-effective) public service; divorcing the provision from the production of public services; adopting new forms of corporate governance, and moving to a board of directors model in the public service (Larbi 1999, cited in Paulos 2001).

2.2 Historical Background of Civil Service (Reform)

Nowadays any form of government cannot function without some form of civil service. The phrase civil service/servant was used in the late eighteenth century to distinguish the covenanted civilian employees of the East India Company through which India was governed by military personnel (Stanley 1998). In contemporary public administration, civil service reforms (CSR) and modernization are considered primarily in terms of efficient and effective responses-of institutions to changing needs and circumstances.

Whether in developed or developing countries, few success stories exist in the field of CSR. The leaders of developing countries in particular face tremendous hurdles in prioritizing and implementing programs. During the last two decades, most civil service reforms (CSR) have been associated with movements towards democracy and economic reform efforts. Between 1981 and 1991, CSR in 44 developing countries was supported by 90 World Bank lending operations, which comprised 60 structural adjustment loans and 30 technical assistance loans (UN 2011). They have taken place in developed countries (for example New Zealand and United Kingdom), as well as in rapidly modernizing nations such as Chile, Malaysia, and Singapore. African civil services as well as other components of the public service were created in colonial period and patterned after the models of the colonizing power (Walle, 2003). The poor fit between expectations and actual performance has made them perpetual objectives of reform in the post independence era in most countries. Civil service reform (CSR) was, thus, a part of the program of rolling back the state (Ibid).

2.3 Human Resource Management Reform Sub-Program

The Human Resource Management (HRM) component of the Civil Service Reform Program (CSRP) in Ethiopia has been initiated in 1996, after the task force study came-up with several problems and made recommendations that were to be implemented under the overall guidance of the Federal Civil Service Agency -FCSA- FCSA (AH Consulting, 2010).

The major aim of the program is to modernize the human resource management in the civil service so as to develop an effective and efficient civil service. The sub-program, by the year 2000/1, was said to have developed the following: a refined system for administering the employees of the civil service institutions in a just and equitable manner; a system of pay and promotion which is directly related to merit/performance; an effective system which allows the development of a human resource- plan so as to implement government policies and priorities; comprehensive and uniform rules and regulations for managing the human resources of the civil service and an adequate number of knowledgeable and capable employees in the civil service.

The HRMRP component was designed to manage civil servants in a fair, open and efficient manner, while focusing on achieving the functions of the government, satisfying the requirements of internal and external customers. Moreover, it was expected that it would take proper account of the needs of employees as individuals and as groups, and achieve the planned objectives through the design, testing, development, documentation, user training, implementation, maintenance, review and development of policies, systems and procedures that cover federal and regional civil servants.

2.4 Civil Service Professionalism

The term civil service is explained as a branch of governmental service in which individuals are employed and retained on the basis of professional merit as proven by competitive examinations (OECD 1997). A civil service professionalism is defined as “the overall practices and values that guide the civil service-loyalty, neutrality, transparency, diligence, punctuality, effectiveness and efficiency, impartiality, accountability and others, which are specific to individual country” (United Nations 2000). Moreover, professionalism can be strengthened, promoted, and insured in the civil service mainly through enforcing merit principles in career system-merit based recruitment, selection, promotion, thereby maintaining neutrality of the civil service and/or civil servants; enhancing civil servants’ competence and excellence through mechanisms like training, and insuring system of accountability in the civil service and effectively utilizing the existing opportunities (Gottfried 1988).

2.5 Achievement and Limitations of the Civil Service Reform Program in Ethiopia

Since the inception of the CSRP these days in Ethiopia, a number of achievements have been envisaged. The establishment of a legal framework which defines the scope of the civil service is -a case in point. According to Tilaye (2007), other achievements of administrative reform in general and CSRP in particular in Ethiopia include decentralization and devolution of powers to regions; establishment of civil service institutions; reorganization of line departments; development of various policies and directives; introduction of progressive management tools; massive training opportunities for civil servants; awareness creation and increasing demand for accountability; improved service delivery and increased level of customer satisfaction; creating the pressure and momentum for change.

Unlike these achievements of the CSRP, there are some weaknesses in the implementation of the reform program. These include attitudinal problems on the side of the civil servant, shortage of competent civil servants, lack of clear direction and commitment among organizational leaders, a limited level of public participation, problems of accountability, and partisanship of the civil servant. Hence, this calls for a merit system; neutrality of the civil service/servants; and a system of accountability in the civil service.

2.6 Research Gaps

Based on the theoretical and empirical literature review presented above, certain research gaps have been identified. The literature shows there are many ways in which countries can reform their civil service and ensure professionalism in the civil service. However, these measures and efforts are dissimilar in different countries. Thus, without examining the local context, drawing conclusions and making recommendations based on research outputs conducted somewhere else may lead to wrong decisions in the context of Ethiopia. Most of the aforementioned studies focused on providing western model of civil service as prescription for developed countries and they were done mostly at a continental or a national level. Nonetheless, in the Ethiopian context, there are limited research outputs focused on examining the achievements of the implementation of Human Resource Management Reform Sub-program and civil service professionalism at a national level. It appears that there is no- single study -conducted on the assessment of HRM reform sub-program implementation and civil service professionalism in the civil service of the cities selected for this study.

Thus, the practical achievements of the HRM reform sub-program and the status of civil service professionalism in the study areas (in its local context) need to be well researched and known. This shows the existence of research gaps which are worth studying. Therefore, this study is conducted to fill these and related gaps by assessing the implementation and achievement of the HRM reform sub-program and professionalism in the civil service.

3. The Methods

3.1 Research Design and Methods

This study features a descriptive type of research design that is usually considered appropriate to answer “WH” questions, “how, what, why, whom, whose, where, and when” questions and to describe the nature or current situations of an event or a problem in detail based on opinions, attitudes or practices that are observed or measured at a given time and environment (Kothari 2004). The researchers used a mixed method and a concurrent triangulation approach both qualitative and quantitative research methods (ibid 2004).

3.2 Population and Sampling Design

In order to scale up the validity of samples of the study, the researchers employed both probability and non-probability sampling techniques.

3.2.1 Population of the Study

The population of this study constituted of two target groups: (a) all the offices of the city administration governed by civil service proclamation-there were (20 offices in each city); and (b) all permanent civil servants working in each of these offices.

3.2.2 Sampling Techniques

Initially, the researchers used purposive sampling to select the five city administrations in Ethiopia since, as big cities, they are currently considered, more or less and compared to other cities and towns, with well-established government institutional facilities. Then, representative offices were selected from all the offices in the selected cities through a simple random sampling technique the lottery method.

3.2.3 Sample Size

According to Gay (1981), for descriptive research type, a sample of 10% of the population is considered to be a minimum sample size for a larger population, and for a smaller population, 20% can be required. In this study, the researchers used a sample of 30% of the total bureaus found in the selected five cities to conduct the study (Hawasa, Adama, Harar, Assossa and Mekele). Six offices were selected from the total of 20 offices available in each city. After having identified the target bureaus randomly, the permanent employees in the selected six offices were totaled, and then, the researchers applied the following formula to find representative sample size from the permanent civil servants working in offices. According to Glenn (2009), the following formula was used to determine the sample size, which is reliable when the population size is known.

$$n = \frac{z^2 Pq}{e^2}$$

Where, n= sample size, e= level of precision (4%), p= the 50% proportion of population who responded agreement while q is the 50% proportion of population who responded disagreement. Thus, for a sample size of 600 respondents, 120 respondents were selected-from each of the five city administrations.

3.3. Data Collection and Analysis Methods

For data collection, a questionnaire, and a semi structured interview were employed. All copies of the questionnaire were collected and interviews were successfully held with the interviewees. Then, the data gathered were presented in tables and graphs thereby featuring per cent ages of figures drawn on SPSS (Statistical Package for Social Sciences). Furthermore, thematic analysis was employed to shed some light on the data presented.

4. Results and Discussions

The analysis of data was made on the basis of data collected from 498 respondents. The analysis and discussion in this section mainly addresses two most important issues. The first issue is the

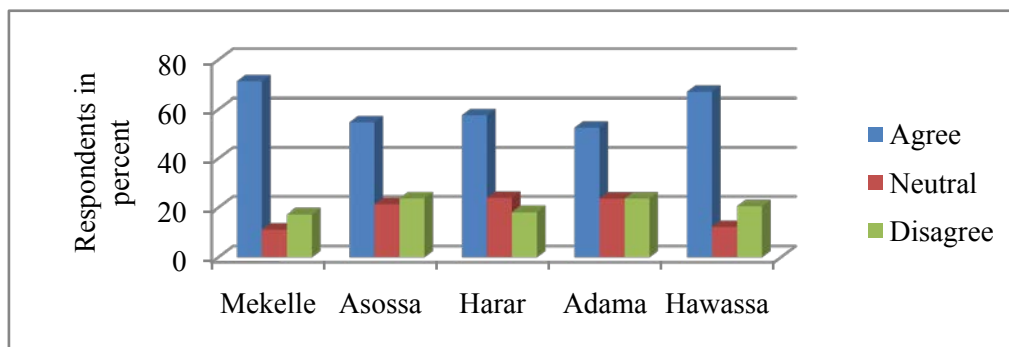
implementation of components of human resource management reform sub-program, and the second one is about practices of professionalism in the civil service institutions.

4.1 Implementation of HRM Reform Sub-program in Civil Service Institutions

The HRM reform component was designed to manage civil servants in a fair, open and efficient manner, while focusing on achieving the goals of the government and satisfying the requirements of internal and external clients. In this regard, implementation of the components of HRM reform in selected sample cities of Ethiopia has been presented as follows.

4.1.1 Human Resource Planning

The purpose of developing human resource planning is to assess where the institution is, where it is going, and what implications these assessments have on future supplies and demands of the human resource. Therefore, attempts must be made to match supplies and demands of human resource by making them compatible with the achievement of the institutions' future needs (Mondy & Noe 1990). In this regard, Figure 1 presents the views of civil servant respondents in the selected sample cities.



Source: Field Survey, June-July, 2015

Figure 1 Respondents' View on Preparing and Using - Human Resource Planning

As indicated in Figure 1, the majority of the respondents in all sampled cities agreed that their institutions have experiences of preparing and using human resource planning (HRP). Pearson chi-square test of 14.949 with p-value of 0.060 indicates that there is a significant difference among the cities. The above response implies that there is uneven practice of preparing and using HRP in the civil services of the sampled cities. The interviewed officials also expressed that there are no well-organized practices of HRP system in the civil service offices. The key informants of all selected cities during interview expressed that the practices of HR sections under each department/office prepare their respective HRP and submit for final compilation to the civil service office. In city like Asossa, the civil service office has not yet been established by itself let alone doing HRP for different offices of the city. This could result in unplanned human resource recruitment and creates vacant positions for a long period.

4.1.2 Recruitment and Selection Process in Civil Service Institutions

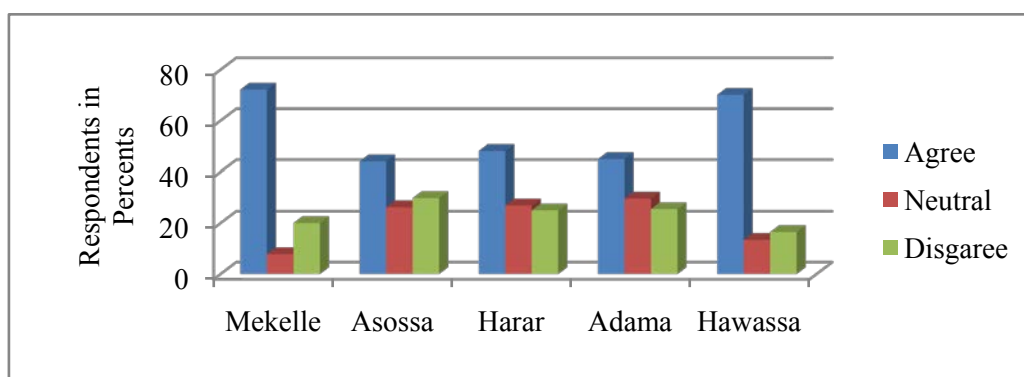
According to Baruch (2004), recruitment refers to the first stages in the process of filling vacancies in an institution by inviting applicants from internal or external sources. In this regard, Table 2 below shows views of respondents towards the invitation of recruitment advertisement of their respective institutions for qualified internal and external applicants.

Table 1: Invitation of Recruitment Advertisement for Qualified Internal & External Applicants

Research sites	Agree	Neutral	Disagree
Mekelle	81.7	7.8	10.4
Asossa	47.0	20.5	32.5
Harar	56.7	23.1	20.2
Adama	48.0	28.5	23.5
Hawassa	72.9	11.5	15.6

Source: Field Survey, June-July, 2015

Table 1 shows that the majority of the respondents or 81.7%, 72.9% and 56.7% from Mekelle, Hawassa and Harar cities respectively agreed on the invitation of qualified internal and external potential applicants to fill vacant positions through recruitment advertisement in their institutions. However, more respondents from Asossa and Adama cities reported disagreement and/or uncertainty of this process. This may indicate lack of transparency in civil service institutions of these cities in announcing vacant positions to attract potential applicants from both internal and external sources. Concerning the fair and equitable treatment of both internal and external applicants during the recruitment process, an interview held with key informants confirmed lack of fairness and equitability that could be due to some especial considerations and provision of direction by politicians, nepotism and other relationships during recruitment and selection process. For instance, one key informant from Asossa city reported that there is a trend to give 5% extra value to native applicants during an examination conducted to select - applicants. The study also assessed the presence of vacant positions for a long span of time in the civil service institutions of the selected cities, and the key informants during interview confirmed that there was a tendency in all surveyed cities to withhold vacant positions for a long time. This may create burden to existing employees and could result in inefficiency in provision of services for their clients. Furthermore, respondents shared their views in regard to the practices of selecting candidates who applied for vacant positions with the use of objective criteria. In this regard, Figure 2 summarizes the views of respondents in their respective institutions.



Source: Field Survey, June-July, 2015

Figure 2 Selections of Competent Applicants Using Objective Criteria

Concerning the question on whether or not the institutions use objective criteria to select competent applicants for vacant positions, the majority (86%) of the respondents from the cities of Mekelle and Hawassa reported agreement. In addition, relatively more (43%) respondents from the cities of Harar, Adama and Asossa also expressed their agreement; though some other reported

disagreement. From this, it is possible to infer that though most civil service institutions from the selected cities use objective criteria in the process of applicants selection, it still requires more commitments to narrow the existing gaps.

4.1.3 Human Resource Development (HRD)

Human resource development is about two things: training (helping employees do their present jobs) and development -helping managers handle future responsibilities- (Scarpello, Vida & Ledvinka, 1998). In this regard, the key informant (the head of the civil service and other officials) particularly in Adama, Hawassa, Asossa and Harar reported that the civil services do not have clear policy in regard to HRD. In an attempt to build the capacity of the civil servants, the interview respondents said, demand for training is usually initiated at the top level and forwarded for its implementation – down to the ladder. Sometimes, the city administration shall decide on the knowledge gaps for which the civil servants are expected to be trained. This is mostly true in the case of BPR, BSC and other important reform implementation tools. Hence, lack of clear policy direction at the city level could be among the hindrances to properly build the capacity of the civil servants. This makes institutions unable to send their employees for training which could fill the right skill gap. Furthermore, the researchers asked views of the respondents about whether or not their respective institutions granted them chances of training-. The following table presents the views of respondents.

Table 2: Provision of Training to the Civil Servants

Research sites	Agree	Neutral	Disagree
Mekelle	53.9%	19.1%	27.0%
Assosa	28.6%	21.4%	50.0%
Harar	38.8%	33.0%	28.2%
Adama	39.8%	24.5%	35.7%
Hawassa	54.6%	16.5%	28.9%

Source: Field Survey, June-July, 2015

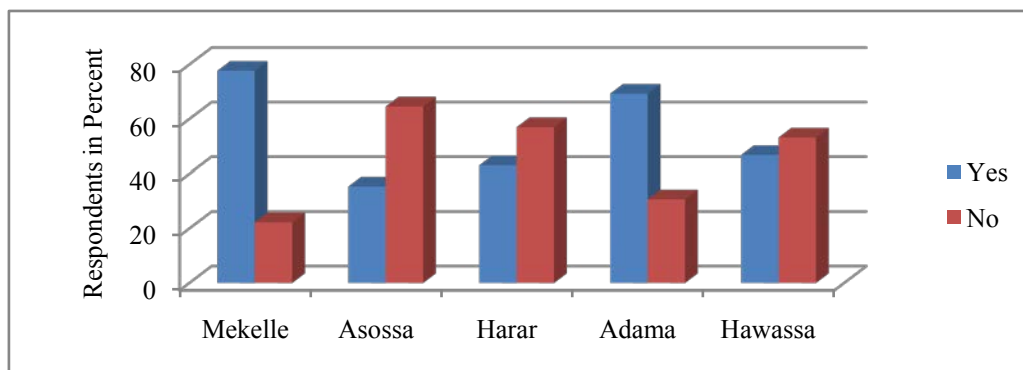
Table 2 indicates that more than half of the respondents in Mekele (53.9%) and Hawassa (54.6%) agreed that they -got trainings. On the other hand, only 28.8%, 38.8% and 39.8% of the respondents in Asossa, Harar and Adama respectively agreed that their institution had offered trainings to them. Surprisingly, 50% of the respondents in Asossa replied that their institution did not provide them with any training. This implies that the provision of training to civil servants is not consistent across the sampled cities and the gaps continue to exist as compared to the objective of the HRM reform program unless necessary measures are taken.

4.1.4 Human Resource Management Information System

The significance of human resource information system (HRMIS) in managing and disseminating information on human resource depends on benefits associated with the capability to guide management in tracking and improving the level of human resource activities across the civil services. In this regard, the interview responses and document analyses have shown that except the civil service institution in Mekele city, all other sampled cities had not - developed a well-organized human resource management information system. This implies that cities do not follow a uniform system for managing the human resource which is useful for systematic management and dissemination of information in the execution of human resource functions like planning, training and development, and recruitment in the institutions.

4.1.5 Civil Service Law and Grievance System and Procedure

The civil service law, -grievance handling systems and procedures were part of the HRM reform projects that were widely implemented within the federal, regional and woreda levels. Under this project, a proclamation was developed (The Federal Civil Servants Proclamation No 515/2007). The proclamation provides rules, regulations and guidelines for human resource functions. The regions also set their own civil servant proclamation based on the civil service proclamation. In this regard, table 3 depicts that the absolute majority of the respondents in the entire sampled cities have information on the issue. At its face value, awareness of the civil servants about the existence of the law is vital.



Source: Field survey, June-July, 2015

Figure 3: Communications through the Contents and Objectives of the Civil Service Law

Asked whether or not their respective institutions had communicated to them the objectives of Civil Service law, the respondents provided the following data. Figure 3 shows that more than half of the respondents in Adama and Mekele (69.3% and 76.3% respectively) reported that they knew the presence of the law. On the other hand, more than half of the respondents in Asossa (63.6%), Harar (57%) and Hawassa (50.8%) replied that they did not know even its presence. From this it is possible to realize that the civil servants' understanding of the civil service law was found to be low and/or medium. This implies that the mere existence of the civil service law is not sufficient by itself. Rather, proper communication of the law to the concerned stakeholders/civil servants is indispensable as it can improve the awareness level of the civil servants regarding their rights and duties. Regarding the grievance handling system and procedure, table 3 below summarizes the views of the respondents -.

Table 3: Appealing of Compliant

Cities	Yes	No
Mekelle	22.1%	77.9%
Assosa	34.5%	64.3%
Harar	43.3%	56.7%
Adama	44.3%	55.7%
Hawassa	34.4%	63.3%

Source: Field Survey, June-July, 2015

It is natural that employees submit complaints to a concerned individual(s) or office(s) thereby expressing their dissatisfaction and demanding correction. In this regard, the researcher asked whether or not the respondents had presented their complaints. Table 3 shows that more than half of the respondents in all the selected cities had not submitted any complaints. This appears to imply

that the civil servants had a low level of courage to claim their rights or a low level of awareness of their rights and obligations as regards the civil service law.

4.1.6 Performance Appraisal and Time Management in Civil Service Institutions

Performance appraisal refers to the formal system of appraisal, in which an individual is compared with others and ranked or rated. It is undertaken by supervisors, subordinates, co-workers and the like once or twice a year to differentiate the best performers from the poor ones in their respective duties and responsibilities. Concerning this, table 4 presents the perception of the respondents concerning performance appraisal practices.

Table 4: Implementation of Employees' Performance Appraisal

Items	Agree	Disagree	Neutral
Existence of periodic evaluation of employees' performance.	64.5	17.5	18.0
The current evaluation system helps to differentiate good performers from poor performer counterparts	49.0	31.3	19.7
Execution of BSC as a tool to measure the performance.	54.2	27.7	18.1

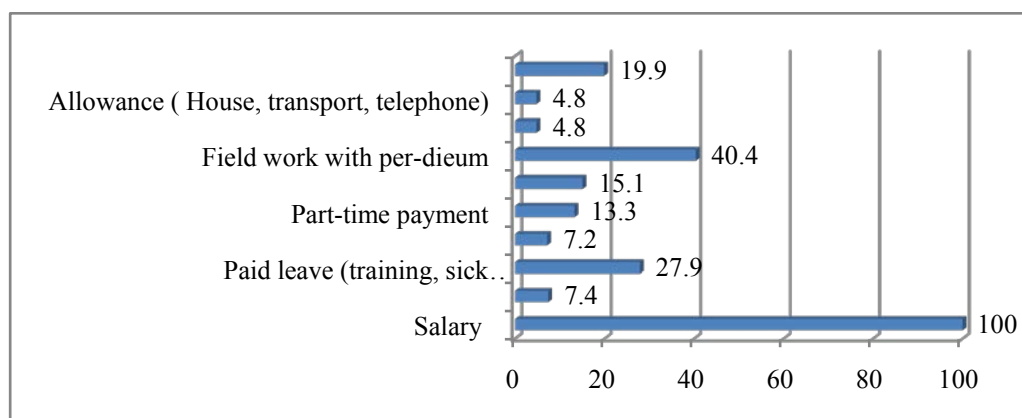
Source: Field Survey, June-July, 2015

Table 4 indicates that 64.5% of the respondents agreed on the existence of periodic employees' performance appraisal system in their institutions. However, 17.5% and 18 % reported disagreement and neutrality respectively. This shows that though there is periodic employees' performance evaluation system in most institutions, there are still some institutions that are not periodically executing the system. Regarding whether or not the current evaluation system is helpful to differentiate good performers from the poor one's, 49% expressed their agreement whereas 31.3% and 19.7 percent disagreed and remained neutral respectively. From this, one can grasp that though the current appraisal system is helping the civil service institutions to distinguish employees with a good performance from those with a poor performance, there is a gap demanding further improvement efforts.

4.1.7 Remuneration and Conditions of Services

According to Baruch (2004), remuneration refers to wages, salaries, overtime payments, bonuses, allowances, insurances, commissions and any other financial reward- paid to employees in return for the work they perform for their employers. Different employees of the same institution might be remunerated through different systems on the basis of the type of work they perform and contribution they make to their institution. Under the Human Resource Management Reform sub-program, remuneration has been considered as a component of efforts of motivating employees - in the institution. The manual of this program indicates the types of compensation and benefits like health insurance, transportation, different forms of leave with and without salary, per-diem, transportation and loading payment, disturbance allowances, weather condition related allowances, part-time payment, etc. However, much focus was given to salary scale improvement which is still incomparable with the scale in private sectors and other public sector institutions like public enterprises. Regarding the salary scale improvement, the government has made 33% - 46% of salary increment for civil servants since July 8, 2014 with a minimum salary scale of 582 Birr and a maximum of 5781Birr. There are also other packages like allowances, overtime payment, bonuses, insurances, career payment, per-diem, etc. which are applied variably among institutions due to factors like nature of the employees' jobs, leadership commitment, weather condition, position, etc.

In relation to this, figure 4 presents a summary of respondents' views on the type of remuneration provided in selected civil service institutions of the five sampled city administrations.



Source: Field Survey, June-July, 2015

Figure 4: Remuneration and Benefit Packages Applied in the Civil Service Institutions

Figure 4 shows that the remuneration and benefit package in the civil service institutions is mostly limited to salary. Among the respondents, few (40.4%) respondents indicated that they received benefits like field work with per-diem (40.4%), paid leave (27.9%), long term loan (15.1%), part-time payment (13.3%), bonus (7.2%), insurance (7.4%), and allowance (4.8%). This implies that the remuneration and benefit packages in the civil service institutions do not motivate employees to do tasks in their respective positions which need- further due attention particularly from the government.

The Human Resource Management system reform sub-program manual (2001) states that one of the conditions in which employees' salary is determined is the existing market condition that could allow them to cope with the cost of living. In addition, the manual indicates that the minimum scale of salary should be the "living wage" that guarantees the survival of employees. However, in Ethiopia the system of determining one's salary is mostly biased since it is limited to the paying capacity of the government and undermines the condition of the existing market in which employees are not able to deal with the payment made to them. For instance, the manual of Human Resource Management Reform Sub-program shows that for determination of the minimum salary scale in the civil service institutions, one of the methods to be used is a "family budget survey." In this method, an employee with five family members and who gets paid as per the existing minimum salary scale is involved in the survey-and is asked to suggest a minimum salary scale which has not yet been considered in a country.

Indeed, the lowest salary scale (582-Birr) of civil servants cannot allow them to survive unless it is supplemented with other benefit packages. It is subject to taxation and the tax exemption threshold is 150 Birr. Therefore, civil servants are liable to pay $(580 - 150 \text{ Br}) \times 10\% = 43 \text{ Birr}$ (tax payment) + 30 Birr (Pension contribution), a total of 73 Birr. Thus, the net monthly income of these civil servants is to be $582 - 73 \text{ Birr} = 509 \text{ Birr}$ which is far less than the poverty line of \$1 per day and 1500 Birr of house allowances for senior officials. The taxation system of the country tends to ignore civil servants with the lowest salary scale. This certainly disappoints civil servants and it can trigger a high level of dissatisfaction and discouragement of the employees to exert their efforts in their work places.

4.2 Practices of Professionalism in Civil Service Institutions

Professionalism in the civil service is an overarching value that determines how its activities are carried out. It encompasses all other values that guide the public service such as loyalty, neutrality, transparency, diligence, punctuality, effectiveness, impartiality, and other values that may be specific to individual countries. Ethics in the public service is broad and is related to norms dictating how public servants should deal with judgment and discretion in carrying out their official duties. These values and norms are better reinforced if there is a system of administrative policies, management practices, and oversight agents that provide incentives and penalties to encourage civil servants to professionally carry out their duties and observe high standards of conduct (UN, 2000). The assessment conducted in this study on practices of professionalism in civil service institutions has been discussed as follows.

4.2.1 Political Neutrality, Recruitment and Accountability in Civil Service Institutions

According to Gottfried (1988), for professionalism to thrive in the civil service system, the civil service and the civil servants need to be autonomous and politically neutral. This is because civil servants are supposed to serve the government and the public in general in a neutral and impartial manner. When the neutrality of the civil servants is deteriorated, the reform efforts cannot be successful. In this case, the views of respondents regarding the neutrality, merit system, capability of the civil service and/or servants, accountability and impartiality in the sampled cities was assessed and summarized in Table 5.

Table 5: Civil Servants' Level of Agreement- on Political Neutrality and Political Interferences

Items	Agree	Neutral	Disagree
Civil servants are politically neutral policy implementers in your office	58	17	25
Politicians interfere and influence the daily duties of the civil servants in the institutions	39.8	19.4	40.8
Recruitment and selection of employees done on merit basis	53.2	23.1	23.7
Civil servants are promoted on merit basis	49.6	21.3	29.1
Civil servants are capable and skillful to perform their task and to serve their customers	55.6	23.3	21.1
There is a system of employees' accountability in the civil Service	63.5	17.9	18.6
There is discrimination based on gender, race, etc during service provision in the office	34.9	18.3	46.8

Source: Field Survey, June-July, 2015

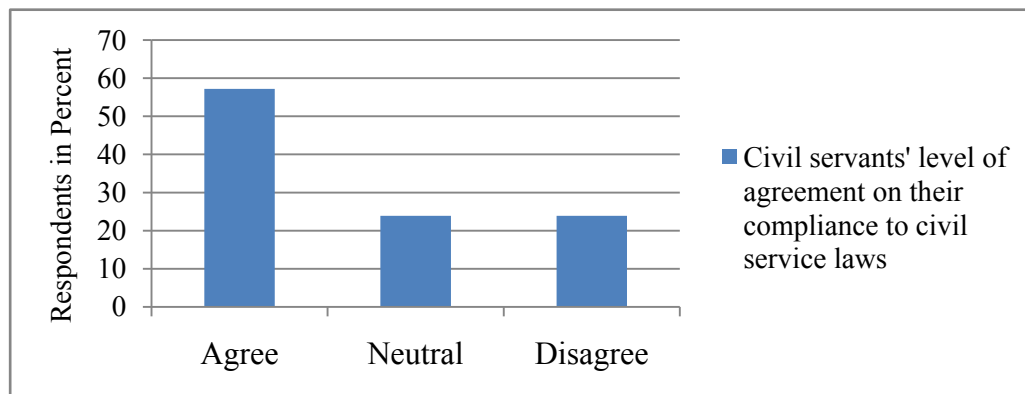
As it is illustrated in table 5, 58% of the respondents chose "Agree", while 25% opted for "Disagree" concerning the idea that civil servants in the study cities are politically neutral policy implementers. Though the study shows that majority of civil servants are politically neutral policy implementers, a considerable number of some disagreement. Hence, although the political neutrality of the civil servants is promising, still there is a gap that requires attention in the future in order to enhance professionalism in the civil service. The neutrality of the civil service is related to and determined by the level of interference of the political appointees in daily activities of professional civil servants. Such kinds of interference could result in wrong decisions and may cause- inefficiency, ineffectiveness and inequity in the civil service institutions. The tabular data above also illustrates that the majority of the respondents (53.2%) from all selected cities agreed

that employees' recruitment and selection was carried out on merit basis according to the civil service employment proclamation though other respondents (23.7%) disclosed their disagreement on the issue.

Furthermore, as noted in Table 5, the majority of the respondents (63.5%) from all the sampled cities "Agreed" that there is a system of accountability for every employee's action. The rest (17.9%) remained neutral, while 18.7% of them disagreed. Thus, these results demonstrate relatively good system of accountability in the sampled civil service institutions and this could promote professionalism in the future. Regarding whether or not there is discrimination during service provision, 46.8% of the respondents from the sampled cities disagreed on the presence of discrimination during service provision, where as 34.9% of them agreed. Therefore, this implies that the civil services in the sampled cities seem performing well in accommodating diversity in service provision for the public. However, still there is a gap which requires further action for enhancing professionalism.

4.2.2 Compliance with Civil Service Laws, Rules and Regulations of the Civil Service

Civil service laws, rules and regulations are statements to shape the behavior of the employees, and directed towards efforts made to mobilize or manage resources in the civil service. These broad guidelines play significant roles in implementing the civil service reform programs and creating the kind of civil professional service system. However, written documents by themselves do not bring about meaningful results. Thus, every employee-manager or non-manager has to comply with these laws and regulations. As regards this point, views of the respondents have been summed up in Figure 4.5.



Source, Field Survey, 2015

Figure 5 Respondents Level of Agreement on Compliance to Civil Service Laws

The respondents were asked to express their opinions about whether or not service providers perform their duties by respecting the civil service law in their institutions. As can be seen in figure 4.5, 57.2% of the respondents agreed with the issue. However, 23.9% and 18.9% of them remained neutral and disagreed respectively. Although the findings show a promising current practice of employees as regards respecting the law, rules and regulations; more attention needs to be given to further promote professionalism in the civil service institutions through a deep-rooted research on the specifics.

5. Conclusions and Recommendations

5.1 Conclusions

The main objective of this study was to examine the implementation of HRM reform sub-program and professionalism in selected civil service institutions. To this end, five city administrations in Ethiopia were selected and their implementation of HRM reform sub-program and the practices of civil service professionalism were assessed. Regarding the implementation of the components of HRM reform, the study revealed that it varies across the cities. Whereas Mekelle and Hawassa cities are relatively in a better position; they are followed by Adama and Harar cities. However, Asossa city is far from implementing the HRM reform sub-program due to the fact that the city administration has not yet established a civil service office which is expected to coordinate implementation of the reform. With all its problems, except Asossa city, other sampled cities seem to be in progress. However, components of the reform such as human resource planning, performance appraisal, recruitment and selection, remuneration and benefit packages have not been successfully implemented as they had been planned in the reform sub-program. Considering the practices of professionalism in the civil service institutions, there is improvement in the competency, impartiality and accountability of the civil servants which comply with the civil service law. However, as the absolute majority of the civil servants- are affiliated with the ruling party-, political interference in decisions on promotion, recruitment and selection is a chronic challenge that could deter the sustainability of the civil service professionalism.

5.2 Recommendations

In order to curb the limitations related to the implementation of HRM reform sub-program and professionalism practices in the civil service institutions, the researchers have made the following recommendations:

- Human resources are vital for the successful implementation of the HRM reform in the civil service institutions. Therefore, particular attention should be given to bring about positive changes in the life style of the civil servants by designing adequate employees' packages like compensation and benefits, training and social support-.
- Almost all employees from all research sites reported that their salary did not help them to cope with the unbearable cost of life. Therefore, it is very important to reconsider the threshold of tax exemption and to undertake a family budget survey prior to the minimum salary scale of civil servants as stated in the manual of HRM reform.
- The large number of party membership and political interference and limited professionalism in the civil service institutions is very likely to deter sustainability of the civil service. Therefore, the national, regional and local governments of Ethiopia should be highly committed to promoting professionalism through stakeholders' concerted effort of ensuring neutrality, merit management, system of accountability and impartiality.

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Human Resource Development Practices in the Public Sector: The Case of Konso Woreda

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Abstract

This study examines the practices of human resource development (mainly training and development) programs in some selected public institutions of Konso Woreda. Taking a mixed (quantitative and qualitative) approach as a main strategy, the study presents empirical insights into the practices of human resource development planning; training and development needs assessment, training and development administration, follow up, monitoring and evaluation, results achieved, and factors that impeded the proper management of training and development. For the purpose of collecting primary data, a structured questionnaire with a Liker Scale was prepared and administered to 201 respondents drawn from sixteen public institutions. Moreover, interviews were held with key informants. Descriptive statistics such as frequency counts, percentages, mean, and tables as well as content analysis were used to present and analyze data. The main findings suggested that the practice of training and development in the public institutions of Woreda is dreadfully poor. Consequently, in the majority of public organizations, training and development is found to be ineffective in improving knowledge, skills, and attitudes of the employees as well as individuals' and organizational performance. It is, therefore, recommended that public managers should strengthen the system and practice of training and development; conduct needs assessment; establish accountable and organized approach of training and development management; strengthen follow up, monitoring and evaluation mechanisms and the human resource management department.

Key words: *HRD, Training and Development, Public Institutions, Human Resource, Needs Assessment, Ethiopia*

1. Introduction

Human Resource Development (HRD) is one of the core functions of Human Resource Management (HRM) which is mainly concerned with improving the quality of the human resource in an institution. According to Michael (1995), "HRD is the process of developing the human resource working in an organization by modernizing the knowledge and upgrading skills, attitudes and perceptions of employees in order to successfully address the changing trends of the globalised [world] and also to utilize those developments for the attainment of the organizational goals" (Michael 1995:96). It is a set of systematic and planned activities designed by an organization to provide its members with the opportunity to learn necessary skills meant to meet current and future job demands (Desimone, Werner & Harris 2002).

In attempt to enhance human and institutional capacity, in 2001, the Ethiopian government had launched a comprehensive National Capacity Building Program (NCBP). The civil service reform program (CSR) is an integral part of this broader program which focuses on building and strengthening public sector capacity for the attainment of the socio-economic development goals and objectives of the country (Adebabay & Perkins 2010). Its overall purpose is to build a fair, effective, efficient, transparent and ethical civil service through institutional reforms and development and training. Human resource management reform (HRMR) which is one of the civil

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service reform programs (CSRPs) intends to improve the mechanisms in which human resource is acquired, trained and developed, and retained. This shows that training and development has been the key priority of the government.

The government has also launched a district level decentralization which focuses on deepening devolution of power to local government, promoting grassroots participation in decision making and improving transparency, accountability, and service delivery as one of the key National Capacity Building Programs. In recognizing the importance of human resource development, public organizations at all tiers of government have been investing huge amount of resources in building the capacity of their workforce with the aim of satisfying highly increasing demand of the public (mainly in the areas of socio-economic development and good governance).

Konso is one of the Woredas in Southern Nations, Nationalities, and Peoples Regional State which has been exercising devolution of power since its official launch at a national level. Nevertheless, local as well as regional governments have identified lack of execution capacity as a serious impediment for public organizations and they invested a colossal amount of time and money in enhancing the capacity of the public servants. Even if a huge amount of resource is invested in human resource development, public organizations and the local government of Konso rarely have the data to know the impact of the investment. The author's experience indicates that there is also a hot debate among community members, politicians, and civil servants concerning the contribution of training and development to the performance of public organizations in the Woreda. Moreover, the practices, achievements and challenges of human resource development in Konso are under researched to date.

Therefore, the purpose of this study is to examine the practices of human resource development in public organizations of Konso Woreda. In the study, a modest attempt was made to answer the following research questions: to what extent do public institutions of the Woreda conduct training and development needs assessment?; to what extent do public institutions of the Woreda administer, monitor, and evaluate training and development programs?; what improvements have training and development programs brought about in the public institutions of the Woreda (a small district/town)?; what are the challenges that public institutions have been facing in the area of training and development?

Apart from the introduction above, the paper presents a brief review of the related literature on human resource development in general and training and development in particular in section two; the research methods in section three; the findings and analysis in section four followed by conclusions and recommendations in section five.

2. Review Related Literature

2.1 Conceptual Issues

Different scholars and practitioners have been using the term training and development interchangeably. Nevertheless, these two concepts have their own similarities and differences. For example, Bowin & Havey (2001) argued that though training and development are similar, there are essential differences between them. According to Bhatia (2005), "training is a systematic process of enhancing knowledge, skills, attitude and motivation of employees to improve their performance on the job as per the goals and objectives of the organization" (Bhatia 2005:98). It is an act of increasing knowledge and skills as well as changing the attitude of employees for improving the performance on the job (John, George & Hill 2000). Conversely, development is more prospect

oriented and is dealt with education. It focuses more on enhancing the effectiveness of managers in their present jobs and preparing them for higher jobs in the future (Sharma n.d.).

In the context of this study, human resource development is conceptualized as a framework for supporting employees in developing their personal skills, knowledge and attitudes and improving organizational capacity to achieve - the mission and vision of the organization. Training and development is operationalized as systematic process of developing the Skills, Knowledge, and Attitudes of employees for the present and future roles and responsibilities in the organization. Public sector is considered as all government organizations that are governed by the rules and regulations of the civil service and deliver public programs, goods, or services.

2.2 Purpose and Objectives of Training and Development

A training and development venture is important for not only the organization, but also the employees. According to Quinn, Anderson & Finkelstein (1996) and McNamara (2008) both training and development have the following purposes: enhancing the company's capacity to adopt and use advances in technology because of sufficiently knowledgeable staff; building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee moral; ensuring adequate human resources for expansion into new programs; increase productivity; reduce employee turnover; increase efficiency resulting in financial gains; decreased need for supervision; increase job satisfaction and morale among employees; increase employee motivation; increase innovation in strategies and products; and enhance company image.

2.3 Phases of Training and Development Programs

Desimone et al (2002) and Bohlander & Snell (2004) have identified four phases of a training and development process: assessing training and development needs, design, implementation of training and development programs, and evaluating the results and providing feedback for action. Pursuing these steps helps organizations to systematically identify their work force skill, knowledge, and attitudinal gaps and design appropriate training and development programs.

2.3.1 Training and Development Needs Assessment

Mainly training and development needs assessment addresses the following questions: who if any, needs training and development? And what type of training and development do they need? The questions appear extremely easy, but getting good answers to these questions constitute one of the most difficult steps in the total training and development process (Yawson 2009). In general, there are four reasons why training needs assessment should be done before training programs are developed: (a) to identify specific problem areas in the organization so that the highest priority organizational problems requiring training solutions are addressed; (b) to obtain management support by making certain that the training directly contributes to the bottom line, that the training improves employee job performance; (c) to develop data for evaluation of the success of the training program, when the training has been completed; and (d) to determine the costs and benefits of training, because there are costs of leaving a training need unmet as well as benefits from improved job performance (Brown 2002).

Training and development should be conducted by considering three types of analysis: organizational analysis, task analysis, and personal analysis (Desimone et al 2002; Bohlander & Snell 2004; Ivancevich 2008). Whilst organization analysis provides clues as to the type of training that individuals and groups in the organizations must be given today or in the future, job analysis on the other hand involves a careful study of jobs within an organization in further effort to define the

specific content of training. Individual employees can be evaluated by comparing their current skill levels or performance to the organization's performance standards or anticipated needs. Any discrepancies between actual and anticipated skill levels can help concerned bodies to identify a training need (Asare-Bediako 2002).

2.3.2 Designing the Training and Development Program

Desimone et al (2002) have identified setting objectives, selecting the trainer, developing training and development content and lesson plan, selecting program methods and techniques, preparing materials, and scheduling the program as key activities in training and development design phase. Training and development administration which is part of design includes creation of a suitable environment and determining the location, facilities, accessibility, timing, comfort, equipment for the success of training and development program (Noe 2008).

2.3.3 Implementing Training and Development Programs

This is a practical phase where actual training and development program is executed and the design is put into action. Even if many actors are expected to participate, the responsibility of the trainer is crucial. As Desimone et al (2002) clearly stated the primary responsibility for implementing the training and development programs lies with the trainer. At this stage it is very important to ensure that the training and development is moving in line with the objectives set so far and the trainees are easily acquiring the required knowledge, skills, and attitudes.

2.3.4 Monitoring and Evaluation of Training and Development

This phase of training and development is very important but often overlooked by most organizations. Principally, the process of training and development would not be comprehensive without an appropriate monitoring and evaluation of the program. Monitoring and evaluation can help an organization to justify the costs incurred and the benefits gained from training and development programs. It could provide vital information and feedback about the effectiveness of the program and the lesson to be learned to improve a design of future programs. It enables organizations to know whether the competencies of employees are improved or not. It ensures whether the employees applied what they acquired from the training and development in their job or not (Mathis & Jackson 2006).

2.4 Benefits of Training and Development

The primary purpose of training and development is to enhance knowledge, skills, and attitudes of the workforce or to facilitate acquisition of new skills, knowledge, and attitudes which would lead to improved individuals and team job performance (Kraiger 2002; Hill & Lent 2006; Satterfield & Hughes 2007). Several studies revealed that training and development led to greater innovation and attainment of tacit skills (Barber 2004); acquisition of declarative knowledge about “what” (for instance, facts, meaning of terms), procedural knowledge which includes knowledge about (how to perform skilled behavior as indicated by Taylor, Russ-Eft & Chan 2005) and strategic knowledge that is knowing when to apply a specific knowledge or skill (Kozlowski et al 2001; Kraiger, Ford & Salas 1993) and enhance managerial knowledge, skills, and attitudes (Collins & Holton 2004). All of these result in performance improvement of individuals and teams (Littrell et al 2006; Ramirez 2005; Mabey & Ramirez 2005; Collins & Holton 2004; Guerrero & Barraud-Didier 2004; Arthur et al 2003; Driskell, Johnston & Salas 2001; Morris & Robie 2001; Frayne & Geringer 2000).

2.5 Challenges of Training and Development

Several studies in both developed and developing countries have identified significant challenges that hinder the proper management of training and development. Studies conducted by Al Bahar, Peterson & Taylor (1996); Ardichvili & Gasparishvili (2001); Lloyd (2002); Budhwar & Sparrow (2002); Budhwar, Al-Yamadi & Debrah (2002); Alzalabani (2002); Bing, Kehrhahn & Short (2003) are worth mentioning. They have confirmed that lack of human resource development professionals; lack of experience and understanding of training and development on the part of managers; lack of immediate support from supervisors in facilitating the transfer of the learning process; lack of support, commitment, involvement and cooperation of top management in the development of human resources; high level of turnover, failure to find and hire adequately educated and skilled employees and give them with lifelong learning; failure to formulate human resource development plans and strategies and integrate them with organizational policies, plans and strategies were identified as key challenges for proper management of training and development.

3. The Methods

In this study a mix of quantitative and qualitative approaches were used so as to scale up the validity of the data collected and analyzed (Johnston 2010; McCormick & Schmitz 2002). It is a descriptive type of research - as it examines and describes the practices of training and development in the public service sector. This type has been chosen because of its appropriateness in describing the practices, achievements, and challenges of training and development in public service based on the analysis of data collected through a questionnaire and unstructured interview from selected public institutions.

The target population of the study consisted of all employees working in public organizations. According to the civil service office of the Woreda, there are about 2082 permanent and 542 contract employees currently working in the public organizations. So as to determine accessible population and select institutions and respondents, the researcher has used non-probability sampling technique and census method, respectively. First, the researcher categorized public institutions of the Woreda into three sectors: economic, social, and administrative. Based on this categorization, 16 institutions were purposively selected on the basis of the role that they have been playing in improving the livelihood of the community and reducing poverty. Thus, seven (all) institutions from the economic sector, six (all) institutions from the social sector, three institutions from the administrative sector were selected.

Accessible population of the study comprised all employees working in the 16 public institutions located at Karat town (the capital of the Woreda). Accessible population is the portion of the population to which the researcher has reasonable access and is usually a subset of the target population. Based on the information obtained from the civil service office of the Woreda, there are about 352 employees (higher officials, processes leaders, experts (both technical and administrative) and common service providers. These employees constitute the accessible population of the study. Nevertheless, among the accessible population, employees who are providing common services (guards, messengers, cleaners, drivers, laborers engaged in gardening) were excluded. Thus, eligible population of this study comprises 250 employees working in the 16 public institutions. Finally, the researcher used a census method due to the fact that the population is narrowed to a manageable level and is relatively small. Moreover, six higher officials, i.e. one each from health office, education office, agriculture office, tax and revenue office, civil service office, and women and children office were purposively selected for interview.

Relevant data were collected from both primary and secondary sources. The primary data were collected via questionnaire and interview. Secondary data were collected from books, journal articles, and other relevant documents including electronic materials. Desk study was then conducted to identify and review relevant empirical and theoretical literature regarding training and development.

Data collected through the questionnaire were edited, coded, and entered into the Statistical Package for the Social Sciences (SPSS) software. Descriptive statistics such as percentages, frequency counts, mean, and tables were used to present and interpret the data. Besides, content analysis was used to analyse the qualitative data in which the data were organised by questions and individual respondents. Finally, emerging themes and patterns were identified across responses and questions. These themes and patterns were brought together for interpretation.

4. Results and Discussion

In general, 250 questionnaires were distributed to respondents working in the 16 public institutions. Accordingly, 201 of them were properly filled and returned making the response rate 80.4%. Nine questionnaires were incomplete and thus discarded, and the remaining 40 questionnaires were not returned.

Table 1: Demographic Characteristics of the Respondents

No	Question Item		Response Rate	
			N	%
1	Sex of Respondents	Male	170	84.6%
		Female	31	15.4%
		Total	201	100.0%
2	Marital Status	Single	35	17.4%
		Married	166	82.6%
		Divorced	0	0.0%
Total			201	100.0%
3	Educational Level	Certificate	11	5.5%
		Diploma	66	32.8%
		First Degree	119	59.2%
		≥Second Degree	5	2.5%
Total			201	100.0%
4	Work Experience	1-5 years	61	30.3%
		6-10 years	56	27.9%
		11-15 years	29	14.4%
		16-20 years	32	15.9%
		Above 20 years	23	11.4%
Total			201	100.0%

Source: Own Survey, June 2015

Table 1 shows that public institutions of the Woreda are dominated by males (84.6%) implying that all concerned bodies in the Woreda, Zone, as well as the region have a lot of assignments to do in narrowing gender gap between civil servants. Regarding marital status, the majority (82.6) of civil servants got married showing that they have dual responsibility - taking care of their family and undertaking their livelihood activity as a civil servants.

As far as educational level of the respondents is concerned, the finding shows that most of the employees (94.5%) had attained high levels of education (diploma and above) which could enable

them to play key role in the development process of the Woreda. This educational achievement is mainly due to availability and accessibility of various educational institutions throughout the country.

Regarding work experience, 30.3% of the respondents have 1-5 years of work experience, 27.9% have work experience between 6 and 10 years, 15.9% have 16 – 20 years, 14.4% have 11 – 15 years of work experience and the remaining 11.4% have worked for more than 20 years (cf. Table 1). This finding implies that public institutions of the Woreda are manned by employees who have assorted work experiences. This could be a superb opportunity for fresh and junior civil servants to learn from their senior colleagues.

With regard to age of respondents, it ranges from 22 to 58 years, with an average age of 33.83 years demonstrating that the majority of the civil servants are in their productive age group who could energetically contribute to the development of the Woreda when their capacity is continually developed and managed well.

4.2 The Practice of Training and Development Needs Assessment

Needs assessment is one of the crucial activities of an organization and ensures whether or not the organization has enough people with necessary knowledge, skills and attitudes to accomplish the organization's strategic plans.

In Table 2, item number one shows that the majority of the public organizations of the Woreda lack a clear system that could help them to carry out employees' training and development needs assessment (as reported by 61.2% of the respondents). Almost all interviewees confirmed that their organizations lack unequivocal system to assess training and development needs mainly due to low attention from the concerned bodies and lack of professionals in the area of human resource development. And so, as replied by the majority of the respondents (68.6%) a large number of public institutions in the Woreda failed to conduct training and development needs assessment on a regular basis. Interviewees were asked whether or not their organizations were regularly conducting training and development needs assessment and almost all of them replied that their organizations did not have such practices. One of the respondents said, "let alone conducting needs assessment on regular basis, there is no practice of conducting it at all. No one thinks about it." Almost all of the interviewees noted that lack of skilled manpower in the areas of human resource development, low attention from bureau heads, and the attitude of expecting training and development from regional bureaus and/or NGOs hindered the practice of conducting training and development needs assessment.

Respondents were asked to express the level their agreement or disagreement with the statement that reads, 'in my organization, there is a practice of assessing both individual and organizational training and development needs'. Consequently, the majority of the respondents (65.7%) disagreed with the statement (cf. Table 2). Since the practice of training and development needs assessment in the Woreda is either non-existent or very weak, it is apparent that there won't be an assessment of individual and organizational needs. Another statement that is presented to the respondents was related to whether or not job skills, attitudes, and knowledge are considered in training and development needs assessment. Accordingly, 62.7% of the respondents reported that these elements were not considered in training and development needs assessment (cf. Table 2).

Table 2: Practice of Needs Assessment

Statements		Responses and Rates					
		SD	DA	N	AG	SA	Total
1. There is a clear system to assess employees' training and development needs	N	33	90	13	57	8	201
	%	16.4%	44.8%	6.5%	28.4%	4.0%	100.0%
2. There is a practice of regularly conducting training and development needs assessment	N	37	101	5	55	3	201
	%	18.4%	50.2%	2.5%	27.4%	1.5%	100.0%
3. There is a practice of assessing both individuals and organizational training and development needs	N	38	95	16	42	10	201
	%	18.9%	47.3%	8.0%	20.9%	5.0%	100.0%
4. Job skills, attitudes, and skills are considered in training and development needs assessment	N	34	93	14	50	10	201
	%	16.9%	46.3%	7.0%	24.9%	5.0%	100.0%
5. Training and development needs assessment is conducted in participatory manner	N	38	95	13	42	13	201
	%	18.9%	47.3%	6.5%	20.9%	6.5%	100.0%
6. The processes and methods used to identify training and development needs are effective	N	41	90	21	43	6	201
	%	20.4%	44.8%	10.4%	21.4%	3.0%	100.0%
7. The existing system and processes will meet employees' future training and development needs and aspirations	N	38	72	24	54	13	201
	%	18.9%	35.8%	11.9%	26.9%	6.5%	100.0%

Source: Own Survey, June 2015

NB: SD - Strongly Disagree; DA - Disagree; N - Neutral; AG - Agree; SDA - Strongly Disagree

In response to a statement that says, 'in my organization, training and development needs assessment is conducted in participatory manner, a considerable number (66.2%) of the respondents either strongly disagreed or disagreed (cf. Table 2) with the statement. This finding is consistent with the above finding indicating that the practice of needs assessment in the Woreda is either awfully weak or non-existent. If such practices are not in place, it is palpable that employees would no longer participate in the process of training and development needs assessment. Almost all (100%) interviewees reported that they don't have awareness even about the phrase needs assessment. Besides, the majority (about 90%) of the office heads does not regard training and development needs assessment as one of the key activities of their organization. With regard to the statement that says, 'the processes and methods used to identify training and development needs are effective', many (65.2%) -respondents disagreed (cf. Table 2). In the absence of a well- structured system of training and development needs assessment, and with a weak practice of conducting it, it is absurd to expect effective processes and methods of needs assessment.

In response to the statement that reads 'the existing system and processes will meet employees' future training and development needs and aspirations', more than half (54.7%) of the respondents disagreed (cf. Table 2). This finding shows that the existing system and processes of training and development needs assessment would not be in a position to meet employees' future training and development needs and aspirations. This condition could adversely affect future career planning, motivation and job satisfaction of employees. As Garger (1999) clearly noted employees have no feeling about their organizations, if they think that their organizations are not caring about them. Wagner (2000) found that organizations which are providing training and development programs for their employees are achieving a high level of satisfaction and low employee turnover. Training and development increase an organization's reliability for employees recognize their organization is investing in their future career (Rosenwald 2000).

4.3 The Practice of Training and Development Administration

One of the most important steps in training administration is clearly defining the goals of training and development needs. Respondents were asked to state their level of agreement or disagreement regarding whether or not their organizations clearly developed training and development goals. More than half (57.7%) of the respondents reported that organizations did not develop training and development goals showing that the majority of the public institutions in the Woreda failed to set noticeable training and development goals (cf. Table 3). Moreover, interviewees were asked about whether or not their organizations had a human resource development plan and they reported that a human resource development plan is either non-existent or not developed in a systematic manner, but – it was devised in an extemporized way. In such condition, it would be naive to expect clearly articulated training and development goals from the public organization.

Another very important issue in training and development administration is public managers' effort in creating a positive and supportive work environment for training and development programs. To verify this, respondents were asked to express the level of their agreement or disagreement concerning the statement that reads, 'in my organization, managers have created a positive work environment and supported training and development'. The majority of the respondents (58.7%) - disagreed with the statement (cf. Table 3). This finding demonstrates that the majority of the managers in public institutions of the Woreda are not seriously taking training and development activities as their responsibility and have failed to support and create favorable environment to plan, implement and evaluate training and development programs.

In response to the statement that says, 'in my organization, managers consider training and development as a legitimate and valued work place activity, more than half (54.7%) of the respondents - disagreed with the statement (cf. Table 3). This finding shows that the majority of the managers in the public organizations have low passion in considering training and development as a legitimate and valued work place activity. This finding is in line with the information obtained from interviewees and they indicated that managers in public organizations do not consider training and development as the part of their responsibility mainly due to lack of awareness, low attention, and attitude of considering training and development as others responsibility (mainly of regional bureaus and/or NGOs).

Respondents were also asked to express their level of agreement or disagreement with whether or not their organizations earmark adequate budget each year for training and development activities. In general, the majority of the respondents (63.7%) disagreed with the statement (cf. Table 3) indicating that the practice of allocating reasonable budget to training and development programs is very poor. Likewise, all interviewees reported that lack of budget had been one of the critical challenges that hindered the proper planning and implementation of training and development programs.

Regarding the statement that reads, 'trainer(s) are carefully selected within or outside the organization based on the type of training needed', 62.8% of the respondents felt that their organizations are not carefully selecting in-house or outside trainers (cf. Table 3). Information obtained from the interview indicated that since the majority of training and development programs are mainly provided by regional bureaus, Woreda offices did not have control over the selection of trainer(s). Some of the interviewees, however, reported that for in house technical training, sometimes trainers and training materials are not carefully identified and selected.

Table 3: Practices of Training and Development Administration

Statements		Responses and Rates					
		SD	DA	N	AG	SA	Total
1. Training and development goals are clearly stated	N	36	80	16	59	10	201
	%	17.9%	39.8%	8.0%	29.4%	5.0%	100.0%
2. Managers have created a positive work environment and supported training and development	N	47	71	19	50	14	201
	%	23.4%	35.3%	9.5%	24.9%	7.0%	100.0%
3. Managers consider training and development as a legitimate and valued work place activity	N	35	75	26	51	14	201
	%	17.4%	37.3%	12.9%	25.4%	7.0%	100.0%
4. Each year, adequate budget is allocated for training and development activities	N	46	82	31	34	8	201
	%	22.9%	40.8%	15.4%	16.9%	4.0%	100.0%
5. Trainer(s) are carefully selected within or outside the organization based on the type of training needed	N	35	90	21	45	10	201
	%	17.4%	44.8%	10.4%	22.4%	5.0%	100.0%
6. Location, facilities, accessibility, comfort, equipment and timing of training and development are carefully determined	N	40	84	28	45	4	201
	%	19.9%	41.8%	13.9%	22.4%	2.0%	100.0%
7. There is a responsible person or team that handles training and development activities	N	44	89	26	35	7	201
	%	21.9%	44.3%	12.9%	17.4%	3.5%	100.0%
8. There are no objective criteria to select employees for training and development. Rather, personal networks matter	N	27	42	15	95	22	201
	%	13.4%	20.9%	7.5%	47.3%	10.9%	100.0%
9. There is no equal opportunity for every employee to participate in training and development programs	N	33	34	25	83	26	201
	%	16.4%	16.9%	12.4%	41.3%	12.9%	100.0%

Source: Own Survey, June 2015

When respondents were asked to express their level of agreement or disagreement regarding the statement that says, ‘location, facilities, accessibility, comfort, equipment or timing of training and development are carefully determined’, a considerable number (61.7%) of the respondents disagreed with the statement (cf. Table 3). This finding implies that the administration of training and development in the Woreda mainly in selecting the right location, facilities, accessibility, comfort, equipment or timing of training and development is poor. Almost all responses of the interviewees are in affirmation with this finding where they reported that the practice of identifying and selecting proper location, facilities, accessibility, comfort, equipment or timing of training and development of their respective organizations is extremely pathetic. One of the respondents said, “training and development does not have owner. If the owner is not there, who do you think is responsible to identify and select proper location, facilities, accessibility, comfort, equipment or timing?”

Respondents were also asked to state their level of agreement or disagreement regarding the idea that says, ‘there is a responsible person or team that handles training and development activities’, a considerable number (66.2%) of the respondents strongly disagreed with the statement (cf. Table 3). This shows that the majority of the public institutions in the Woreda lack appropriate manpower that could handle training and development activities and/or programs. Information obtained from

all interviewees support this finding that signals lack of skilled manpower in the area of training and development as one of the serious problems that adversely affected the practices of training and development. From the observation, it is also clear that all approached (16) public institutions lack a responsible person or team that would handle training and development activities and/or programs. This finding is in line with other research findings which identified shortage of training and development professionals who are skilled and experienced (Bing et al, 2003), and who have the ability to manage the vast and specialized function of human resource development across organizations (Eidgahy 1995; Buyens, Wouters & Dewettinck (2001); Garavan et al 2002) as key challenges of human resource development programs.

Asked to express their level of agreement or disagreement with regard to the statement that reads, 'there are no objective criteria to select employees for training and development, but rather personal networks matter', the majority of the respondents (58.2%) felt that their organizations did not use objective criteria in selecting employees for training and development programs (cf. Table 3). This finding however, is inconsistent with what some of the interviewees reported indicating that many of the training and development program opportunities that came from regions sometime clearly specify either the criteria or the number of trainee(s) from a specific department/team or even the position that is occupied by a particular employee who ought to have the training. According to them, when this is a case, office heads send the request to the concerned department- that directly informs the concerned employee(s). However, they said that when the region only specifies the criteria without clearly mentioning a particular department/core process/a person working in a particular position, either the management committee of the organization or an independent committee selects the trainee(s). The majority of the interviewees however reject this argument saying that this is not always the case. They argued that in most of the training and development opportunities, employees are selected based on a personal network rather than objective criteria. According to them, when the training and development program has financial benefit or proffer- a well- recognized certificate/diploma, employees in a strong network is sent to those in the network. On the other hand, when the program lacks these returns, inapt employees who do not deserve the training and development opportunity are sent to attend the program.

Concerning the statement that says, 'there is no equal opportunity for every employee who wishes to participate in training and development programs', more than half (54.2%) of the respondents felt that their organizations are not providing equal opportunity for every employee to take part in training and development programs. It is evident that when the selection process is not transparent and lacks objective criteria, employees would not get equal opportunity. The view of the majority of the interviewees is akin to the finding above where they noted that in bulk of the training and development opportunities employees are not given equal chances mainly due to lack of a transparent selection system, lack of accountability, and rent seeking behavior of those who have the power and authority in deciding on candidates' opportunities for training and development.

4.4 The Practice of Monitoring and Evaluation

Every employee should be monitored and evaluated during and after the program by comparing his/her newly acquired skills and knowledge with the skills and knowledge defined by the goals of the training and development program (Yawson 2009). It is clear that timely follow up, i.e. monitoring and evaluation of training and development programs could enable the organization to notice improvements achieved, problems faced, and take timely measures so as to enhance organizational effectiveness.

Respondents were asked to express their level of agreement or disagreement with the statement that says, 'when employees return from training and development, managers encourage them to share

what they have learned with other employees' and 69.7% of them disagreed with the statement (cf. Table 4). This shows that the practice of encouraging workers to share the knowledge and/or skills acquired from training and development programs to colleagues is poor. Almost all interviewees have confirmed this finding saying that the practice of encouraging returnees of the training to share what they have learned is very weak. One of the interviewees said, "many employees including myself took training and development in different areas at different times, but I couldn't remember the time when employees shared what they have learned. Nobody asked the returnees to do so."

When asked about whether or not managers guide the employees to know whether they are doing their job as per the training imparted or not, the majority (60.7%) of the respondents disagreed with the idea (cf. Table 4). This finding signals that the practice of guiding returnees of the training and development program in the Woreda is weak. In response to the statement that reads, 'managers give employees the opportunity to try out the knowledge and skills they acquired from training and development on the job immediately,' nearly two third (65.7%) of the respondents disagreed with the statement (cf. Table 4). This finding demonstrates that public managers in the Woreda have botched in granting an opportunity to the returnees of training and development programs and failed to allow the trainees to try out the knowledge and skills they acquired from the training and development on the job immediately.

Respondents were asked to rate their opinions about whether or not 'managers ease the pressure of work for a short time so that employees can get a chance to practice new knowledge and/or skills that are gained from training and development', (64.7%) of expressed their disagreement (cf. Table 4).

Almost all interviewees reported that their organizations neither eased the pressure of work nor gave them a chance to returnees of training and development to practice what they learned. They said that there was no such practice at all in the Woreda mainly due to lack of responsible person that would regularly monitor the returnees and their low attention paid to the training and development activities. In supporting this finding, one of the interviewees said, 'when an employee returns from any type of training and development, no one asks him or her to practice what he or she has learned. Practicing knowledge and skills gained from training and development depends on the interest and motivation of the employee.'

With regard to the idea of whether or not 'adequate time is given to employees returning from training and development to reflect and plan improvements,' (67.7%) of the respondents expressed disagreement (cf. Table 4). From this finding, one can infer that adequate time was not given to employees returning from training and development to reflect and plan improvements. On top of this, in response to the idea that 'there is a system in place to monitor and report training and development activities and programs', (64.7%) of the respondents disclosed their disagreement (cf. Table 4). It can be concluded that public institutions of the Woreda lack an understandable system of monitoring and reporting on training and development activities and programs.

Asked whether or not results of training and development programs are timely monitored and evaluated in their organizations, (68.2%) of the respondents disagreed with the idea. This signifies that the practice of timely monitoring and evaluating training and development programs is not significant. Almost all interviewees reported that there are no such practices in the Woreda. Besides, concerning the issue that 'there is a practice of conducting impact assessment and recording improvements attained due to training and development', (69.7) of the respondents communicated their disagreement.

Table 4: Practices of Monitoring and Evaluation

Statements		Responses and Rates					
		SD	DA	N	AG	SA	Total
1. When employees return from training and development, managers encourage them to share what they have learned with other employees	N	43	97	10	46	5	201
	%	21.4%	48.3%	5.0%	22.9%	2.5%	100.0%
2. Managers guide and follow up the employees to know whether they are doing their job as per the training imparted or not	N	30	92	20	52	7	201
	%	14.9%	45.8%	10.0%	25.9%	3.5%	100.0%
3. Managers give employees the opportunity to tryout the knowledge and skills they acquired from training and development on the job immediately	N	41	91	22	39	8	201
	%	20.4%	45.3%	10.9%	19.4%	4.0%	100.0%
4. Managers ease the pressure of work for a short time so employees get a chance to practice new knowledge and/or skills that are gained from training and development	N	47	83	20	48	3	201
	%	23.4%	41.3%	10.0%	23.9%	1.5%	100.0%
5. Adequate time is given for employees returning from training and development to reflect and plan improvements	N	43	93	27	36	2	201
	%	21.4%	46.3%	13.4%	17.9%	1.0%	100.0%
6. There is a system in place to monitor and report training and development activities	N	46	84	15	45	11	201
	%	22.9%	41.8%	7.5%	22.4%	5.5%	100.0%
7. Results of training and development programs are monitored and evaluated on regular basis	N	48	89	24	32	8	201
	%	23.9%	44.3%	11.9%	15.9%	4.0%	100.0%
8. There is a practice of conducting impact assessment and recording the improvements attained due to training and development	N	49	91	20	36	5	201
	%	24.4%	45.3%	10.0%	17.9%	2.5%	100.0%

Source: Own Survey, June 2015

One can, thus, infer that public organizations of the Woreda lack the practice of conducting impact assessment and recording potential improvements as a result of training and development initiatives claiming resources.

4.5 Improvements Achieved

As a matter of fact, properly planned, implemented, and evaluated, training and development programs would bring about positive changes in the knowledge, attitudes and skills of an individual and groups in an organization and improve their performance. This improvement in performance of individuals and groups in turn enhances organizational effectiveness. Regarding improvements

achieved in public institutions due to training and development ventures, respondents were asked several question and the results are presented in a nutshell in Table 5 below.

Slightly over half (52.2%) of the respondents disagreed with the idea that training and development has brought about positive attitude in employees. As this study evidently shows within the highly scrappy practice of training and development in the Worda where training and development needs assessment and planning practices are insignificant, trainee selection procedures are opaque, where many employees perceive that there is no equal opportunity, and the system of accountability is either weak or non-existent, it would be naïve to expect meaningful improvement in attitudes of the employees. This finding spells out that in the majority of public institutions, training and development programs are ineffective in improving the attitude of employees. This would adversely affect the commitment of the employees and reduce their performance. Though considerable proportion of respondents (41.3%) felt that training and development had brought about positive attitudes in employees showing that in some public organizations training and development to some extent changed the attitudes of the employees (cf. Table 5). This finding is in line with the information obtained from some of the interviewees. For example, interviewees from health, education, and agriculture office reported that training and development efforts had brought about some improvement in the attitudes of health extension workers, teachers, and agricultural experts. In addition, in response to the issue that ‘training and development had enhanced job related skills and knowledge of employees’, slightly above half (51.2%) of the respondents disclosed their disagreement (cf. Table 5).

Table 5: Improvements Observed due to Training and Development Initiatives

Statements	Responses and Rates						Total
		SD	DA	N	AG	SA	
1. Training and development has brought about positive attitude in employees	N	34	71	13	70	13	201
	%	16.9%	35.3%	6.5%	34.8%	6.5%	100.0%
2. Training and development has enhanced job related skills and knowledge of employees	N	22	81	18	69	11	201
	%	10.9%	40.3%	9.0%	34.3%	5.5%	100.0%
3. Training and development has enhanced managerial capacity of managers at various levels	N	31	71	34	53	12	201
	%	15.4%	35.3%	16.9%	26.4%	6.0%	100.0%
4. Training and development has improved the performance and productivity of individual employees	N	26	76	17	68	14	201
	%	12.9%	37.8%	8.5%	33.8%	7.0%	100.0%
5. Training and development has improved the performance and productivity of the organization	N	24	74	19	72	12	201
	%	11.9%	36.8%	9.5%	35.8%	6.0%	100.0%
6. Training and development has increased employees' job satisfaction	N	38	80	18	55	10	201
	%	18.9%	39.8%	9.0%	27.4%	5.0%	100.0%

Source: Own Survey, June 2015

As indicated above, in the situation where the practice of training and development requires a high level of assessment, administration, monitoring and evaluation, it would be strange to expect improvement in the employees' knowledge and skills. In conclusion, in the majority of the public organizations, the initiatives of training and development did not bring about a significant improvement in job related skills and knowledge of the employees. However, a significant proportion (39.8%) of the respondents perceived that training and development had enhanced job

related skills and knowledge of employees seeing that in some public organizations training and development improved job related skills and knowledge of employees (cf. Table 5). This confirms the information obtained from some of the interviewees (mainly drawn from health, education, agriculture, and revenue offices) who reported that training and development programs improved the skills and knowledge of those employees who seriously had attended the programs.

With regard to the statement that says ‘training and development has enhanced managerial capacity of managers at various levels,’ slightly over half (51.2%) of the respondents disagreed with the idea (cf. Table 5). This indicates that in the majority of public organizations, training and development is found to be futile in improving managerial capacity. Data acquired from the interviewees is in affirmation with this finding implying that they had been unable to see improvements in managerial competence (capacity to plan, organize, direct, and control development endeavors, motivate employees, and create team spirit) of the Woreda public managers albeit the majority among them had participated in various training and development programs.

As far as the statement that reads, ‘training and development has improved the performance and productivity of individual employees’ is concerned, about half (50.7%) of the respondents disclosed their disagreement (cf. Table 5). One can thus figure out that in the majority of public organizations, training and development hasn’t improved the performance and productivity of individual employees. Although a significant proportion of the respondents (40.8%) agreed with the statement (cf. Table 5) implying that in some public institutions where employees carefully attended training and development programs and effectively applied what they acquired from the program in the workplace, it improved their performance and productivity. Similarly, a statement that says, ‘training and development has improved the performance and productivity of the organization’ was presented to the respondents. About half (48.7%) of the respondents disagreed with the statement. Equally, a significant proportion of respondents (41.8%) either agreed with the statement as well (cf. Table 5). The implication here is that in the majority of the public organizations, training and development hasn’t improved the performance and productivity of the public organizations, whereas in some public institutions where employees carefully attended training and development programs and effectively applied what they learned from the program in their work place, it improved the performance and productivity of the public organizations.

The respondents were also asked to express their level of agreement or disagreement with the statement that says, ‘training and development has increased employees' job satisfaction.’ The responses show that a considerable number (58.7%) of the respondents indicated their disagreement showing that in the majority of public institutions training and development didn’t increase employees' job satisfaction, and it did not reduce the turnover, either.

4.6 Factors that Inhibit Practices of Training and Development

Pertaining to factors that impeded the proper management of training and development, the respondents provided the responses tabulated below in Table 6. Moreover, the respondents were asked to identify the challenges (of training and development initiatives) that their organizations had been facing. As can be seen from Table 6, 146(72.6%), 142(70.6%), 135(67.2%), 112(55.7%), 106(52.7%), 106(52.7%), 105(52.2%), 90(44.8%), 81(40.3%), and 42(20.9%) of respondents reported lack of budget/financial resource, lack of leadership commitment and support, lack of transparency in selection process, lack of organized data on human resource development needs, lack of employees' involvement in needs assessment and selection process, inaccessibility of training institutions, lack of human resource development professionals, insufficient time duration and poor timing, high cost of training and development, and low interest of employees to participate in training and development as challenges of training and development in the Woreda, respectively.

Table 6: Factors that Hindered the Practice of Training and Development

Statements	Responses and Rates					
	No		Yes		Total	
	N	%	N	%	N	%
Lack of leadership commitment and support	59	29.4%	142	70.6%	201	100.0%
Lack of budget/financial resource	55	27.4%	146	72.6%	201	100.0%
Lack of transparency in selection process	66	32.8%	135	67.2%	201	100.0%
Lack of human resource development professionals	96	47.8%	105	52.2%	201	100.0%
Insufficient time duration and poor timing	111	55.2%	90	44.8%	201	100.0%
Inaccessibility of training institutions	95	47.3%	106	52.7%	201	100.0%
High cost of training and development	120	59.7%	81	40.3%	201	100.0%
Low interest of employees to participate in training and development	159	79.1%	42	20.9%	201	100.0%
Lack of organized data on human resource development needs	89	44.3%	112	55.7%	201	100.0%
Lack of employees' involvement in needs assessment and selection	95	47.3%	106	52.7%	201	100.0%

Source: Own Survey, 2015

5. Conclusions and Recommendations

5.1 Conclusions

This study aims at investigating human resource training and development practices in some selected public organizations of Konso Woreda in south Ethiopia. The practice of employees training and development needs assessment was found to be either meager or non-existent in the public institutions of the Konso Woreda chiefly due to low attention paid by higher officials or bureau heads, and because of lack of skilled manpower in the area, along with an attitude of expecting training and development from regional line bureaus and/or NGOs. Moreover, public managers in the Woreda are not seriously considering training and development matters as their crucial responsibility and have failed to create favorable environment in an effort to plan, implement and evaluate training and development programs.

Public institutions of the Woreda lack a transparent system and procedure of selecting candidates for training and development and failed to provide equal opportunity for employees to participate in training and development programs. Consequently, the majority of the employees are dissatisfied with the whole processes and practices of training and development. Public institutions of the Woreda do not have clear systems of monitoring and reporting on training and development activities and programs. In general, the practice of training and development in the Woreda is poor and, as a result, there is no significant improvement in skills, knowledge, and attitudes of employees. Moreover, in most cases, training and development is unsuccessful in improving the performance and productivity of individuals and organizations.

5.2 Recommendations

- *Strengthening the practice of training and development needs assessment:* training and development initiatives should be planned in a systematic way and be supported by meticulous needs assessment and analysis of individual as well as organizational performance. Public managers of the Woreda should create a clear system for training and development needs assessment and carefully conduct training and development needs assessment in a participatory manner and identify the gap between current competence of the workforce and

the required type and level of competence; explore the causes and reasons for the gap, and devise appropriate intervention to close the gaps.

- *Due attention by higher officials as well as bureau heads to training and development:* Bureau heads of the respective public institutions and other higher officials of the Woreda should pay due attention to training and development activities, support and create favorable environment for planning, implementation and evaluation of training and development programs. They should carefully decide on issues of the right location, facilities, accessibility, comfort, equipment or timing of training and development in advance. They should install transparency system of selecting trainees and link this system with needs assessment systems, as well.
- *Strengthening the follow up mechanism:* public managers of the respective bureaus should establish a clear follow up mechanism and give an opportunity to the returnees from training and development programs thereby encouraging the returnees to try out the knowledge and skills they acquired, and ease the pain or pressure of work for a short time so that employees can get a chance to practice the new knowledge and/or skills that are gained.
- *Strengthening Monitoring and Evaluation mechanisms:* every employee should be monitored and evaluated during and after the program by comparing his/her newly acquired skills and knowledge with the skills and knowledge defined by the goals of the training and development program. Timely monitoring and evaluation of training and development programs could enable the public managers to take a timely record of the developments (improvements achieved, and problems faced), and take timely measures so as to enhance organizational effectiveness. Therefore, all public managers should establish a clearly articulated system that would enable them to effectively monitor and evaluate training and development initiatives.
- *Strengthening Human Resource Department:* all concerned bodies of the Woreda should take the problem of lack of human resource development department into consideration and, at least, establish a department at a central level (under the civil service bureau of the Woreda) that could carry out the function of HRD effectively and efficiently. Adequate budget should be earmarked to the department and training and development programs as well. This requires a high level of commitment and support from high ranking officials and stakeholders (governmental and non-governmental bodies such as sponsors providing financial and related training inputs) in the Woreda.

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Practices and Problems of the Implementation of Civil Service Reform Tools - in Sebeta City Administration of ONRS

*SimeFida**

Abstract

The main purpose of this study was to assess the practices and problems of the implementation of civil service reform tools in Sebeta city administration. The data were gathered through questionnaires, interviews and a document review checklist. Out of two hundred questionnaires distributed to employees and customers of five sample sectors, one hundred seventy nine (89.5%) were properly filled and returned. The study employed both quantitative and qualitative approaches of data analysis. Kruskal Wallis test was employed to compute opinion differences among respondents. The study revealed that there were some progresses in building team spirit, identifying the relationships of reform tools, aligning organizational strategy with individual planning, combining fragmented tasks to one job and improvements of office layouts. On the contrary, the findings of the study disclosed the commitment of civil servants to implementing the reform tools is not as expected because of lack of necessary incentives and technical support of the civil service and good governance office. Moreover, there was a significant gap in addressing customers' needs and requests especially in land development and management office of the city administration. Gap of Information Communication Technology (automation) in many organizations, electric power failure and frequent disconnection of network are some of the challenges to properly implement the reform tools in the city administration.

Key Words: - Reform Army, Civil Service Reform Tools, Sebeta City Administration, Ethiopia

1. Introduction

The official launch of initiatives of civil service reform in Ethiopia dates back to 1907 when Emperor Menilik set up the foundation of a few ministries in the country. However, as indicated in (The Federal Democratic Republic of Ethiopia 2001: 3-4) there were poor service delivery practices for a century due to the following reasons. Insufficient recognition that citizens have right to receive services from government, lack of accountability in civil service institutions; problem of lengthy and time consuming service delivery, excessively hierarchical organizational structure and obsolete centralized management practices; lack of clear and adequate information on the availability of particular services and –unbearable conditions required to get these services, lack of formally constituted complaint handling mechanisms, and lack of intrinsic or extrinsic motivation of employees to provide quality services were some of the major handicaps.

Cognizant of these historical facts, the Federal Democratic Republic of Ethiopia designed a new service delivery policy in 2001 with the overall objective of attaining a maximum level of users' satisfaction with service delivery issues in the civil service. In order to realize the objectives of this policy, the government has made several efforts in preparing a range of training packages and implementing various management tools. Strategic Planning and Management (SPM), Result Oriented Performance Management, Business Process Reengineering (BPR), Balanced Score Card (BSC) and Reform Army Building Strategy are some of the major reform tools that the government has implemented in accomplishing the objective of service delivery reform so far.

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However, in most cities of the Oromiya regional state, including sebeta, it appears that the implementation and sustainability of civil service reform tools were below the expectation before this study was conducted. The researchers' experience indicates that many customers had been complaining about the service of these cities (especially in relation to land management) and considering it as inefficient and open to corruption. For example, for the last eight years, spending hours in a long queue of customers in front of government offices in Sebeta to get services has become the culture.

Sebeta city administration is located at about 25 km away from Piassa in Addis Ababa, the capital city of Ethiopia, in the south-west direction. There is no written evidence that indicates when Sebeta was established as a town. However, as indicated in -SCA, (2007E.C), there is a legend that mentions it was founded during the regime of Emperor Minilek, around 1900E.C. The town got its municipality status in 1936E.C. and its initial master plan in 1972E.C. Although the foundation of the city dates back to the early 20th century, its development was too slow until the city became under reform in 1996 as per the proclamation number 65/95 of the region. Because of a fast growth in investment and decentralization policy of the government, Sebeta city administration has become one of the eleven first grade city administrations accountable to Oromiya Regional State since 2000E.C.

Hence, the main objective of this study is to examine the current status of civil service reform tools in Sebeta city administration. To this end, the study attempts to address the following basic questions: What are the achievements and challenges of the civil service reform tools in the city administration? To what extent are customers being satisfied with the service delivery practice of the city administration? How do employees and managers at various levels of the city administration perceive the concept and relationship among the reform tools? What is the attitude of employees and managers towards implementing the reform tools?

2. Review of Related Literature

2.1 Concepts and the Need for Civil Service Reform

Prior to defining what 'a civil service reform' is and the relationship among reform tools, it is important to clarify the concept of 'civil service'. Scholars define a civil service in various ways. To begin with, civil service can refer to either a branch of governmental service in which individuals are employed - on the basis of professional merit as proven by competitive examinations, or by the body of employees in any government agency apart from military, which is a separate extension of any national government. A civil servant or a public servant is a person in the public sector employed for a government department or agency. As to Robert and Graham,(2008), public/civil services are those services provided by federal or local governments to the community at large. According to other scholars (Schacter 2000 as quoted in Tilaye 2007) the phrase public/civil service may refer to any act or performance that public institutions provide to fulfill social needs. Public/civil service is defined as those activities of government institutions aimed at satisfying the needs and ensuring the well-being of society as well as enforcing laws, regulations and directives of the government (FDRE 2001).

From the definitions, it is possible to understand that civil service is a wide and comprehensive concept that includes all activities and services offered by public organizations at various levels (federal, regional and local) to satisfy the needs of citizens at large.

Civil service reform is a result of a credible government's interest in improving the performance of civil service institutions; and it is a deliberate change for the design and delivery of public services (Boyne A 2000 as cited in Tilaye 2007:11). The purpose of civil service reform is to improve the

effectiveness and performance of civil service and to ensure the affordability and sustainability over time (Wescott 1999 as cited in Kassa 2009:168).

The government of Ethiopia launched a new and comprehensive civil service reform program in 1996 with the purpose of alleviating the problem of capacity which had seriously hindered the performance of public institutions in Ethiopia for a century. Promoting the development of efficient, effective, transparent, ethical and performance oriented civil service was the main objective of the reform program. It entails five sub programs i.e. top management system, human resource management, expenditure management and control, ethics, and service delivery sub-programs (EFDR 2001).

To solve deep-rooted problems of service delivery practices in the public institutions, the government designed and implemented various reform tools after launching the service delivery policy of 2001. BPR, BSC and Reform army are some of the tools exercised to realize the purpose of service delivery sub-program. The following sections present conceptual frameworks, relationships among reform tools and what they have been contributing to achieve objectives set and what problems/challenges they have caused so far.

2.2 Conceptual Framework

In order to examine the relationships among reform tools, the conceptual framework is presented as follows.

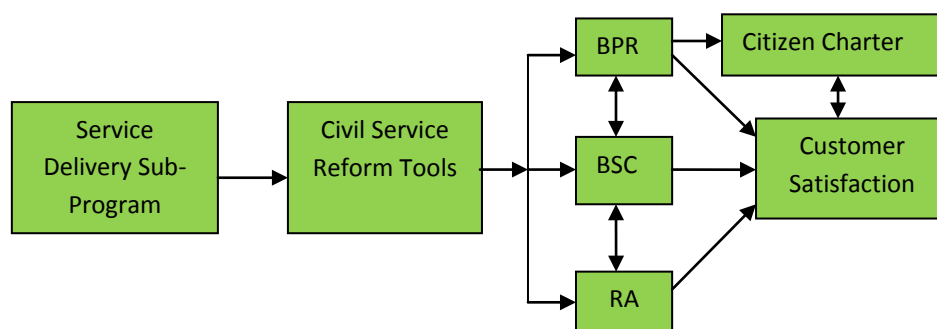


Figure 1: Relationship among the Reform Tools

2.2.1 Business Process Reengineering (BPR)

The key concept of BPR is 'reengineering' which is defined as the fundamental rethinking and radical redesigning of business process to bring about dramatic improvement in performance indicators (Hammer & Champy 1993; Hammer & Stanton 1994). In this definition *fundamental rethinking* implies being free from status quo in thoughts while *radical redesigning* indicates changing the conventionally designed business process from its root that will be resulted in a *dramatic change* which implies more than 50% improvement on performance indicators (increased speed, reduced cost, greater accuracy and customer satisfaction). Similarly, Linden (1998), defined a work process as a set of interrelated steps that begin with an input or trigger and end with an outcome that satisfies the end user. In both definitions, the interrelation among tasks and the satisfaction of end user /customer is emphasized.

As indicated on business diamond of -Hammer (1996), BPR focuses on how to change/improve four components of an organization 1) Business processes (removing away non value adding processes), 2) Job and structure (combine fragmented tasks into one job and change hierarchical

organizational structure to flat one), 3) Management and measurement (change managers from supervisors to coaches and change measurement from activity based to result oriented), and 4) Values and beliefs (values change from protective to productive).

2.2.2 Balanced Score Card (BSC)

Balanced Score Card is a new approach of strategic management that comprises management, communication and measurement system introduced during the early 1990s. It is a conceptual framework for translating an organization's strategic objectives into a set of performance indicators distributed among four perspectives: Financial, Customer, Internal Business Process and Learning and Growth (Kaplan & Norton 1996). These indicators measure an organization's progress towards achieving its vision and the long term drives of success. This could coincide with the third step of business diamond of BPR mentioned above.

2.2.3 Reform Army (RA)

The researcher has never come across any dictionary or operational definition of 'reform army' except those given by the Ministry of Civil Service (MoCS) in the local language or Amharic. Nevertheless, the term 'army' is probably derived from 'military' that could imply a team of soldiers organized under different groups to accomplish a given mission with devotion and commitment. With the same token, 'reform army' in public organization may imply a group of civil servants organized together to accomplish a common goal, i.e. to achieve the mission and goals of their organization with commitment and devotion. As to MoCS (2011), there are three major steps of reform army formation in government institutions: preparation, implementation and summarization steps.

The role of managers, employees and stakeholders varies at each step. For instance, during the preparation step the organization focuses on planning and assigning resources to mobilize the resources towards achieving the organizational objective. The implementation is the step where an organization changes its plan into action. Hence, everybody is responsible to carry out his/her duties here. Under the final step monitoring and evaluation of the overall process is summarized. Report is compiled and communicated to concerned bodies at this step and feedback is given to the service providers (MoCS 2011). Thus, reform army in public service could be seen as a group of civil servants structured together at various levels of an organization with the purpose of shared organizational mission and strategy which mainly focuses on customer satisfaction.

2.2.4 Citizen's Charter (CCH)

Citizen's Charter can be defined as an organizational document that contains the general information about the organization, details of organization's business and citizen's obligation, thereby making them better informed and empowering them to demand better service. Moreover, it describes citizens' service delivery, by making the key ingredients for good service delivery and building its own capacity to continuously improve service delivery through feedback mechanism.

2.3 Relationships among the Reform Tools

There are different controversial views about the interdependence among reform tools. Some argue that the reform tools adopted by the government of Ethiopia are not associated with each other. They state that each reform tool has its own particular objective to be attained. Others believe that there is a strong relationship among the reform tools. Unlike the first group, they argue that the success or failure of one tool is an input for the next one. Still there are others who believe that implementing different tools at a time may result in duplication of tasks and confusion of the

implementers (Fekadu 2013). Indeed, the origin of each reform tool may vary in approaches and philosophical backgrounds. This does not, however, mean that various reform tools never serve to accomplish a common goal. Thus, in order to rationalize the relationship among the reform tools capitalizing on the concepts and purposes of some reform tools under implementation would be of great help.

The focus of BPR is to bring about dramatic improvement in performance indicators (increased speed, greater accuracy, reduced cost and increased customer satisfaction) that might be meaningful if it is properly managed and measured through BSC. Citizen's charter is the best communication tool through which organizations obtain the required feedback (of their customers) to measure the progress of their performance indicators. Finally, the idea of reform army might coincide with the remaining tools since its underlying concept is building team spirit within a process (work group) as well as in various processes (groups) so as to accomplish the intended objective. However, the alignments among reform tools require adequate knowledge and skill of designing the reform tools and careful attention and commitment of the implementers. It also needs customizing of the reform tools based on the type of organization, tasks being performed/ services being rendered, and objectives due to be attained.

2.4 Achievements of the Reform Tools

The former Ministry of Capacity Building (MoCB) in collaboration with the Ethiopian Management Institute (EMI) and the former Ethiopian Civil Service College (ECSC) has played a decisive role in mobilizing and coordinating the Federal Government Institutions and Regional State Public Offices, in designing and implementing various training packages, and assigning consultants and trainers at different levels especially when BPR and BSC were designed. The effort exerted by the former ministry has brought a number of achievements despite the fact that they are not fruitful in most cases. As indicated in many assessment surveys which were carried out during the implementation of BPR (Sime 2012; Tesfaye & Atkilt 2011; Mesfin & Taye 2011; Getachew & Common 2006), there were a lot of federal and regional offices that have registered significant improvements in some performance indicators, particularly in cycle time, although the sustainability of improvement is questionable.

For instance; the former Document Authentication and Registration Office (DARO) improved the waiting time of some services like "associations' document authentication" from two days to two hours (Sime 2012). Ethiopian Revenue and Custom Authority (ERCA) and Commercial Bank of Ethiopia (CBE) have also registered significant improvements in their cycle time (Tefaye and Atakilt 2011) and the dramatic improvement of cycle time in the Ministry of Education (MoE) and the former Ministry of Trade and Industry (MoTI) as reported by Getachew & Common (2006), are some of the examples. However, sustainability of such improvements is challenged by various factors.

2.5 Challenges of Implementing Reform Tools in Ethiopia

There are a number of factors that negatively influence the implementation of reform tools in Ethiopia. Firstly, many people complain about the origins of the reform tools are business companies that may require careful attention to adopt those experiences to scenarios of the public institutions. Secondly, even though the government has tried to implement different management tools to improve the service provision practices of the public sectors, different studies conducted revealed that the result is not as expected because of various reasons. As to the MoCS (2011), the reasons are: (a) lack of commitment of civil servants to implementing the reform; (b) misunderstanding in assuming the implementation of reform tools alone guarantees the realization

of overall socio-political and economic conditions of the country; and(c) the implementation of some reform tools like BPR has never considered the distinct features of some public sectors.

Similarly, lack of commitment and competency of leaders in some organizations, shortage of resources, lack of ICT infrastructure and its utilization skill, weak monitoring and evaluation, and unchanged attitudes of employees and leaders were some of the challenges for the successful implementation of reform tools in the Oromia Regional State (ORS, 2011& PSCO, 2015).

On the whole, attitudinal and commitment problems of employees and managers, resource constraints, gaps in understanding why and where to implement the reform tools and absence of clear and uniform measurement and incentive system are factors repeatedly raised as major challenges to successfully implement the reform tools in the country in general and in the Oromia region in particular.

3. The Methods

3.1 Research Design

In order to assess practices and problems of civil service reform tools, a descriptive survey method was used since it is appropriate to reveal the current state of a problem. This research method helps to give answer to the basic research question and describe what is happening currently (Anderson, 1990: 37). The difference between policy statement and practice on the ground was compared and related to the specific situations. Both quantitative and qualitative methods were applied in this study.

3.2 Sample Size and Sampling Techniques

In this study both probability and non-probability sampling techniques were used. As they are expected to have a better access to the information about reform progress in their respective organizations, five heads/representatives of sample offices/agencies participated in interviews conducted by using purposive sampling technique. One hundred eight external customers of the five organizations were selected accidentally for questionnaire purpose.

Table 1: Number & % of Distributed and Collected Questionnaires Per Sample Organization

Type of organizations	Expected population	Sample Customers			Popul ation	Sample Employees		
		Distrib uted	Returned			Distri buted	Returned	
			No	%			No	%
Civil Service Office	46	14	14	100	33	10	10	100
Land Development & Mg't	150	45	34	75.6	52	16	14	87.5
Sebeta Municipality	50	15	13	86.7	103	31	26	83.8
Revenue authority	60	18	12	66.7	102	31	22	70
branch office	74	22	22	100	48	14	12	85.6
Transport agency								
Total	380	108	95	88	338	102	84	82.4

To make the sample manageable and representative, one hundred two employees were also selected to deal with the questionnaire through random sampling. Out of the total of two hundred ten questionnaires distributed to employees and customers of five sample sectors of the city administration, one hundred seventy nine questionnaires (85.2%) were properly filled and returned. Before dispatching the actual questionnaires, the draft of questionnaires were developed and distributed to some representatives of the sample sectors to approve the validity and appropriateness of the items included. A summary of the sampling procedure is presented in Table 1.

In addition, offices of three *Kebeles* (Kebele02, 03 and 08) out of eight *Kebeles* under the city administration were selected randomly and observed by the researcher; and documents related to the civil service reform implementation were reviewed based on a checklist.

4. Results and Discussion

4.1 Data Analysis Tools

The study employed both quantitative and qualitative approaches of data analysis. The raw data collected through questionnaires were encoded in software known as Statistical Package for Social Sciences (SPSS version 18). Mean and percentage were used in analyzing the data gathered through two types of questionnaires. As it is used to test the opinion difference among three or more groups, Kruskal Wallis test was employed to test whether or not there was statistically significant difference among the opinions of customers of the five organizations and employees of the same organizations regarding issues related to civil service reform tools. This tool was preferred to others because the size of each sample population was less than thirty and, thus, manageable.

4.2 Data Analysis and Presentation Procedures

What follows is a section of data analysis, interpretation and presentation of each and item based on the basic research questions raised in the first section.

4.2.1 Respondents Biography

Two types of respondents, i.e. customers and employees of the five organizations participated in answering items of the two questionnaires.

Table 2: Customers' Sex, Employment Status and Home Distance from Service Provision Area

Items	CSO=14		LDM=34		MUN=13		REV=12		TRA=22		Total=95	
	N	%	N	%	N	%	N	%	N	%	N	%
Sex												
Male	7	50	29	85.3	8	61.5	10	83.3	16	72.7	70	73.7
Female	7	50	5	14.7	5	38.5	2	16.7	6	27.3	25	26.3
Total	14	100	34	100	13	100	12	100	22	100	95	100
Employment status												
Government	14	100	12	35.3	3	23.1	2	16.7	4	18.2	35	36.8
Private	-	-	3	8.8	1	7.7	1	8.3	4	18.2	9	9.50
NGO	-	-	5	14.7	-	-	4	33.3	4	18.2	13	13.7
Personal	-	-	7	20.6	2	15.4	5	41.7	9	40.9	23	24.2
No work	-	-	7	20.6	7	53.8	-	-	1	4.5	15	15.8
Others, if any	-	-	-	-	-	-	-	-	-	-	-	-
Total	14	100	34	100	13	100	12	100	22	100	95	100
Distance between residence of customers and service offering office												
< 21 Km	14	100	20	58.8	6	46.1	11	91.7	11	50	62	65.3
21 - 50 Km	-	-	12	35.3	3	23.1	1	8.3	6	27.3	22	23.1
> 50 Km	-	-	2	5.9	4	30.8	-	-	5	22.7	11	11.6
Total	14	100	34	100	13	100	12	100	22	100	95	100

Source: Survey Data (May, 2015)

NB: CSO= Civil Service Office, LDM= Land Development & Management Office, MUN= Municipality, REV= Revenue Office, and TRA= Transport Office

As indicated in item no. 1 of Table 2 above, out of 95 customers who filled in the questionnaire 70(73.7%) were males while the remaining were females. Regarding the second item, most customers of the offices, about 60%, were either employees of government or non-government organizations who serve customers in their office.

With regard to commuting, i.e. traveling to get services, 33(34%) travelled more than 21 Km to get the service. If the service they need takes long time and causes handoffs, they would incur high cost and end up with a sheer waste of time to waiting for service.

Table 3: Employees' Educational Level, Experiences and Positions

Items	CSO=10		LDM=14		MUN=26		REV=22		TRA=12		Total=84	
	N	%	N	%	N	%	N	%	N	%	N	%
Education												
< Diploma	1	10	-	-	2	7.7	-	-	-	-	3	3.6
Diploma	4	40	8	57.1	6	23.1	2	9.1	4	33.3	24	28.6
BA/BSC	4	40	5	35.7	18	69.2	20	90.9	8	66.7	55	65.5
≥MA/MSc	1	10	1	7.2	-	-	-	-	-	-	2	2.4
Total	10	100	14	100	26	100	22	100	12	100	84	100
Work Experience in this office												
< 1 year	2	20	2	14.3	2	7.7	3	13.6	-	-	9	10.7
1 to 3 years	2	20	5	35.7	5	19.2	3	13.6	2	16.7	17	20.2
3 to 5 years	2	20	2	14.3	5	19.2	10	45.5	2	16.7	21	25
> 5 years	4	40	5	35.7	14	53.9	6	27.3	8	66.7	37	44.1
Total	10	100	14	100	26	100	22	100	12	100	84	100
Position												
Expert	7	70	6	42.9	15	57.7	16	72.7	7	58.3	51	60.7
Team leader	-	-	6	42.9	4	15.4	2	9.1	3	25	15	17.9
Process owner	2	20	2	14.2	4	15.4	2	9.1	2	16.7	12	14.3
Others	1	10	-	-	3	11.5	2	9.1	-	-	6	7.1
Total	10	100	14	100	26	100	22	100	12	100	84	100

Source: Survey Data (May, 2015)

As shown in item no. 1 of Table 3, almost all of the respondents, 81(94%), are holders of academic credentials preceding a master's degree and, thus, they can easily understand the purpose of the research and give reasonable response to each item. Most of them, 58(69.1%), have also served for 3 years and above in the city administration where they have an access to evaluate and judge the practices and challenges in the implementation of reform tools in the city administration. Variation in their position may help to see the implementation of reform tools from different perspectives.

4.2.2 Contributions of Reform Tools

Any reform of government institution has its own contributions in improving organizational structures and the related rules, regulations and procedures. As indicated in literatures of most Public Management, civil service reform is the common agenda of most developing countries after 1980s. Basically, Ethiopia has engaged in a massive civil service reform programs during the last fifteen years. Especially, after adopting a civil service delivery policy, the government has been employing different reform tools such as BPR, BSC and Reform Army both at federal and regional levels. However, many people questioned whether the tools are successfully addressing the intended objectives or not. That is why the employees were asked to what extent the following components of reform tools were being implemented in their offices.

As indicated in item no.1 of Table 4, the majority of the respondents in the five organizations, 73(86.9%), believe there is an improvement in their organization because of implementing BPR. Concerning the second item, the respondents were asked to choose and indicate the change observed in their respective organizations. In relation to this item, out of 174 responses given by the employees of all organizations 46(26.4%) indicated that fragmented tasks were combined together and 41 (23.7%) revealed handoffs were discarded in their organizations as a result of implementing BPR. However, out of 174, 16(9.2%) of the respondents confirmed customers were satisfied with services rendered. This signals, to some extent, that BPR does not basically serve the main purpose it has been designed for in the city administration.

Table 4: Employees' response to items on improvements of BPR

No	Items	CSO=10		LDM=14		MUN=26		REV=22		TRA=12		Total=84	
		N	%	N	%	N	%	N	%	N	%	N	%
1	Is there any improvement in your office because of BPR implementation?												
	Yes	6	60	12	86	22	85	21	96	12	100	73	86.9
	No	4	40	2	14	4	15	1	4	-	-	11	13.1
	Total	10	100	14	100	26	100	22	100	12	100	84	100
2	If 'Yes' what is the improvement?												
	Fragmented tasks are combined into one job	4	37	6	21	14	38	14	22	8	24	46	26.4
	Handoffs are discarded	3	27	7	24	9	24	16	25	6	18	41	23.7
	Non-value adding tasks are avoided	1	9	2	7	2	6	7	11	7	22	19	10.9
	Workers are empowered	1	9	6	21	3	8	11	17	6	18	27	15.5
	Activities are organized around outcome	1	9	6	21	7	19	8	13	3	9	25	14.4
	Customers are satisfied	1	9	2	7	2	5	8	13	3	9	16	9.2
	Total	11	100	29	100	37	100	64	100	33	100	174	100

Source: Survey Data (May, 2015)

In all sampled organizations, most of the employees, 65(77.4%), accepted that there is a significant improvement in the implementation of BSC. Similarly, 92%, 91% and 80% of TRA, REV and CSO respectively support this view.

Table 5: Employees' Responses to Items on Improvements of BSC

No	Items	CSO=10		LDM=14		MUN=26		REV=22		TRA=12		Total=84	
		N	%	N	%	N	%	N	%	N	%	N	%
1	Is there any improvement in your office because of BSC implementation?												
	Yes	8	80	8	57	18	69	20	91	11	92	65	77.4
	No	2	20	6	43	8	31	2	9	1	8	19	22.6
	Total	10	100	14	100	26	100	22	100	12	100	84	100
2	If 'Yes' what is the change?												
	Focus on institutional strategy	6	46	1	8	6	21	6	16	5	23	24	21.2
	Alignment of individuals and organizational planning	3	23	5	38	9	32	13	35	5	23	35	31
	Started to measure performance	1	8	4	31	8	29	7	19	5	23	25	22.1
	Implementation of result oriented evaluation system	3	23	3	23	5	18	11	30	7	31	29	25.7
	Total	13	100	13	100	28	100	37	100	22	100	113	100

Source: Survey Data (May, 2015)

Regarding the second item of Table 5, 35(31%) of the respondents, confirmed that there was alignment of individual planning with organizational planning while they could not articulate the change registered. As indicated on the checklist most of the employees had individual planning cascaded from the organizational BSC. Besides, in the open-ended items employees mentioned there was an essential contribution of BSC in aligning the organizational strategy with the individual planning. During the interview sessions, office heads of the sampled organizations repeatedly mentioned implementation of the reform tools particularly, reform army, had contributed a lot in building team spirit among employees of the city administration. In short, employees have got some benefits as a result of implementing BSC particularly in aligning organizational strategy with individual and team planning.

4.2.3 Customers' Satisfaction

Nowadays most reforms of government institutions focus on efficient and effective service delivery process and performance result. Indeed a customer's satisfaction is one of the main performance indicators. Hence, the ultimate purpose of service delivery is satisfying customers at various levels. For instance, a dramatic improvement of performance in reengineering implies 50% and above improvement in customers' satisfaction (Hammer and Stanton, 1996), and the internal process and customer perspectives of BSC has an emphasis on customers' satisfaction.

Table 6: Customers' Satisfaction on Service Provision Practice of Sample Organizations

Items	Mean					
	CSO=10	LDM=14	MUN=26	REV=22	TRA=12	Total
They provide service timely	3.21	1.67	3.61	2.50	3.18	2.61
There is quality service	3.07	1.79	3.76	3.00	3.40	2.78
Their service cost is reasonable	2.85	2.29	3.61	3.25	3.45	2.95
They treat customers properly	2.92	1.82	3.23	3.50	3.09	2.68
They give prompt response for any complaints	2.57	1.91	3.23	3.33	3.22	2.67
Their service is free from nepotism & cronyism	2.85	1.58	2.76	2.75	3.18	2.45
Their service is free from any corruption	2.85	1.91	2.69	3.16	2.90	2.54

Source: Survey Data (May, 2015)

NB: Str. Agree=5, Agree=4, Par. Agree=3, Disagree=2, Str. Disagree=1, Ideal Mean=3 and Grand Mean=2.67

As shown in Table 6 item no.6 above, customers were asked to describe their consent whether some components of service provision process and good governance are properly practiced or not. A comparison between the mean scores of five organizations of the city administration indicated that there is a significant gap between the mean score of LDM and other sample organizations in the city administration. While the mean scores of most sample organizations is greater than the ideal mean ($M=3$) on almost all items, the mean score of LDM is the least of all sample organizations and below the ideal mean ($M=3$) and grand mean ($M=2.67$). For instance, the 1st, 2nd, 3rd, 4th, 5th, 6th, and 7th items' mean scores of LDM are 1.67, 1.79, 2.29, 1.82, 1.91, 1.58 and 1.91 respectively which are even less than two ($M<2$) implying that the responses of most customers of the office fall between *strongly disagree* and *disagree*.

Besides, the open-ended items of almost all customers of LDM indicate that there is no accountability, transparency and openness in the service provision of the office particularly in the archive process. Almost all customers who filled in the open-ended items believe the office's

service provision process is exposed to nepotism, cronyism. Some of the respondents reported the service providers including office girls, guards, janitors, archive workers and surveyors mistreat customers of the office. They unanimously agreed that the government should pay due attention to the problem of the city administration to save the country from political, social and economic crises. In sum, customers have been hardly satisfied in the LDM of the city administration.

Similarly, the mean score of item no 1.(M=2.50) is less than the ideal mean (M=3) and grand mean (M=2.67) in REV, implying that customers were dissatisfied with the service delivery pace of the office. The open-ended items and interview items indicated residential house-taxpayers complained that the waiting time of tax payment was too long and that they were exposed to unnecessary handoffs in REV. It had taken an average of 10 to 20 minutes to pay a tax of not greater than 300 birr two years before. However, when this study was being conducted, it took an average of two days to pay the same amount especially when the network was down at Commercial Bank of Ethiopia. Some of the causes of the long waiting time and handoffs were: (1) Each taxpayer is enforced to pay tax at commercial bank irrespective of the amount of money he/she pays; (2) Since the amount to be paid varies every year, the taxpayer is required to contact the revenue office performers before bank. The experts at the revenue office were required to check the file of individuals which might take an average of one hour to search for a single file from the disorganized files of LDM archive particularly to pay a residence land annual tax. Even worst, after paying at the bank, the customer is expected to queue at revenue office to attach the bank receipt to its original file and get another receipt from the revenue office. Because of this lengthy process some taxpayers prefer to informally deal with the service providers of LDM archive process.

Table 7: Employees' Responses to Items on the Level of Customers' Satisfaction

Items	Mean	Mean Rank					P	df
		CSO= 10	LDM =14	MUN= 26	REV= 22	TRA= 12		
Level of customer satisfaction	3.02	49.00	39.36	43.68	38.64	41.92	.696	4

Source: Survey Data (May, 2015)

NB: Very High=5, High=4, Medium=3, Low=2, Very Low=1, Ideal Mean=3.00 and Total Mean=3.02

In order to crosscheck the responses of customers, the service providers were asked to evaluate the extent to which their customers were being satisfied(cf. Table 7 above). Accordingly, the total mean score(M=3.02) which is slightly greater than the ideal mean (M=3.00) might indicate the service providers of sample organizations believe the satisfaction level of their customers is medium. This is substantiated by the Kruskal Wallis test at (P=0.696, df=4 and P>0.05) implying that there is statistically no significant difference among opinion of the five organizations.REV has the least mean rank score, (M=38.64), followed by LDM whose mean rank score is (M=39.36) implying that they believed the degree of their customers satisfaction was minimal when compared with the remaining sample organizations. This mean rank score of LDM coincided with the mean score of LDM inTable6 which might imply employees of the office understand well the problem of customer satisfaction.

Concerning REV, as indicated in Table 6, the mean score of item no. 1 (M=2.50) is less than the ideal mean (M=3.00) implying that customers were unhappy with the slow speed of a service offering process. In the open-ended items, most of the customers mentioned repeatedly failure of electric power and internet (connection) as the main causes of delay and handoff in the office. Some customers complained that the office didn't give them possible options for different versions except assigning tax collectors at a *Kebele* level. For instance, customers were ordered to go to a bank for

every payment even for 10 or 5 birr. As some experts of the office indicated during the discussion with the researcher, the reason why they stopped to collect tax in cash is to avoid the wastage of money by the employees of the office. This implies that the service provision process was designed in favor of service provider's convenience irrespective of the customers' interest.

4.2.4 Employees Attitudes towards Implementing Reform Tools

Evaluation of individuals' or groups' attitudes towards something is a very complicated task that needs careful attention in a social science research because it could be based on multiple conditions and situations. As indicated by (some scholars in Eshetie 2007), an attitude is defined as a relatively stable evaluation of a person, object or situation/issues. It is a mental position with regard to a fact or state and it cannot be directly observed but can only be inferred from overt behavior. Similarly, the attitude of employees towards the reform tools may be influenced by several factors. However, under this subtopic an attempt has been made to assess the attitudes of employees towards implementing the reform tools particularly (BPR, BSC and Reform Army).

Table 8: Employees Responses to Items on the Possibility of Implementing BPR and BSC

Items	Mean	Mean Rank					P	df
		CSO=10	LDM=14	MUN=26	REV=22	TRA=12		
Despite of many improvements, it is difficult to implement BPR in my office	2.71	32.45	45.21	46.02	34.80	51.04	.152	4
Despite of many improvements, it is difficult to measure performance through BSC	3.06	38.15	41.29	44.34	35.43	53.21	.274	

Source: Survey Data (May, 2015)

NB: Strongly Agree=5, Agree=4, Partially Agree=3, Disagree=2, Strongly Disagree=1 and Ideal Mean=3

Regarding the first item of Table 8, the total mean score, ($M=2.71$), is less than the ideal mean ($M=3.00$) implying that employees of the sample organizations disagreed with the difficulty of implementing BPR in their organization. In the same way the result of Kruskal Wallis test at ($P=0.152$, $df=4$ and $P>0.05$) reveals there is no statistically significant difference among the opinion of employees of five organizations. Hence, it could be possible to conclude that most employees of the sample organizations did not have negative attitudes towards the implementation of BPR.

As shown in the second item of Table 8 above, the total mean score, ($M=3.06$), which is greater than the ideal mean, ($M=3.00$), confirms that it is difficult to measure performance of employees using BSC as a means of measurement and evaluation system. The Kruskal Wallis test at ($P=0.274$, $df=4$ and $P>0.05$) indicates there is statistically no significant difference among the opinions of five groups on this issue. This could signal that most employees have more confidence in implementing BPR than BSC. Nevertheless, this may not necessarily mean employees of the organizations have negative attitudes towards implementing BSC because the total mean score ($M=3.06$) is not far from the ideal mean ($M=3.00$).

Based on item no. 1 of Table 9 above, the total mean score ($M=3.46$) which is greater than the ideal mean, ($M=3.00$), indicates the employees believe there is a chance to fight against the practice of rent seeking through implementation of reform army in organizations. This was validated by

Kruskal Wallis test at ($P=0.066$, $df=4$ and $P>0.05$) implying that there is statistically no significant difference between the opinions of respondents in the sampled organizations and the null hypothesis is not rejected.

Similarly to the first item, in the second item of Table 10, the total mean score ($M=3.94$) is greater than the ideal mean ($M=3.00$). This was complemented by the Kruskal Wallis test at ($P=0.369$, $df=4$ and $P>0.05$) denoting employees agreed that the possibility of bringing multiple change through implementation of reform army in organizations.

Table 9: Response of Employees' Attitude Toward Implementing the Reform Army (RA)

Items	Mean	Mean Rank					P	df
		CSO=10	LDM=14	MUN=26	REV=22	TRA=12		
It is possible to fight against rent seeking through implementation of RA structure	3.46	24.95	38.18	41.90	47.84	50.17	.066	4
It is possible to bring about multiple changes by implementing of RA structure	3.94	47.05	31.39	44.04	41.73	46.42	.369	

NB: Strongly Agree=5, Agree=4, Partially Agree=3, Disagree=2, Strongly Disagree=1 and Ideal Mean=3

Source: Survey Data (May, 2015)

This opinion of employees was strongly associated with the interview conducted to office heads/representatives of the sample organizations. This might imply that the main problem of implementing reform tools is not related to the explicit attitudinal problem of employees in the city administration.

4.2.5 Employees' Perceptions of Reform Tools

There are two major approaches of learning new knowledge or technology. The first group of thought views knowledge as a piece of information that one can learn in school or from others, and the second group believes that learning of new knowledge is carried out through practice or learning by doing. Reform in civil service may better coincide with the second approach because it is the knowledge perceived in course of time by exercising the innovative ideas. Below are some of the questions raised to the employees of the five organizations.

Table 10 above reveals the total mean scores of all items are greater than the ideal mean ($M=3.00$) indicating the employees of all organizations agreed that they -perceived the concept and purpose of reform tools well. This was substantiated by the Kruskal Wallis tests at ($P>0.05$), in all cases implying there is no statistically significant difference between the opinion of employees of all groups.

A comparison between the reform tools indicated the highest total mean score ($M=4.14$) was that of the item "understand the concept of BPR". This implies that most of the employees had better understanding on BPR even though-its implementation period went back to five years which preceded the time of the remaining reform tools. It could be because the implementation of BPR has brought about a significant change in the office layout and in the structure of many organizations. Nevertheless, this does not necessarily mean that all employees perceived the reform tools as required.

Table 10: Employees Perceptions of Reform Tools

Items	Mean	Mean Rank					P	df
		CSO=10	LDM=14	MUN=26	REV=22	TRA=12		
I understand the concept of BPR well	4.14	37.60	44.21	37.78	41.11	53.50	.278	4
I understand the concept of BSC well	3.71	35.45	41.11	37.74	41.39	58.50	.070	
I got training on concepts & purpose of RA	3.29	44.30	37.39	36.56	45.02	51.25	.367	
I understand the concept & purpose of RA	3.59	38.00	46.43	35.82	43.25	50.75	.354	
I understand the concept & purpose of Team Charter	3.47	37.50	43.64	42.44	38.95	48.50	.771	

Source: Survey Data (May, 2015)

NB: Strongly Agree=5, Agree=4, Partially Agree=3, Disagree=2, Strongly Disagree=1 and Ideal Mean=3

As indicated in Table 10, when compared with other organizations' the mean rank-of-CSO has the least mean ranks ($M=37.60$, $M=35.45$ and $M=37.$) in understanding the concept of BPR, BSC and team charter respectively. One can, thus, infer that employees of the office were not well-oriented about the concepts and purposes of the reform tools even though they were mandated to provide a training/support on reform tools for employees of other organizations.

4.2.6 Problems/Challenges of Reform Tools

There are so many factors that positively or negatively affect the implementation of reform in an institution or a country as a whole. In implementing a reform that needs especially fundamental rethinking and radical redesigning of a business process such as BPR, commitment of management and performers becomes a decisive factor. Implementing reform activity also demands necessary inputs (resources) to help concerned bodies to facilitate its execution. The commitment of managers and performers plays a key role when implementing reform tools in an organization (Hammer, 1998). Thus, employees were asked to weigh the extent to which various components of civil service reform tools affected the implementation of reform tools in the city administration and they provided the responses as shown in Table 11.

As noted in Table 11 above, employees of five sample organizations were asked to indicate the extent to which-lack of commitment of management and employees, limitation of necessary inputs and office layout and lack of incentive affect the implementation of reform tools in their respective organizations. Accordingly, in the first item, the total mean score ($M=4$) is greater than the ideal mean ($M=3$). However, Kruskal Wallis test shows that ($P=0.027$, $df=4$, $P<.05$) implying that there is statistically significant difference among the opinions of employees on 'lack of management commitment'. Hence, the null hypothesis is rejected and it is not reasonable to conclude as there is lack of management commitment that affects the implementation of reform tools in the organizations.

Likewise, in the third and fourth items the total mean scores ($M=3.76$ and $M=3.82$) are greater than the ideal mean, while ($P<0.05$), implying that there is statistically significant difference between the opinion of employees on 'limitations of resources and office layout'. As a result, the null hypothesis

is rejected and it is not valid to conclude these factors as limitations for the implementation of reform tools in the city administration.

Table 11: Employees Responses to Items on Factors Affecting the Implementation of Reform Tools

Items	Mean	Mean Rank					P	df
		CSO=10	LDM=14	MUN=26	REV=22	TRA=12		
Lack of commitment of management	4.00	34.80	26.57	49.08	43.34	48.79	.027	4
Lack of commitment of employees	3.45	50.70	43.75	37.86	40.41	44.25	.650	
Limitations of necessary resources/inputs	3.76	18.95	39.21	39.58	46.09	62.00	.000	
Problem of office layout	3.82	25.20	39.54	36.60	47.52	60.00	.004	
Lack of incentive system	3.90	24.85	42.82	39.42	47.23	51.13	.062	
Limitation of ICT	3.90	29.35	44.04	40.40	43.89	50.04	.298	

Source: Survey Data (May, 2015)

NB: Strongly Agree=5, Agree=4, Partially Agree=3, Disagree=2, Strongly Disagree=1 and Ideal Mean=3

In relation to the second, fifth and sixth items the total mean scores ($M=3.45$, $M=3.90$ and $M=3.90$) are greater than the ideal mean ($M=3.00$). These results are substantiated by Kruskal Wallis test ($P>0.05$ at $df=4$) implying that there is no statistically significant difference between the opinion of employees about problems of employees' commitment, lack of incentives and limitation of ICT in implementing the reform tools. Similarly, in the open-ended items lack of information technology in LDM, MUN, TRA and failure of electric power and discontinuity of network in REV; and lack of necessary motivation and incentive system in all organizations were raised. Therefore, lack of incentive system, lack of employees' commitment and lack ICT were some of the factors that affected the implementation of reform tools in the city administration when the study was conducted.

5. Conclusions and Recommendations

5.1 Conclusions

Based on the findings of the study, the following conclusions are drawn. There have been some progresses in building team spirits among civil servants, alignment of organizational strategy with individuals planning, combining fragmented tasks into one job and improvement of office lay outs due to the implementation of various reform tools in the city administration. However, sustainability of the registered improvements in the city administration were challenged by such factors as less commitment of the civil servants because of lack of an incentive system, shortage of ICT, interruption of power and frequent disconnection of network (internet service) in some offices of the city administration. Thus, the positive contribution of reform tools was not as expected in the city administration.

Even though the reform tools were implemented, customers were dissatisfied with the services of the offices as expected especially in LDM. Customers pinpointed there was lack of good governance in addition to the problem of service rendering in LDM. Nepotism, cronyism,

unresponsiveness and lack of accountability and responsibility were some of the problems emphasized by almost all respondents in the open-ended items.

In conclusion, if the situation continues the same way, the negative impact of such problems could be economic (diversion of scarce resources of the country to few immoral brokers), social (deterioration of the ethical value of especially the young generation) and ultimately results in political problems (eroded trust of citizens on the government policies and strategies).

Employees of sample organizations confirmed that they have some perceptions about the concepts and relationships among the reform tools. Besides, the response of interviews with office heads of the organizations indicated the relationships between reform tools such as BPR that reduced non-value adding activities and restructured office layout; BSC aligned organizational strategy with individual planning; and Reform Army has contributed a lot in realizing how to consistently evaluate the implementation of the reform tools and make use of feedbacks thereby helping role players to revise and recalibrate the reform tools. On the contrary, the interviewees disclosed the negative impact of daily meeting and reporting on reform army progress as time consuming and burdensome in especially offices whose employees are field workers such as tax collectors, surveyors, and data collectors.

The assessment result couldn't indicate any significant attitudinal problem of employees and managers that might influence the implementation of reform tools. Nonetheless, there was a significant gap in enhancing the capacity of civil servants to realize the implementation of reform tools. The civil service and good governance office basically shoulders a great responsibility in coordinating, monitoring and evaluating the implementation of civil service reform activities of public sectors. However, it seems that the office prioritizes personnel administrative issues related to recruitment, selection and transfer rather than coordinating and giving professional support to the implementation of civil service reform tools. This might be because of lack of competent professionals who could provide technical support in revising and recalibrating the reform tools and facilitating various training programs that enhance the capacity of the civil servants.

5.2 Recommendations

Given the conclusions above, the following are some of the recommendations forwarded to the city administration.

- It is advisable to establish a clear rewarding and incentive system that helps to motivate and encourage the best performers (stars) in the city administration as per -the guideline of reform army building and implementation. In order to bridge the gap in ICT and power cut (power outage), the city administration is required to consider the following: (a) applying automation in the redesigned activities such as LDM's archive process; (b) searching for various alternatives. For instance, using a generator when there is electric power failure; (c) discussing issues with Ethio-telecom as to how the problem of network interruption can be addressed.
- Even though a number of efforts have been exerted in implementing the reform tools, yet the city administration could not bring about significant changes in customers' satisfaction, especially in LDM. Hence, the city administration in collaboration with the Oromia regional state should look for the following alternatives: (a) There should be an independent body that consistently investigates the complaints and grievances of customers and give prompt responses; (b) The LDM's archive process has to be redesigned and most activities should be decentralized (transferred to *Kebeles*); (c) Unethical and incompetent performers have to be regularly identified(e.g. through monthly meetings with regular customers) and substituted by ethical and professional employees; and (d) The degree of interference of brokers in activities

of LDM needs to be curbed by introducing rules and regulations and, for instance, through monthly meetings with regular customers.

- Despite the fact that there is a strong relationship among the reform tools, the implementation varies from office to office based on the type of services rendered and the situation in which they are rendered. Thus, every sector in the city administration is expected to contextualize and adopt the reform tools based on its own mission and sort of customers. Role players in the sectors need to realize that ‘there is no one size fits all’ formula when implementing reform tools.
- The city administration in collaboration with the region is expected to: (a) augment the capacity of the existing human resource by facilitating different training opportunities and/ or transfer competent professionals from other sectors to the civil service office; and (b) facilitate options so that the employees can get opportunities of sharing best practices through benchmarking.

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The Justice Sector Reform and Access to Justice in the Addis Ababa City Government (AACG)

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Abstract

The City Council in AACG among its duties drafts and enacts legislations concerning municipal affairs and jurisdictions; establishes judicial bodies; and defines their powers and functions in accordance with the City Charter. Thus, the Addis Ababa City Charter creates two levels of City Courts of dealing with municipal jurisdictions. There is no Supreme Court in the Municipal Court System, although a cassation bench is included within the Appellate Court. Cassation review of Appellate Court decisions can be brought before the Federal Supreme Court. This court has also the power to decide on matters of jurisdictional conflicts between the City courts and Federal Courts. The court system in Addis Ababa City reflects a similar division as in between federal and state courts, except being at two levels. The courts are supposed to minimize the case load of the City Courts and the Federal Courts. This paper explores the Justice Sector Reform and Access to Justice in AACG. It mainly centers on the reforms made in the city courts and the Justice Bureau with their jurisdictions, structure, composition, and functions. Furthermore, cases are also analyzed so as to substantiate the study. The findings of the research revealed that there are considerable jurisdictional gaps and the two level court structure has an impact on the appeal right of citizens. Finally, the conclusions and recommendations in the study are supposed to improve the functioning of the Addis Ababa Justice Sector.

Key Words: City Court, Justice, Jurisdiction, Appeal, Access to Justice, Addis Ababa

1. Introduction

A predictable legal environment, with an objective of reliable and independent judiciary, is essential for democratization, good governance, and human rights in Ethiopia in general and in the capital City, Addis Ababa, in particular. Nearly 25 years ago, in Ethiopia the justice system was in a state of crisis. The public was fearful and angry especially in the criminal justice system. Practitioners were weary and frustrated. Victims were re-victimized in the process. This widespread sense of dissatisfaction caused a fundamental re-thinking of the justice system reform in Ethiopia at different times.

Before the year 2003, the Municipal Courts of Addis Ababa were set up in two separate places, i.e. the Municipal First Instance Court in one place and the Appellate Court, which is the second and final level, in another separate place. To accommodate administrative reforms and changes, the name Municipal Courts was changed into “City Courts” and the First Instance Court was re-organized from one center to each sub-city to harmonize with the newly created sub-cities of Addis Ababa City Administration (AACA). However, the reform movement was neither supported by the Revised Charter of the AACG, except that the naming “Municipal” was changed into “City”, nor by any regulation thereof. It seems that the City Courts were spread into each sub-city only informally. However, this reform movement, by itself though not supported by law, was an achievement compared to the inaccessibility of the Municipal Courts, before the reform movement.

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With regard to the reform movement in relation to the City Courts, it is difficult to find formal documents indicating the real causes of re-organizing the courts into each sub-city. The only indication is that in order to harmonize the overall reform movement in the City, a committee in charge of the reform of the City Courts was formed by the City Executive itself. This reform movement was made to recognize the reorganized sub-city courts. Hence, this research addresses those obstacles of the justice system of AACG; and evaluates the improvement/ non-improvement of the justice system.

The specific objectives of the research are to: (a) - evaluate the Justice Sector Reform of AACG; (b) -evaluate the efficiency and access to justice of the City Courts in AACG; (c) -assess the jurisdiction of Addis Ababa City Courts; and (e) recommend possible policy solution towards an expanded framework for strengthening the justice sector reform and access to justice of AACG.

Addis Ababa is one of the oldest and biggest cities in Africa. The city was founded in 1886 at a time when Emperor Menelik and his wife Empress Taitu Bitul made their principal town at Entoto and started to follow the avenue of development after the Adwa victory, i.e. after 1882 (AACG 2012).

Addis Ababa has been playing a historic role in hosting the continental organizations such as the Organization of African Unity, later the African Union and the Economic Commission for Africa, which contributed to the decolonization of African countries, and later bringing Africans together (UN Habitat, 2008: 4). In addition, Addis Ababa is the seat of international organizations such as International Monetary Fund, World Bank, European Commission, United Nations Development Program and other international organizations. In general, there are 30 offices of international and continental institutions that are located in the city. Moreover, Addis Ababa hosts more than 93 foreign embassies and diplomatic mission offices. All these developments enable the city to obtain great position in international economic and political forums. On the other hand, the city has many sister cities which signed with it a joint cooperative agreements; and this has made its position more significant at international level (AACG 2012). Moreover, since Addis Ababa is the capital city of the Federal Democratic Republic of Ethiopia, it is the center of the social, political, commercial and cultural activities of the country (Ibid). Currently, the city is also an official seat of the regional state of Oromia, and is also called Finfine.

In terms of population, according to the 2007 Population and Housing Census conducted by the Central Statistical Agency of Ethiopia (CSA), Addis Ababa has a total population of 2,739,551, of whom 1,305,387 were men and 1,434,164 were women (CSA 2007). In the light of the current international reputation of Addis Ababa, concerned bodies need to attach a very great value to all issues of human rights whose stakeholders are mainly connected with the justice sector reform and access to justice which this paper focuses on.

2. Review of Related Literature

2.1 Justice Sector Reform in Ethiopia: an Overview

Ethiopia is the oldest state in sub-Saharan Africa. It is unique among African countries as it has never been colonized to date. Before the first aggression of Italians and defeat at the battle of Adwa, Ethiopia had been governed almost entirely by a complex set of traditional customary and religious laws. Arguably, Ethiopia has a long history of legal frameworks, the most famous of which is the “*book of the kings*” the *Fitha Negest*. Today, religious and customary laws remain prevalent throughout the country (Dakolias 2004: 1).

In the 1950s and 1960s, Emperor Hailesilassie founded a university with a Law Faculty and initiated the drafting of core group of modern codes. The university's structure and legal codes were based on European model. The Emperor hired a *Franco-Swiss* team of specialists of comparative law which created a complete set of the latest standards of the late 1950s. The codes were, arguably, of an extremely high standard but these codes were not supported by adequate capacity building-efforts such as -trainings at the local level. Furthermore, following the development of the codes, procedural provisions were subsequently transplanted from England, India, and the USA, with little regard to the coherence of the system as whole (Ibid).

Emperor *Hailesilassies's* rule came to an end in 1974, when he was deposed by a military junta called *Derge*. The *Derge* established a highly centralized socialist state ruled by a military dictatorship and by brutal oppression of the people of the country. In 1991, a coalition of different opposition forces, the EPRDF overthrew the *Derge*. The EPRDF established a Transitional Government with a Transitional Charter which served as a constitution and embarked on a wide ranging-process of democratic decentralization (Ibid).

During the *Derge* regime, the basic codes were largely ignored. All land was nationalized and when legislation was imposed, it was done so without due process. After the demise of the *Derge*, the Transitional Government (1991-1994) undertook significant legal revision to replace the socialist era law and re-established a functioning legal system. Later on, a new federal constitution was ratified in 1994, and came into effect in 1995. The 1995 FDRE Constitution replaced the nation's centralized unitary government with a decentralized *Federal Democratic Republic* government. The federation consists of nine member states and two municipal districts (the Capital Addis Ababa and the Second City Dire-Dawa). The constitution disperses extensive power to the newly-created states (MoCB 2005: 1-2).

While many of the imperial codes of the 1960s were being revised, reforms have been also under way to ensure that such laws are consistent with the new constitution. Law reform activity has been undertaken to implement the many new rights and requirements delineated in the constitution and to create an environment more conducive to investment and development. The transition to a *Federal Republic* added further layers and dimension to the already diverse and complex legal system. This transition has greatly manipulated the demand placed both on government infrastructures and the legal system.

In Ethiopia, of the three branches of government, the judiciary has the least history and experience of independence, and requires significant strength to obtain true independence, equality and self-sufficiency (Ibid).

Practitioners and different international organizations have increasingly turned their attention to reforms so as to improve legal and judicial institutions and promote the rule of law and good governance. Among the various United Nations agencies, the United Nations Environment Program and the United Nations Development Program, as well as the World Bank and other regional development banks have been increasing resources to reform the legal and judicial institutions in the country (*Dakolias* 2000).

To date, however, most of these efforts have concentrated on developing new laws and creating new institutions, rather than building capacity for ensuring compliance with existing rules. Yet without compliance, laws and regulations are meaningless—or worse, they undermine respect for the rule of law—and cannot promote sustainable development. As a result, many developing countries and countries with economies in transition still suffer from weak legal and judicial systems, lack investment, and have poor development prospects, sustainable or otherwise. Ethiopia is not also

immune from these challenges. Thus, donor-driven reform efforts need to ensure that their rule of law efforts includes sufficient training and capacity building to establish the institutional foundation for compliance and enforcement, through both instrumental and normative efforts (Ibid).

Like many developing countries, it is therefore, the judicial and legal sector in Ethiopia that presents a variety of significant challenges. It suffers from dismal condition of service, staff shortage, and lack of adequate training, infrastructure and logistical problems. Generally, the judicial system has three core problems. First, it is neither accessible nor responsive to the needs of the poor. Secondly, lack of serious steps to tackle corruption, abuse of power, and political interference. Thirdly, there is inadequate funding of the justice institutions which aggravates most deficiencies of the administration of justice (*Dakolias 2000*).

The perception of the independence of the judiciary is very low. The operation of courts is managed and supervised by the president's of courts, who therefore, act both as judge; and administration official accountable to the president of the Supreme Court. Potentially this compromises the independence of the judiciary. Besides, the process of selection and promotion of judges is insufficiently transparent and lacks inputs from other legal professions (Ibid).

Furthermore, access to justice of all kinds of legal information is limited. Finally, the poor working conditions of judges threaten their independency, reduce their efficiency, and constitute incentives for corruption.

With the objective of changing the aforementioned chronic challenges of the justice system, the JSRP was introduced in 2002 under the authority of MoCB by assessing the performance of various institutions and to propose appropriate reforms (*Dakolias 2000*).

In March 2003, the CILC was contracted by the JRPO to undertake a base-line study of the Ethiopian Justice System; and make recommendations for reforms by identifying three core problems of the country's justice system; namely, inaccessibility; weak to tackle corruption and abuse of power; and inadequate funding (MoCB 2005).

In reforming the justice system, three phases were employed: training, upgrading, and law reform and harmonization. In the training phase, judges, justice personnel, police officers and prison administrators were made part of the reform. To solve the immediate shortage of training manpower about 3,000 judges were in *Woredas* and took training during this phase. In addition, the program was focused on upgrading the skills of low level judges and prosecutors during court proceeding time. These programs were organized at both Federal and State levels. The Law Faculty of Addis Ababa University and the Ethiopian Civil Service College (currently known as, the Ethiopian Civil Service University) have carried out upgrading programs. Regarding court administration ways and means were explored for the effectiveness of the management of the courts. Eleven pilot projects were conducted under the FSC in collaboration with Donor Agencies. The program was later extended to lower Federal Courts and some State Courts (Ibid). Law reform and harmonization were undertaken by MOJ and JLSRI which were the role players in implementing the law reform and revision program to harmonize existing laws as well as updating the existing codes which was part of the important process (Ibid).

As a departure from its predecessors, the FDRE Constitution under its Article 78 has established a dual judicial system with two parallel court structures at Federal and the States. Accordingly, judicial powers, both at Federal and State levels are vested in the courts. The same constitution under the same Article provides that supreme federal judicial authority is vested in the FSC; and

empowers the HPR to decide by a two-third-majority vote to establish subordinate federal courts, as it deems necessary, nationwide or in some parts of the country.

There is a FSC in Addis Ababa with federal jurisdiction and until recently, the FHC and FIC were confined to the federal cities of Addis Ababa and Dire Dawa. Federal High Courts were established in five States. Recently, Federal High Courts and First Instance Courts are also established in sub-cities of Addis Ababa. Furthermore, Federal Courts at any level may hold circuit hearings at any place within the state or “*area designated for its jurisdiction*” if it deemed “*necessary for the efficient rendering of justice*.” Each court has a civil, criminal, and labor division with a presiding judge and two other judges in each division.

The FSC includes a Cassation Bench with the power to review and overturn decisions issued by lower Federal Courts and State Supreme Courts containing fundamental errors of law. Besides, Article 2(1) of the Federal Courts Proclamation Re-amendment Proclamation No. 454/2005 provides that, judicial decisions of the Cassation Division of the FSC on the interpretation of laws are binding on Federal as well as State courts.

2.2 The Structure of Addis Ababa City Courts

The Addis Ababa City Council is the Supreme Authority in the City Administration found at the upper apex of the city’s power structure (City Charter, Article 10(10(a)). In addition to other enumerated powers, the City Council has the power to establish judicial bodies, and defines their powers and functions (City Charter, Article s 14(1) (e) and 41). Pursuant with Article 39 of the City Charter, the AACG has City Courts and *Kebele* Social Courts. Hence, the Addis Ababa City judicial body has been established as per the City Charter. Furthermore, the Charter has established four tribunals with *judicial power*. Accordingly, the tribunals are established by the Charter are Labor Relations Board; Civil Service Tribunal; Tax Appeal Commission; and Urban Land Clearance Matters Appeal Commission (City Charter, Article 40).

The Addis Ababa City Charter creates two levels of City Courts’ structure, exercising municipal jurisdictions. There is no Supreme Court in the Municipal Court System, although a cassation bench is included within the Appellate Court. Cassation review of Appellate Court decisions can be brought before the FSC. The FSC has also the power to decide on matters of jurisdictional conflicts between the City courts and Federal Courts.

The FDRE Constitution under Articles 78 to 84, dealing with the structure and powers of the courts both at Federal and State levels, has provided a three level Federal and State Courts’ structure. At the federal level, the court system is comprised of FIC, FHC and FSC. At the state level, the court system is State First Instance (*Woreda* Courts), State High Courts (Zonal Courts), and State Supreme Court.

The Addis Ababa City Charter has established only two levels of court’s structure unlike the court structures of the federal and regional states. If seen with the federal and state courts’, the two levels court structure of AACG affect the right of citizens to access justice at the proper levels of court systems. The impact is that, if a case decided at the City First Instance Court is reversed at the Appellate Court of the city, a party whose case is reversed has no chance to appeal on the substance of the case except applying for cassation for fundamental error of law.

As far as the right to appeal is concerned, the FDRE Constitution under its Article 20 (6) clearly provides that “*All persons have the right to appeal to the competent court against an order or judgment of the court which first heard the case*”. Similarly, the Federal Courts’ Establishment

Proclamation No. 25/1996; and other laws including the Civil Procedure Code includes the right to appeal to the proper level of courts. Obviously, such a court structure of the city could negatively affect citizens' rights to appeal. And yet, procedural remedy is neither established in the City Charter nor in the Addis Ababa Municipal Courts Establishment Proclamation. In addition, application for cassation in case when a decision is reversed at the Appellate Court will not serve as an appeal for litigants since applying for cassation deals only with fundamental error of law not with the substance of the case.

Generally, the Addis Ababa City residents have no solution for gaps created by such court structure. Due to this, litigants have only one chance i.e. applying for cassation for fundamental error of law. In any case, by no means applying for cassation will not replace the right to appeal on the substance of the case. The implication is that, litigants in the City Courts have been deprived of their rights to get justice in the proper court structure.

3. The Methods

The study features qualitative data analysis of data collected from both primary and secondary sources. The primary data sources were respondents/ informants in the study area while the secondary data sources were various relevant documents. Multi-method data- collection was employed to augment the validity of the data gathered and analyzed. Currently, in Addis Ababa City, there are ten First Instance Courts (one in each sub-city); one Appellate Court at the city level. Hence, the researcher took all the Courts (through a census method) and one Appellate Court as samples of the study. Systematic random sampling method was employed for selecting interviewees among the judges. Two judges were chosen from each court. Likewise, five prosecutors of the Justice Bureau were interviewed after being selected through systematic random sampling.

The researcher conducted a face-to-face interview to further investigate additional information in line with the interviewees' schedule. The informants were selected based on their knowledge about the issue concerned. Thus, judges of the city courts were interviewed. The data obtained being mainly qualitative, the method used for analysis was thematic and narrative analysis. The data was organized and tabulated under themes that correspond to the research objectives so as to provide readers with logical understanding of issues.

4. Results and Discussions

4.1 Justice Sector Reform in Addis Ababa City Administration

The AACG has undergone different reforms. Among others, the CA has made efforts to reform the justice sector. Hence, under this section, the reforms in re-organizing the courts in each sub-city; reform movement in enacting and amending laws; reforms on the efficiency and access to justice; and reforms on CFM system of Addis Ababa City Courts have been presented.

4.1.1 Reforms in Re-organizing the Courts in each Sub-City

At the initial stage, the Municipal Courts of Addis Ababa City were established in two separate places, i.e. the Municipal First Instance Court and the appellate court. To cope up with administrative reform and changes, the name "*Municipal Courts*" were changed into "*City Courts*" and the FIC were re-organized from one center to each sub-city to correspond with the newly created sub-cities. However, the reform movement was not supported by the Revised Charter or by other subordinate legislation. Here, it seems that the City Courts were spread into each sub-city only informally. However, the researcher believes that this reform movement by itself, though not

supported by law, is an achievement compared to the inaccessibility of the Municipal Courts before the reform movement.

With regard to the reform movement in relation to the city courts, it is difficult to find formal documents indicating the real causes to re-organize the courts into each sub-city. The only indication is that in order to harmonize the overall reform movement in the city, a committee was formed by the City Executive itself to handle the reform of the city courts. This reform movement was made to recognize the reorganized sub-city courts.

4.1.2 Reform on the Efficiency and Access to Justice of the City Courts

As courts attempted to implement delay reduction programs, they faced a perennial question: how are cases processing timelines and quality related? Initial research suggested that these two values are in conflict such that a gain in one comes at the expense of the other. “Expeditious criminal case resolution is found to be associated with court systems in which the conditions also promote effective advocacy. Because effective advocacy underlies due process and equal protection of the law, it is an integral aspect of the broader concept of quality case processing.” In short, the study suggested that well-performing courts should be expected to excel in terms of both timeliness and quality (IFCE, 2007).

Inefficient parts of court proceedings can be identified and proposals for improvement can be developed based on analysis and description of work processes in the courts. In this regard, timeliness and foresight are crucial. Duration of the litigation process must be constantly monitored as well as pending cases that have been in the process for an excessive period. Appropriate measures must be taken in situations where the duration exceeds the norms. The standard operating procedures of an excellent court comprise important elements such as agreed upon time standards, establishment of case schedules in individual cases, the active role of the judge with respect to time management, limitations in the postponement of court sessions, effective scheduling methods for court sessions, and the use of differentiated case management and, if applicable, alternative dispute resolution techniques (Ibid).

It should be clear that an efficient judicial sector is a crucial component of democracy and good governance. Court case delays prevent the timely resolution of conflicts and also prevent others in need of resolution. Hence, courts’ efficiency and access to justice are closely interlinked, and low level of efficiency prevents citizens from exercising individual rights. Delay in the judicial process leads to the erosion of individual and property rights. An inefficient judiciary therefore, prevents full citizenship and is a barrier to the consolidation of democracy too (Ibid).

Before the implementation of the justice sector reform, the sector had a number of problems. Among others, the sector was not committed to serving the public. There was backlog of cases; the public suffered from unfair justice; lack of judicial independence, accountability and transparency; corruption; and lack of accessibility (Ibid)

The Addis Ababa City Courts were not efficient in realizing issues of the rights of citizens, and this called for reform movement in the city. The reform movement which began in 2003 only focused on re-organizing the location and places of the courts, and improving(amending) the laws to govern the judiciary ignoring the important aspects of reforming the courts to enhance their independence, efficiency, and access to justice(MoCB 2005).

The Addis Ababa City Courts did not resolve cases qualitatively and timely due to the mismatch of judges with the number of cases. Hence, judges lacked interest in performing their function owing

to insufficient salaries and other benefit packages. The City Courts were not efficient in performing their functions. The experience further indicates that lack of attractive compensation and other benefits had an adverse impact on the performance of the City Court (BPR, 2009).

To further prove these points, it would be significant to explore the performance of the courts from the year 2005 to 2009. For instance, from the year 2005 to 2006, there were 331 civil cases that were not resolved in the FICs of the city. Regarding criminal petty offences, there were 500 backlogs of cases charged by the Justice Bureau of the Addis Ababa City and not resolved until the reform year of 2009 by the City Courts. In addition, 9,371 criminal petty offence cases were initiated in those years but not resolved. 98 criminal petty offence cases were adjourned in the courts before 2005 and not resolved until the year 2009. Moreover, 2,298 criminal petty offence cases were adjourned from the year 2005 to 2008 but only resolved after the implementation of BPR. In the Appellate Court, 825 cases of all types were found undecided from the year 2008 to 2009 (Geleta 2012).

Owing to the aforementioned problems, the CA has decided to reform the justice system similar with the federal and regional governments. Hence, institutional change through Business Process Reengineering (hereafter, BPR) is put in place (Ibid). After the implementation of BPR in the city, an attempt is made to make the city courts efficient and effective. In this regard, CFM System Reform is made in the City Courts. Hence, improvement has been made on the efficiency of the courts in rendering justice from initiation of cases to disposition. Because of the introduction of data base system, data and files have been well recorded, organized and used (Ibid).

The right to access to justice is the universal principle which has many obstacles to get it easily. Legal poverty is one of the most serious obstacles to access to justice. In the history of judicial reform, the rationale- of reforming the judicial system is to make it accessible to citizens, particularly to the poor. In this regard, with all its shortcomings, the effort in re-organizing the City Courts into the newly created sub-city administrations was a progress to ensure geographical accessibility of the City Courts.

As an important development and making the City Courts accessible to the residents, the bench of the City Appellate Court is increased from one to four. In addition, the FICs have been increased from six to ten benches so that residents of the city are now in a position to get the services of the courts in their respective sub-cities. As a result, the service delivery of the courts has been tremendously improved (Ibid). For instance, the following table shows the improvement made after the introduction and implementation of BPR.

Table 1: Time Used for Court Cases before and after the Implementation of BPR

No.	Activities	Time consumed before the implementation of BPR	Time expected to be consumed by the study of BPR	Actual time Consumed
1	Criminal litigation adjournment	3 years and 10 months	5 days	1 month
2	Civil litigation adjournment	43 days	4 hours	7 days
3	Hearing and judgment	7 years and 7 days	15 days	2 month
4	Enforcement	1 year	20 days	3 month

Source: Computed from the Report of Appellate City Court of AACA, July 10, 2015

From the table above what can be deduced is that-NO COMMA HERE there is an improvement on the efficiency and accessibility of justice since the implementation of BPR in 2009. However, the implementation is not in line with expectations in the study of BPR as shown in Table 1.

4.2 Case Flow Management (CFM) System of Addis Ababa City Courts

CFM is the court supervision of the case progress of all cases filed in that court. It includes management of time and events necessary to move a case from the point of initiation (filing, date of contest, or arrest) through disposition, regardless of the type of disposition. CFM is an administrative process; therefore, it does not directly impact the adjudication of substantive legal or procedural issues (Case Flow Management Guide, 2007). CFM includes early court intervention, establishing meaningful events, establishing reasonable timeframes for events, establishing reasonable timeframes for disposition, and creating a judicial system that is predictable to all users of that system. In a predictable system, events occur on the first date scheduled by the court. This results in counsel being prepared, less need for adjournments, and enhanced ability to effectively allocate staff and judicial resources (Ibid).

Table 2: Cases Brought before and Decided by Addis Ababa City Courts

Institution	Major activities	Accomplishment in Ethiopian Fiscal Year			
		2001	2002	2003	2004
Appellate Court	Opining of appellate and cassation bench files	2,592	2,424	1,878	-
	Decision on appellate and cassation bench files	2,011	6411	1,832	-
First Instant Court	New opened civil case files	19,891	25,320	38,361	-
	Decided civil case files	221,054	24,978	-	-
	Decided criminal case files	26,324	58,615	48,835	-
Urban Land Clearance Matter	Appellate file	25	8	12	28
	Decided file	94	8	5	29
Appeal Commission					
Tax Appeals Commission	New opened files	77	182	265	252
	Decided file	60	31	265	235

Source: Computed from the Report of the AACA Appellate Court, July 10, 2015

It has been identified that one of the reasons for case delay in the City Courts is lack of CFM system and practice. Hence, CFM system is crucial to enhance the efficiency and access to justice in the City Courts. Before the implementation of BPR, City Courts in Addis Ababa did not practice CFM system to enhance their efficiency and performance (MoCB 2005). Accordingly, courts did not have a system of a modern CFM to control the progress of cases, a tactic to differentiate their cases in terms of time they consume, to have realistic pre-trial schedules of their cases, by preparing a fair and credible trial data to ensure the efficiency of the courts for cases from initiation to disposition (Ibid). Table 2 shows how cases are handled and disposed in the different level of city courts and tribunals of Addis Ababa. From the table what can be inferred is that, there are massive cases being filed to the city courts and entertained by the same.

4.3 Addis Ababa City Administration Justice Bureau

As already hinted under Article 49 of the FDRE Constitution, the residents of AACA have been given with '*a full measure of self government*'. Accordingly, by the Charter, the CA has been given with the power to make laws, execute laws and interpret laws.

The Justice Bureau of AACA was established as per Proclamation No. 1/ 2002. However, the Justice Bureau was re-established in May 2008, as per Proclamation No. 15/2008, a Proclamation to Re-establish the Executive and Municipality Service Bodies. According to this Proclamation, the Bureau has been given with the power of execution and co-ordination. Accordingly, the Bureau co-ordinates the justice sector (City Courts, the Judicial Administration Commission Office of the Social Courts, Tax Appeals Commission, Urban Land Clearance Matter Appeal Commission, and Addis Ababa Police Commission) at Common Process Council Stage. The researcher however believes that, this power of co-ordination given to the Justice Bureau could affect the independence of, particularly that of the courts. Hence, this co-ordination power given to the Justice Bureau need to be re-considered as it makes the courts under the subordination of the executive organ of the government of the CA.

The Justice Bureau currently renders different services to the residents of the city. It implements the JSRP; it serves as a top adviser of the CA; it litigates before courts and institutions with judicial powers for the interest and right of the CA and the residents of the city. It represents the executive and litigates on behalf of the executive before judicial organs when the executive sues or be sued; it drafts contracts and agreements when asked; it conducts legal research; it follows the city's security matters, etc.

Table 3: The Legal Drafting, Legal Awareness Creation and Advice Core Process Accomplishment

No.	Major Accomplished Activities	Year			
		2009	2010	2011	2012
1	Legal Drafting	25	39	24	26
2	Awareness Creation				
	Face to face	-	-	9	8
	Radio	10	12	12	16
	TV	10	9	9	13
	Journals	10	7	8	12
3	Legal Advice	66	46	54	62

Source: Computed from the Report of the Justice Bureau of AACA, July 25, 2015

Under the Justice Bureau different processes have been established since the implementation of the JSRP. These processes are Compliant Investigation and Pleading Core Process; Security and Administration Affairs Core Process; Legal Drafting, Legal Awareness Creation and Advice Core Process; and seven other support processes (AACA Justice Bureau 2015). Table 3 for instance shows the accomplishment of the Legal Drafting, Legal Awareness Creation and Advice Core Process.

The other important core process established by the Justice Bureau is the Compliant Investigation and Pleading Core Process. Since 2008, this process has been established at the city level and at all sub-cities. Hence, the Compliant Investigation and Pleading Core Process established at the city level follows civil matters whereas Compliant Investigation and Pleading Core Process established at the sub-cities level follows both civil and violation of regulations. As the analyzed data reveals, the implementation capacity for civil matters is 92.5% whereas violation of regulation is 97.9 % (Ibid). Table 4 shows the accomplishment of this core process.

Table 4: Compliant Investigation and Pleading Core Process Accomplishment

Year	Civil matters and violation of rules	Civil matters and violation of rules decided	Decisions in-favor of government	Decisions against government	Cases appealed	Government's interest protected in money	Closed files
2009	5,000	2,965	-	-	-	-	-
2010	15, 542	9,763	5,365	377	203	467,098,040.00	-
2011	3, 243	2,127	2,118	9	16	121,264,742.00	-
2012	7,503	5,177	3,615	116	-	216,623,232.69	366
Total	31, 288	20, 032	11, 098	502	219	804,986,014.00	366

Source: Computed from the Report of the Justice Bureau of AACA, July 25, 2015

4.4 Overall Challenges of Addis Ababa City Justice Sector

4.4.1 Jurisdictional Gaps and Impacts of the Two Level Court Structure

- **Jurisdictional Gaps**

Addis Ababa, as a Chartered City with constitutional powers to self-government, establishes the three branches of government, including the judicial body. However, the judicial branch is not organized in the manner that it deals with complex issues of civil and criminal cases. Initially, the courts were established to treat very simple cases of civil and petty offences so as to minimize the case load of Federal Courts. The jurisdictions that are clearly provided in the City Charter are interpreted by the FSC as if they had not been given to the Addis Ababa City Courts. According to the President of AACG Appellate Court, this fact creates public mistrust and inconvenience to citizens who deserve justice in their locality (Melaku 2015).

The Addis Ababa City Charter has established the three branches of government. Of the three branches of the AACA, the judicial body is organized to be the most powerless. Initially, the City judiciary is not established to play a significant role in the complex economic interactions of the city. Rather, it was designed simply as a supporting body to the Federal Courts, exercising only simple issues of petty offences and civil cases. For these reasons, the Addis Ababa City Courts were considered as insignificant in serving the demands of citizens (Ibid).

According to the City Court's judge, the City Courts are inefficient and inaccessible, particularly for the poor. In addition, the City Courts are characterized by their poor court case management and administration. Not only this, the Courts are staffed, in most cases, with unqualified and the least paid supporting staff. Despite the administrative structural change and reform movement with a lot of its strong sides, it did not make effort to improve the aforementioned critical problems of the City Courts with the exception of reorganizing them in to the newly created Sub-Cities (Itana 2015).

As regards with the jurisdiction of the City Court, the powers of the City Courts have been taken away by the FSCCB through its decision. Among the different powers given by the charter to the City Courts is entertaining cases involving succession right; and declaration of absence or death. For instance, on issues of succession rights and declaration of absence and death, the Addis Ababa City Charter under its Article 41(1) (h) and (i) have provided that "...the Addis Ababa City Courts shall have the following power over the applications for succession certificates and applications for the declaration of absence or death". Article 41 (1) (h) provided a phrase, ".....applications for

succession certificates”. This provision is not clear whether it includes declaring the properties of the deceased and deciding on properties to be succeeded by the successor. Despite the existence of the vagueness of the provision of the City Charter, the Addis Ababa City Courts were entertaining issues of certificate of succession, ordering accounting of the properties of the deceased and deciding that the properties are properties to be succeeded.

However, the FSCCB, which is vested with the power to interpret the laws of the country, with (?) the exception for the FDRE Constitution, has passed a decision regarding the jurisdiction of the Addis Ababa City Courts on issues related with succession cases. Accordingly, on the decision Civil File No. 142015, passed on *Hidar* 29, 2002 Ethiopian calendar, which says “...*the Addis Ababa City Courts have jurisdictions only to issue the certificate of succession, and declaration of absence and death...*” Here what can be inferred from the interpretation of the FSCCB is that, matters relating to accounting the properties of the deceased and declaring as properties of succession are not given to the Addis Ababa City Courts.

The problem with the decision of the FSCCB is that-it passed the decision after the City Courts had been practicing this jurisdiction for years and passed so many decisions that are negated by the FSCCB considering beyond its jurisdiction.

As to the researcher’s personal observation, the purpose of giving the power to decide on the properties of succession to the Federal Courts is not persuasive since succession cases are not as such complicated cases. Furthermore, when we see this issue in relation to access to justice, it is completely unfair and injustice to make citizens appear before courts of two different levels of government for the same case which is costly in terms of money, time, and place especially in courts which are found in different locations and different levels of the government-. In this regard, the researcher disagrees with the above mentioned decision of the FSCCB- for it is not rational in terms of access to justice- and for it is too late to correct the decisions passed by the City Courts in the past years.

The other important issue that has an impact on the jurisdictions of the Addis Ababa City Courts is whether or not the judges in the City Courts are sufficiently clear regarding the powers provided under Article 41 (1) (f) of the City Charter in relation to government owned houses which reads, “...*the Addis Ababa City Courts shall have jurisdictions on suits brought in connection with government owned houses administered by the City Government...*”

These “...*government owned houses...*” include houses taken by Proclamation No. 47/1975 during the *Derge* regime and had been administered by the CA. The researcher believes that the stipulation of the Article is a very clear provision that needs no further interpretation. Since the provision regarding the government owned houses is clear, there is nothing wrong in applying it by the City Courts of AACAA. The problem is again, the FSCCB on its decision Civil File No. 33841 passed on *Tikimt* 6, 2001 Ethiopian calendar (i.e. 16/10/2008 G.C) interpreted this provision in the manner that the jurisdiction of Addis Ababa City Courts is ‘only related to issues such as litigations on house rents. However, the City Courts have been entertaining issues of ownership and have passed decisions for years. Here, it is not difficult to imagine the impact of the FSCCB’s decision on citizens who have already acquired the right by the decisions of the City Courts, and third parties who bought houses from people who have already acquired their houses through the decision of the City Courts. It has also an impact on the CA since the already closed cases are to be re-opened in the Federal Courts. In this regard, the FSCCB again seems less concerned in rationalizing the impacts of its decision as equal as the governing power of its decision in all courts throughout the country.

The implication is that- it is not because the laws are vague, but the interpretations given by the FSCCB are derived by the thinking that the City Courts are not allowed to exercise complex issues. The President of the Addis Ababa Appellate City Court and the judges have also shared this view; and also believe that such decisions of the FSCCB would affect the rights of citizens; and morals of the judges of the City Courts who initially decided the case as per the provision of the City Charter. Hence, the researcher believes that as the decisions are precedents for future similar cases, it shall have negative impacts on the upcoming similar cases.

The City Courts are not organized in the manner that they exercise complex issues of civil and criminal cases. Initially, the courts were established to exercise very simple cases of civil and petty offences, simply to minimize, the Federal Courts' case load. Even the jurisdictions that are clearly provided in the City Charter are interpreted by the FSC as if not given to the Addis Ababa City Courts. Generally, the City Courts are organized to be the most powerless. They are not established to play a significant role in the complex economic interactions of the city (Ibid). For these reasons, the Addis Ababa City Courts were considered as insignificant in serving the demands of citizens.

- **The Impacts of the Structures of Addis Ababa City Courts**

The FDRE constitution establishes three levels of court structure, both in Federal and Regional States. This constitutional framework is in line with the principle of access to proper levels of courts. The point is that, citizens have the right to get justice in courts rationally structured to absorb their rights. The Addis Ababa City charter establishes only two levels of court structure contrary to structure of courts at federal and regional state. Such a two level of court structure negatively affects citizens' rights to appeal. And yet, procedural remedy is established, neither in the City Charter nor in the Addis Ababa Municipal Courts Establishment Proclamation regarding this gap.

4.4.2 The Impact of the Co-ordination Role of the Addis Ababa City Justice Bureau

The Justice Bureau of the CA is given with the power to co-ordinate the justice sectors. Accordingly the Bureau co-ordinates the justice sector (City Courts, the Judicial Administration Commission Office of the Social Courts, Tax Appeals Commission, Urban Land Clearance Matter Appeal Commission and Addis Ababa Police Commission) at the stage called Common Process Council. The interviewed judges believe that, this power of co-ordination given to the Justice Bureau could affect the independence of the institution with judicial power, particularly the courts. Hence, this co-ordination power given to the Justice Bureau need to be reconsidered as it makes the courts under the subordination of the executive.

4.4.3 The Impacts of Addis Ababa City Courts' Rooms

The courts' rooms in the CA are not well organized. As a result, they are not convenient for the judges and the clients of the courts. The president of the Appellate Court has also reviled that, the rooms do not seem courts' room so that they are not attractive. According to him, there is lack of budget. Hence, the courts are not in a position to have well organized courts' rooms. Despite efforts have been made, still the problem is intact (Melaku 2015). One can, therefore, argue that the Addis Ababa City Courts lacks financial independence.

5. Conclusion and Recommendations

5.1 Conclusion

The FDRE Constitution under Articles 78 to 84, dealing with the structure and powers of the courts both at Federal and State levels, has provided a three level Federal and State Courts' structure. At

the federal level, the court structure is comprised of Federal First Instance Court, Federal High Court and Federal Supreme Court. At the state level, the court's structure is State First Instance (*Woreda* Courts), State High Courts (Zonal Courts), and State Supreme Court.

As per article 49(2) of the FDRE Constitution, Addis Ababa City is vested with autonomous self-governance. In the research, it has been identified that a number of measures have been taken by AACG in order to reform the justice sector of the city. Particularly, after the implementation of Civil Service Reform and BPR in the CG, a lot of improvement in the area of service delivery and good governance have been recorded, but with a lot of pending cases that need to be improved.

Despite all the efforts made, there is, however, a challenge facing City Courts, court structures. The two level court structures could affect the right of the city residents to access justice at the proper levels of court systems. The impact is that if a case decided at the City First Instance Court is reversed at the Appellate Court of the City, a party whose case is reversed has no chance to appeal on the substance of the case except applying for cassation for fundamental error of law. As far as the right to appeal is concerned, the FDRE Constitution under its Article 20 (6) clearly states that *"All persons have the right to appeal to the competent court against an order or judgment of the court which first heard the case"*. Similarly, the Federal Courts' Establishment Proclamation No. 25/1996; and other laws including the current Civil Procedure Code provides for the right to appeal to the proper level of courts. Hence, the implication is that- litigants in the City Courts have been deprived of their constitutional right to get justice at the proper structure of courts.

Concerning the powers and jurisdictions given to the City Courts, the City Courts' jurisdictions are limited to the issues of petty offences, remand in custody, and exercising bail applications, while the power to trialing and deciding on such criminal cases are given to the Federal Courts. This practice is very likely to create - a sense of dissatisfaction and inconvenience on both litigants and judges. This existing problem, which is the result of legal and jurisdictional gaps, becomes worse when seen in relation to the inaccessibility of the City Courts. The inconvenience is not only to the criminal suspects and their attorneys, but also to the police departments, which are responsible for presenting the suspects to the Addis Ababa City and Federal Courts that are located in different and far places. Moreover, this practice creates a sense that the City Courts are not supposed to deliver proper justice by handling complex cases.

In addition, the Justice Bureau of the AACG has the power of execution and co-ordination. Accordingly, the Bureau co-ordinates the justice sector at Common Process Council Stage. Nevertheless, the researcher believes that- this power of co-ordination given to the Justice Bureau could affect the independence of the city courts and other organs with judicial power. Hence, this co-ordination power given to the Justice Bureau needs to be reconsidered as it makes the courts subordinate to the executive body.

5.2 Recommendations

After the implementation of Civil Service Reform and BPR in the AACG, a lot of improvements in the area of judicial service delivery have been recorded. In this regard, the JSRP has played a pivotal role. Hence, the CG should expand those improvements while working on improving the unimproved ones.

Regarding jurisdictions and structures of the courts, the City Courts should be empowered to exercise complex criminal cases and any type of civil litigation in relation to the power of the CG.

The Addis Ababa City Courts' structure should be re-formed to have a proper court structure based on the constitutional framework of the FDRE Constitution. The reform can be implemented based on at least two alternatives. First, they should have a three levels of court structure; namely, First Instance, High Court, and Supreme Court. Second, they can have special benches within the City Appellate Court that entertain only appeals on the decision of the appellate court itself.

The City Courts' JAC is mandated to obtain the views of the Federal JAC on nominees and forward those views along with its own recommendation to the City Council. Such an arrangement totally puts the City Court under the control of the federal court which could eventually endanger the powers of the City Courts- and even the self-governance right of the city residents as stipulated under Article 49 of the 1995 FDRE Constitution. Hence, such double accountability of the City Courts needs to be revisited. To this end, the Addis Ababa City Council should amend Article 3 of Proclamation No 4/2003 of the JAC Establishment Proclamation by setting aside the membership of the federal court judge in the City Courts' JAC for the better exercise of *self-rule*.

The newly created sub-cities are so vast in area that a single court located in one place is not enough to serve the public at large, particularly the poor. Therefore, the sub-city court should be reorganized and re-located in to more than two locations in each sub-city to make them accessible. Hence, the CG should allocate sufficient fund that helps establish additional court and benches in each sub-city of Addis Ababa.

The City Courts have been entertaining issues of government owned houses and succession cases for many years. However, decisions given by the FSCCB on issues of government owned houses and succession cases are not convincing as its decision deviates from the clear provisions of Addis Ababa City Charter. Here, one can imagine the impact of the FSCCB's decision on citizens' right and jurisdiction of the City Courts. It has also an impact on the AACG since the already closed cases are to be re-opened in the Federal Courts. In this regard, the FSC seems less concerned with rationalizing the impacts of its decisions in all courts throughout the country. Therefore, the FSC should rationally decide on cases considering the future impacts of the decision.

The Justice Bureau of the CG is in charge of co-ordination. But this power of co-ordination could affect the independence of the courts. Hence, this co-ordination power given to the Justice Bureau needs to be reconsidered as it makes the courts subordinate to the executive entity.

Finally, the researcher invites interested researchers and legal professionals for further in-depth study on the Justice Sector Reform and Access to Justice in the AACG.

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Change Army: The New Face of Modernizing Civil Service in Ethiopia (The Case of Addis Ababa)

Gebre Miruts (PhD) and Nigussie Daba**

Abstract

It is believed that a modernized civil service is imperative to bridge governance dynamics with public interest. The Ethiopian government has introduced the change army scenario as a new modality to modernize the civil service. However, some empirical evidence indicates that though the new scenario is introduced, the civil service effectiveness is inhibited by many administrative bureaucracies. Therefore, the objective of this research is to examine practices of the change army scenario in Addis Ababa. The relevant data were collected both from primary and secondary sources. The factors that impede the practice of change army were identified and it was concluded that regardless of the institutional framework in place and some positive changes that can be cited, the application of the change army scenario is highly inhibited by misunderstanding and poor leadership. In addition, the application of change army is not uniform across the civil service institutions and the new scenario is not internalized; better performers are not rewarded and there is also lack of appraisal uniformity. Celebration of success is almost not practiced. Hence, the reality of the change army concepts and goals needs to be well communicated; follow-up should be in place to make uniform the application of the new practice, civil service leaders and process coordinators have to internalize and play their active role in leading changes.

Key Words: *Change Army, Group dynamics, Civil Service Modernization, Civil Service Reform, Addis Ababa*

1. Introduction

In the contemporary world, modernizing the civil service institutions is becoming more than governments' necessity. Because- civil service organizations are the bridge between political representation of national aspirations and the life experiences of all citizens. According to the Cabinet Office of Jamaica (2003), the civil service translates visions and needs into policy,-; policy into programs and objectives,-; objectives into goals,-; goals into action,-; action into results that should matter to people and meet the needs of the country.

The Civil Service Reform (CSR) and modernization agenda emerged with the newly adopted New Public Management Model as an innovative insight into the optimal organizational arrangement and techniques of institutional management since the early days of the 1980s. The NPM Model was desired as an alternative to the traditionally hierarchical and authoritative public administration (Vidaeak 2000). Civil service reform is a challenging endeavor for both developed and developing countries. In Africa, governance was largely epitomized as employer, patronage, and authoritarian rules. Bureaucratic rationality was compromised by high degree of centralization in a decision making process (Lane 1997 cited in Gebre 2014).

As asserted by Polidano (2001), as cited in Gebre (2014), the concepts of NPM is loose-fitting and manifold. However, both proponents and opponents alike usually accept the supposition that the NPM is universal. Civil service reform is one of the most visible and comprehensive areas of

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administrative reform. Governments throughout the globe have tried to modernize their civil service by introducing some administrative modalities. The need for a civil service reform is indispensable either to modify part of a system or to repair the whole system in the civil service.

A civil service modernization cannot be ensured by reforming government bureaucracy alone. Rather, it can be fruitful when the logic behind teamwork is taken into account. Therefore, with the change army scenario, knowing how team and teamwork can be defined and how team working is practiced in different government sectors is also imperative. Advocates of teamwork stress the importance of teams and also observed that a team shall have a high degree of autonomy.

A successful performance usually requires interaction among individuals who work as a team, pooling together their resources in terms of knowledge, abilities, and experience to reach a common goal. Teamwork is widely recognized as a powerful and effective way of reaching demanding goals, through co-operations of different individuals. An individual performance is less effective in the absence of support, and co-operation of others who share the same responsibilities (Mackin 2007).

Taking the civil service modernization agenda into account, the Ethiopian government has taken the initiative of reforming the civil service since it came to power in 1991. The purpose of reforming the old civil service system was to avoid the undesired practices that hindered public service delivery as well as the socio-economic development of the country. The May 1991 change of government (from a Socialist to a Federal government) was a turning point for the civil service to respond to a mass of new political and socioeconomic changes that occurred in the country (AH Consulting 2010). The government conducted a continuous reform to modernize the civil service system with the intention of multiparty democracy and market driven economy (Tilaye 2007).

The change army scenario with one-to-five teaming in Ethiopia is part of the spectrum of teamwork and group dynamics. However, the modernized civil servant like the Ethiopian change army scenario with the one-to-five discipline has to be uniquely designed to create self-active but accountable, self-responsible but team oriented, leading the way but integrated in networks, flexible but with clear targets, professionalized but open to new ideas and resilient to new modernization wave in civil service (Hill 2006).

The Ethiopian government tried to reform the civil service in three phases. The 1st phase (1991-95) was a structural adjustment program phase and changed the state from socialist and unitary to market economy and federal system; the 2nd phase (1996-2002) was focused on building the capacity of civil service to promote democracy, good governance, and support government's socio-economic development policies and the development of private sector, and in the 3rd phase (2003 to date) a great emphasis was placed on improving quality of service delivery. The agenda for quality service delivery in Ethiopia was designed intentionally to strengthen the public institutions by launching the change army (through more of a teamwork approach), improve managerial effectiveness, to empower private and civic society organizations and higher education (Tilaye 2007).

Even though the government has designed the civil service reform programs to address the problems of inefficiency and ineffectiveness in the civil service institutions, studies on civil service reform and human resource management as well as government reports indicate that government policies and strategies were poorly implemented (Nigussie and Mberenguwa 2009; Mberengwa and Nigussie 2011). With some exceptions, existing studies on the Ethiopian civil service reform were not complete to look into the performance of civil service and all the results focused on the immediate causes of ineffective civil service reform implementation rather than their root causes. Therefore, the objective of this study was to conduct a critical assessment and explore the role of

change army as a new face to modernize civil service organizations in Addis Ababa. Based on this main objective, the study addressed the following specific research questions: (a) How is the change army scenario implemented in Addis Ababa? (b) What practical implementation challenges are facing the change army scenario? and c) How does the level of support and commitment of leadership look like in the study area?

2. Review of Related Literature

2.1 Transformational Theory

Transformation is the formation and change of a new form, function or structure. To transform something is to create something new that has never existed before and could not be predicted from the past focusing on creating a new future. It is based on learning a system of profound knowledge and taking actions based on leading with knowledge and courage (Kollmorgen 2010). Transformation occurs when leaders create a vision for transformation and a system to continually question and challenge beliefs, assumptions, patterns, habits and paradigms with an aim of continually developing and applying management theory, through the lens of the system of profound knowledge.

In system transformation, there would be a profound change in structure that creates something new. Transformation occurs through a system of continual questioning, challenging, exploration, discovery, evaluation, and creation of an organization's management theory and application, beginning with the realization that the organization's current thinking is incomplete, limiting, flawed or even worse-destructive. Hence, in transformation, there is no known destination and the journey has never been traveled before. It is uncertain and unpredictable. It embraces new learning and taking actions based on the new discoveries (Ronald and Linsky 2002). The transformational theory also asserts that team building is the process of enabling the group of people to reach their goals (Kollmorgen 2010). Therefore, this theory helps to make-sure whether the change army scenario has a significant role in transforming the public sector or not.

2.2 New Public Management Theory

In the last decades of the 20th century, there had been a remarkable change in the roles of government in different societies as a shift from the ineffective traditional public administration to the newly emerged market driven model that is the NPM (Larbi 1999 as cited in Gebre 2014). The fundamental nature of NPM can be described by the new trends in the public administration to import some important private sector values (into public arena) like efficiency, effectiveness, flexibility, openness, result oriented management, more active control based on the preset output indicators and accountability to enhance quality service delivery (Polidano 2001). The theory captures the basis of institutional and organizational restructuring as an attempt to raise its performance by improving the quality of service delivery.

The NPM theory is an effort to improve government service delivery to the public. The NPM was also considered as a paradigm shift from autocracy to democracy creating political pluralism. It became a path through which democratic governance would be transformed into better governance that leads to public policies that are technically efficient, effective and responsive to the needs of the public (Polidano, 2001 cited in Gebre 2014). It asserts for motivational environment in which leaders are given flexibility to use resources but are held accountable for results. Top down controls are replaced by a bottom up focus on result. Encouraging civil service to innovate in many parts of the world is the emerging focus on client orientation and result based accountability (Polidano 2001).

Ewalt (2001) affirmed that this way of thinking provides high quality services, decentralize public organizations to reduce central agency control, and measure and reward both group and individual performance. The New Public Management outlook is usually associated with action-oriented idioms such as revitalization of public service, paradigm shift and reengineering, organizational transformation, total quality management, empowerment, entrepreneurship, empowering, results-over-process, etc.

Some scholars like Christensen and Laegreid (2001) argue that the philosophy of NPM is loose and multifaceted; the standard targets of the market oriented model are not attained and create some complexities in implementation. However, NPM can universally be applied in both developing and developed countries (Polidano 2001). Therefore, the NPM theory can be used to look into the effective implementation of the change army scenario in relation to selected civil service institutions in Addis Ababa.

2.3 System Theory

System theory focuses on the arrangement of and relations between how the parts work together as a whole. The way the parts are organized and how they interact with each other determines the properties of that system. In teaming, consensus building is vital in decision making process. Team decision making and accountability is the reflection of teaming process. This stems from a fundamental belief that individuals are smarter together than when alone (Mackin 2007). Change management is, then, considered as the process of planning, coordinating, implementing and monitoring changes affecting any production platform within the civil service control.

The objectives of change management process are to ensure that changes are made with minimum disruption in organizations, support the efficient and appropriate handling of all changes, provide accurate and timely information about all changes, make sure all changes are consistent with business and technical plans and strategies, provide additional functionality and performance developments to systems (Ibid). To ensure the team performance measurement indicators, system theory suggests establishing strong and interlinked organizational structures.

2.4 Conceptualization of Change Army

Today, although many organizations have implemented components of teaming, they have to realize the full range of possible benefits (Mackin 2007). In the contemporary world, governments are looking for administrative reform and system transformation. Within the national transformation agenda, governments as in Ethiopia want to modernize their civil service by reforming their administrative structures. In doing so, governments encourage teamwork and group dynamics (Ibid).

The change army scenario with one-to-five teaming in Ethiopia is part of the spectrum of teamwork and group dynamics. However, the modernized civil servant as in the Ethiopian change army scenario with the one-to-five discipline has to be uniquely designed to create self-active but accountable, self-responsible but team oriented, leading the way but integrated in networks, flexible but with clear targets, professionalized but open to new ideas and resilient to new modernization wave in civil service (Hill 2006). According to the Ministry of Civil Service (2014), the intention of the change army scenario in Ethiopia is building a change army team which includes one-to-five teams. The intention is to create a strong teamwork which acts as a stand by-armed-force for achievement of the intended goals. Therefore, the distinctive characteristics of the change army scenario is that though teaming is a shift in organizational culture, change army looks beyond team building and employees need to apply some basic disciplines of military science such as acting as a standby-armed-force.

3. The Methods

3.1 Research Type

To explore the change army as a new face to modernize the civil service in Addis Ababa, the researchers employed both descriptive and exploratory research designs featuring the survey method. This is because descriptive is a kind of rigid design, it applies probability sampling design and structured instruments of data collection. However, exploratory research is a kind of flexible design which uses a non-probability sampling and unstructured instruments of data collection (Christine, Walker and Robinson 2004).

Hence, applying both descriptive and exploratory designs helps to describe and explore the application of change army as a new face to modernize the civil service organizations in the study area, and to minimize potential shortfalls in each design, and to determine the sampling technique and to decide on what data collection instruments would be appropriate. The survey method on the other hand is non-experimental and descriptive technique that is usually used to collect data through questionnaires and interview (Kothari 2004). The researchers employed both quantitative and qualitative research approaches (mixed methods) so as to collect and analyze data. In other words, the researchers used concurrent mixed approach aiming at addressing the research questions

3.2 Data Sources and Method of Data Collection

The researchers also employed a multi-stage sampling technique to select respondents. This is because a multi-stage sample is one in which sampling is done sequentially across two or more hierarchical levels (Battaglia n.d). Thus, of the total sub- cities of Addis Ababa, Yeka and Bole sub cities were selected by using systematic random sampling (through lottery method) to ensure that every element in the population has the same chance of selection and of the total *Woredas* in the two sub -cities, 4 *Woredas* (Woreda 9 and 11 from Yeka and Woreda 6 and 8 from Bole) were incorporated purposively. This is because some of these *Woredas* are geographically wide with large population size in which a large number of civil servants is found. Sector offices of the respective *Woredas* were selected through simple random sampling. Civil servants of the respective sector offices were also incorporated on their proportion. Therefore, the sampling techniques were both probability and non-probability sampling (random and purposive sampling).

Kothari (2004) recommends the following formula to get a representative sample size if the total number of the target population is assumed to be more than 10,000. Therefore, since the expectation of the total number of the target population >10,000, the representative sample size (n) for the study was determined by using the following formula:

$$n = \frac{z^2}{\delta^2} p(1 - p)$$

Where, P is the estimated proportion of an attribute that is present in the population and P for this study is an estimate of the percentage of civil servants who are assumed to be those effectively organized under the change army scenario and The researchers applied the assumption 50% as a P value, and 1-p is the proportion of civil servants who were not effectively organized in the change army in their sectors, δ is the level of significance and this study assumes it at .05, Z is the standard normal deviation. Therefore, based on the above formula, the sample was calculated as follows:

$$\begin{aligned} n &= 1.96^2 / 0.05^2 \times 0.5 (1 - 0.5) \\ n &= 3.84 / 0.0025 \times 0.5 (0.5) \\ n &= 1536 \times 0.25 = 384 \end{aligned}$$

In addition to this, 2 higher officials at sub-city level and 16 officials at *Woreda* level were interviewed and two (2) focus group discussions from each *Woreda* were conducted. The quantitative data were analyzed by using descriptive statistics, and statistical package for social scientists (SPSS) was used to generate percentages, tables and graphs to critically assess and explore the application of change army. The chi-square test was also used to determine whether or not there was a significant difference between the expected incidences and the observed frequencies in one or more categories. The data collected from interviews and focus group discussions and open ended questionnaire were also coded and transcribed into texts and analyzed using content analysis or exploratory means. Subsequently, the results obtained both from qualitative and quantitative data were mixed to compare the results through triangulation, explanation, comparison, and identification of relations were established among the data sources in relation to the research questions.

4. Results and Discussion

4.1 The Change Army Scenario and its Concept

The legal base of change army is clearly defined in the change army formation manual prepared by the Ministry of Civil Service in 2014. The change army scenario is introduced to modernize the Ethiopian civil service as part of the civil service reform. Though the word army proactively interferes with the civil code, the real concept used by the Ethiopian government is to show civil servants as a stand by military force towards the implementation of government policies and strategies. Hence, it is about a group of people organized as one standby armed force to perform organizational missions as effectively as possible (Ministry of Civil Service 2014). Respondents were consulted to share their understanding of the description of what the change army really means. The result obtained was mixed. Most of the respondents failed to define the change army as stated in the legal document and some assume it as an instrument to facilitate ruling party politics. Most of the respondents (64.4%) defined one-to-five team and change army as one and the same. However, very few officials and process owners came-up with the real definition of the new concept. This implies that the definition and concepts of change army is not understood across the board.

According to the Ministry of Civil Service (2014), different teams are formed under the change army. There could be at least one change army team and there would also be the one-to-five team arrangements within each change army. Each one-to-five team is also expected to have three to seven team members which are similar to self-directed teams and different from cross-functional teams with 8 to 12 members (Mackin 2007). This helps to bring individuals together from multiple work areas at a the same level. The following table illustrates the practical team building condition.

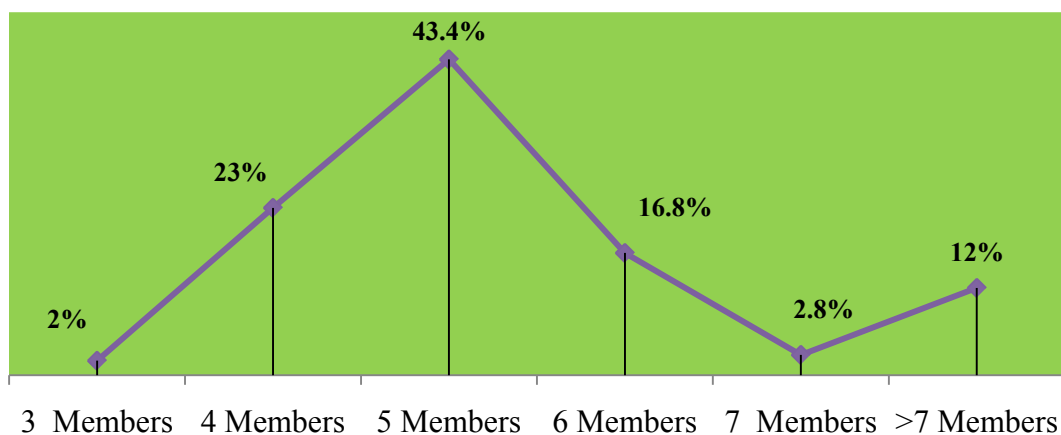
As to the baseline team formation, most of the one-to-five team building compositions in Addis Ababa were department/process-based which fits into the change army team formation standard. As can be observed from Table 1 below, the majority of the respondents confirmed that the one-to-five team arrangement is department or subdivision based.

Table 1: Work Experience and One-to-Five Teaming Composition

The One-to-five Teaming Composition							
			Department based	Profession based	No formal system in grouping	Sector based	Total
Work Experience	1-5 Years	Count	103	35	24	15	177
		% within Work Experience	58.2%	19.8%	13.6%	8.5%	100.0%
	6-10 Years	Count	59	28	6	12	105
		% within Work Experience	56.2%	26.7%	5.7%	11.4%	100.0%
	11-15 Years	Count	17	6	11	3	37
		% within Work Experience	45.9%	16.2%	29.7%	8.1%	100.0%
	>16 Years	Count	27	6	1	4	38
		% within Work Experience	71.1%	15.8%	2.6%	10.5%	100.0%
Total		Count	206	75	42	34	357
		% within Work Experience	57.7%	21.0%	11.8%	9.5%	100.0%

Source: Field Survey, 2015

In addition, interviews and focus group discussions revealed that there was a formal arrangement to establish the one-to-five team under each department. One can also understand that change army is department based and has similarity with self-directed team of employees (Mackin, 2007) who work together on an ongoing, day-to-day basis and are responsible for the whole work process, assume ownership of service and are empowered to share various supervisory and leadership functions. Hence, to examine the one-to-five team size in the Addis Ababa civil service sectors, respondents were requested to explain their team size rationality and Figure-1 summarizes the stamina. The Addis Ababa civil service organizations are applying correctly the team size baseline.

**Figure 1:** Team Members in the 1 to 5

Source: Field Survey, 2015

The one-to-five team size in Ethiopia ranges from 3 to 7 that was meant to create a team that understands and is committed to achieving organizational goals. Figure 1 below shows that the one-to-five team size ranges from 4 to 6 taking 5 as the highest mode. Nevertheless, during interviews held with *Woreda* officials and process coordinators, confusions were observed in the team size and its standard. This misunderstanding of standards resulted in formation of one-to-five teams with different sizes across the sectors sometimes with greater than 7 members in some organizations.

4.2 The Modernized Civil Servant under the Change Army Scenario

The civil service reform is meant for modernizing the civil service all over the world. In doing so, governments introduce many instruments like the change army scenario in Ethiopia. As affirmed by Hill (2006), the modernized civil servant is self-active but accountable, self-responsible but team oriented, leading the way but integrated in networks, flexible but with clear targets, professionalized but open to new ideas, committed but judging from a distance, resilient to new modernization waves and serving the public good. In relation to the change army's role in modernizing the civil service, Table 2 below summarizes opinions of respondents.

Modernized civil servants are responsive, innovative and seek out opportunities to create effective changes. The change army as a new face of modernizing civil service in Ethiopia is about being open to change, and working in smarter and more focused ways. As summarized in Table 2 below, the change army in Addis Ababa shares some characteristics of modernized civil servant such as self active but accountable, self-responsible but team oriented, leading the way but integrated in networks, flexible but with clear targets, professionalized.

Table 2: Change Army and the New Face of Modernizing Civil Service

Survey Statement	Scale				
	SA	A	NC	D	SD
The change army is self-active but accountable	22.1%	42.6%	1.7%	26.3%	7.3%
The change army is self-responsible but team oriented	34.2%	42.9%	.8%	19.0%	3.1%
The change army is leading the way but integrated in networks	33.3%	33.1%	.6%	28.3%	4.8%
The change army is flexible but with clear targets	26.9%	42.6%	1.7%	23.5%	5.3%
The change army is professionalized but open to new ideas	42.3%	36.1%	-	16.0%	5.6%
The change army is resilient to new modernization wave	33.3%	39.5%	2%	17.9%	7.3%

Source: Field Survey, 2015

Note: SA: Strongly Agree; A: Agree; NC: No Comment; D: Disagree; SD: Strongly Disagree

However, the change army lacks such characteristics as leading the way in integrated network, accountability and flexibility with clear targets because significant number of respondents 33.1%, 33.6% and 28.8% respectively stated that these features are lacking. This implies that the application of change army as a tool to implement organizational goals was not uniform across the civil service institutions of Addis Ababa City Government. Likewise, the Pearson Chi-Square test result with a P-value of .000 also confirms these arguments as there was a significant difference between the perceptions of both sexes on the change army's nature of being self-responsible but team oriented.

4.3 Leading Change and Leadership Commitment

To build a strong change army and encourage employees to operate in teams, leadership support and commitment is vital. A change army leader must recognize the one-to-five teaming as cultural change that includes developing awareness in both change army as a tool and a culture shift, acquiring knowledge and understanding about how change army teams function, learning skills to perform new teaming behaviors and internalizing attitudes and beliefs so that change army teaming becomes a way of life. The role of leadership is, therefore, critical through each of these steps. For this reason, lack of leadership support remains the number one cause of team failure. Based on this supposition, the following data tests this reality.

Table 3: Sex and the Knowledge of Leaders about Change Army

		The knowledge of leaders about change army					Total
		Very low	Low	Medium	High	Very High	
Sex	Male	13.3%	10.3%	42.6%	24.6%	9.2%	100.0%
	Female	6.2%	20.4%	38.9%	24.7%	9.9%	100.0%
Total		10.1%	14.8%	40.9%	24.6%	9.5%	100.0%

Source: Field Survey, 2015

Institutional transformation and new organizational changes need effective leadership to know the new directions and to build impetus. The institutional transformation and new organizational change to be successful, the new direction (Change army scenario) has to be reflected in the behaviors and attitudes of all concerned bodies. Civil service leaders must lead the way based on knowledge. As can be observed from Table-3 above, the change army scenario is not internalized and civil service leaders are not well-informed about the scientific logics of the new practice (change army) because the knowledge of leaders about change army is average (40.9%). In addition to the average know-how, poor knowledge is also observed (24.9%) in the civil service leaders of Addis Ababa. This implies that civil service leaders are leading with limited knowledge.

Similarly, the Pearson Chi-Square test result also shows the significant difference between both sexes in leadership of change army knowledge because it is statistically significant with a P-value of .000 which is <0.05. Besides, leadership commitment was assessed and still it is not impressive. Civil service leaders are expected to be committed to maintaining the effectiveness of change army but data gathered depicted that the leadership commitment to support the implementation of change army was of medium level (39.2%). High level leadership support and commitment is an essential prerequisite for successful implementation of the change army scenario. However, in relation to the new practice, leadership commitment is poor (24.1%) and needs a careful attention.

The Pearson Chi-Square test result with a P-value of .000 between both sexes validates the commitment difference between civil service leaders in applying the change army. Nevertheless, the change army has somewhat improved implementation of public policies in Addis Ababa as indicated by a considerable number (61.1%) of the respondents.

4.4 Roles of Civil Service Managers in the Change Army

Civil service managers are expected to realize and contribute to the effectiveness of a change army. Leaders at any level of civil service organization should be well-informed during the implementation of government policies and should have the ability to harmonize strategic participatory planning, inter-organizational communication, effective monitoring and evaluation system, set complaint handling mechanisms and provide reliable and relevant reporting system (Ali,

2004). In this regard, the participants were asked to share their experiences and the following tabular data indicate the civil service officials' performance.

The ultimate goal of leading government policies, strategies and programs by being exemplary is to provide quality services and increase productivity to satisfy the public interest. The effective implementation of new practice needs political commitment and support from leaders. The top management reform sub-program and change army in Ethiopia in general and in Addis Ababa in particular were introduced as important components of the civil service reforms. Hence, respondents among civil servants were requested to discuss roles of civil service managers in the implementation of the new agenda.

Table 4 below summarizes that the Addis Ababa civil service managers inspire change army team members for better performance and the team leaders care about each team. Though such positive things can be cited, however, a significant number of respondents, i.e. 35.3% and 37.6% raised the lack of inspiration and leadership concern about their teams respectively. On the other hand, most of the participants (64.1%) said that the Addis Ababa civil service managers did not recognize or reward the better performer one-to-five teams and 65% of the participants replied that the civil service managers did not reward the better performer individuals in the civil service organizations.

Table 4: Leadership Role in Build the Change Armies

Survey Statements	Scale				
	SA	A	NC	D	SD
Managers inspire team members	17.9%	45.9%	.8%	28.3%	7.0%
Team leaders really cares about each teams	15.4%	45.9%	1.1%	30.0%	7.6%
Managers recognize/reward better team	9.5%	25.8%	.6%	50.4%	13.7%
Managers/leaders reward better individuals	9.5%	24.9%	.6%	52.7%	12.3%
Leaders decide everything on his/her own	10.9%	23.8%	1.7%	55.2%	8.4%
Leaders have good techniques of handling team	8.4%	35.9%	1.4%	45.7%	8.7%
Army leader has a good skill of listening to teams	14.0%	38.9%	2.0%	36.4%	8.7%

Note: SA: Strongly Agree; A: Agree; NC: No Comment; D: Disagree; SD: Strongly Disagree

Similarly, as indicated in Table3 above, the participatory decision making process in Addis Ababa was better because most (63.6%) of the participants disagreed with the one man show approach. About 52.9% of the contributors confirmed that the change army leaders have a good skill of listening to and dealing with difficult team members. However, the application of conflict handling techniques within one-to-five team members was not effective as indicated by the majority (54.4%) of the respondents due to poor conflict resolution skills of team leaders (46.5%). This implies that though the Addis Ababa civil service leaders are good at listening and participatory decision making, still they have limitations in effectively applying conflict resolution mechanisms.

4.5 Performance Appraisal and High Performer Nomination

The ideal approach of NPM is the inception of ideas of some private sector disciplines and the public service in which, the civil servants' performance appraisal is accepted. The promising aspects of measuring civil service performance is imperative to civil servants' motivation, serve as a strategic tool to raise the overall standards in government services and increase institutional accountability (Redman and Wilkinson, 2001). Hence, the performance of the stand-by change army needs to be measured. To look into the practices of change army's performance measurement, respondents were asked to share their experiences and the following figure depicts their responses.

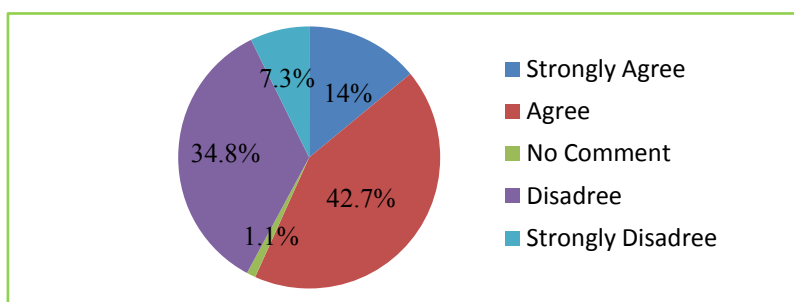


Figure 2: Respondents' Opinions about Timely Performance Measurement

Source: Field Survey,

In principle, change armies' performance appraisal and the way feedback is given should be a continuous process and the periodic formal performance appraisal is justified to review change army's performance once a week and making appraisal uniform for all individuals in the work unit (MCS 2014). Figure 2 illustrates that the performance appraisal across civil service organizations of Addis Ababa was undertaken timely. Even though, some notable performances were registered in measuring the performance of the change army, there is still a need- to conduct a regular follow-up. As can be seen in Figure 2 above, 42.1% of the participants criticized (i.e. disagreed with the idea about) the effectiveness of the appraisal system.

The key informant and focus group discussion results also depict that both the one-to-five and change army teams in most cases evaluate their performance once a week, and select the highest performer (the star) in that week. However, the researchers observed that there was no uniformity across the civil service organizations and *Woredas*. Some evaluate their day to day performance weekly and, hence, select the highest performer and others do it monthly and even some of them conduct after six months. As Malay proverb reads, *"Every man is good at something; it is the task of the chief to find it."* Therefore, appraisers or supervisors should be vigorous in identifying individual talent in the civil service.

4.6 Celebration of Success to Honor the Heroes

Celebrating success is recognizing achievements. It is an intrinsic part of every successful group. To commemorate the fantastic achievement, performance appraisal is a vital tool. Celebration keeps people motivated to stay involved in an organization. Therefore, at some point during implementation of government policy, there should be a need to motivate and reward high performer civil servants to scale up their effectiveness and efficiency. Motivation is about the internal and external forces that influence individual's degree of willingness and choice to engage in a certain specified behavior and action (Reem 2010).

In order to promote morale, efficiency, integrity, responsiveness, progressiveness and courtesy in the civil service, there need to celebrate success to honor the heroes. A hero servant highly values public trust and never takes advantage of his/her position for profit. Given this fact, civil servants were requested to contribute their experience in this regard and Figure 3 shows the practice in Addis Ababa.

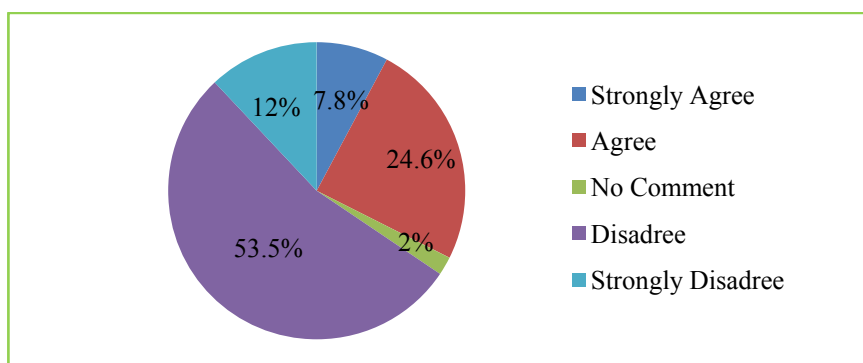


Figure 3: Celebration of Success

Source: Field Survey, 2015

The ideal approach of the change army in Ethiopia assumes that civil servants need to behave as a stand-by military army who is ready to win a battle. In military, heroes are always honored. In a similar fashion, after accomplishing some grand objectives there should be a need among public servants and leaders to celebrate success to honor civil heroes (successful public servants). In doing so, defining civil service day is a prerequisite to practice celebrating success. The real intention behind the Ethiopian civil service reforms is to transform public sectors by modifying parts of a system or by repairing the whole system. Hence, measuring performance and nominating high performers is of the extended targets of the Ethiopian public sectors in general and that of Addis Ababa in particular. As discussed above, though it was not uniformly applied, performance appraisal in the civil service organizations was significantly practiced. However, Figure 3 above shows that celebration of success was almost not practiced. It can be seen from the data that most (65.5%) of the participants disclosed that they did not have practices of celebrating success in their workplaces.

4.7 Keep Hold the Change Army

The overall objective of reforming the civil service is to improve the efficiency and effectiveness of the public sector. Therefore, regarding the employee retention, the civil service matters cannot be discussed in segregation from government structures especially its forms of administration, level of merit system, de-politicization and autonomy. This is because civil servants are the nerve centre for operating the day to day institutional activities to provide quality service and implement government policies and strategies (MDGD n.d.). Though public servants turnover can be created due to many reasons, a discouraging working environment in government bureaucracy can force experienced and qualified professionals to quit their jobs. In this regard, public servant turnover in Addis Ababa was very high. The following figure illustrates this logical argument. Hence, if it continues, the city administration will lose its industrious civil servants and may fail to implement its development agenda.

The change army is about employee retention which involves taking measures to encourage employees to remain in an organization. Retention is more important than hiring. This can be proved by the data in the Figure 4 that indicates the poor management of human resources in Addis Ababa civil service organizations. Most (of the civil servants at a *Woreda* level are inexperienced. The data in Figure 4 below shows that almost 50% of the employees at a *Woreda* level are new with one to five years work experience. This implies that there is a high turnover of employees in the city.

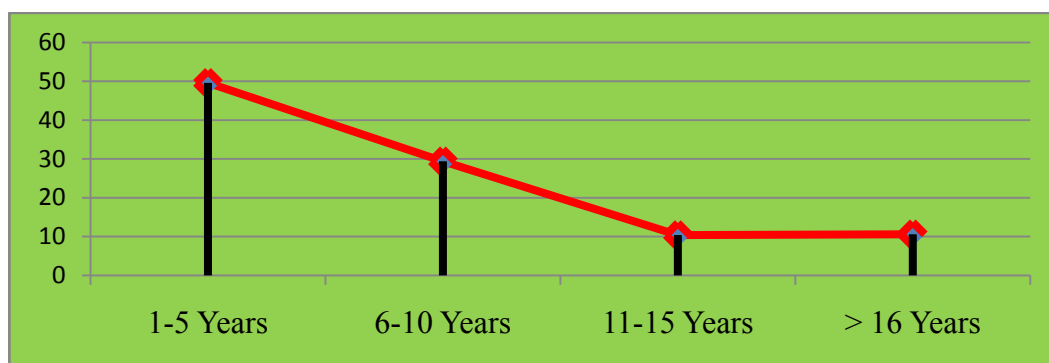


Figure 4: Employees' Work Experience

Source: Field Survey, 2015

Interviews held with civil servants and civil service officials at *Woreda* and sub city levels and confirmed the existence of a high turnover of the civil servants. The reasons, according to the participants, were poor salary scale, unfavorable working environment (lack of staff lounge, poor transport service and freedom of work) and high work load as well as low payment. Hence, the Addis Ababa city Government needs to capitalize on the employee retention issues starting with the *Woreda* level scenarios.

4.8 The Change Army with Clear and Shared Goals

In military science, the primary goal of the military force is clear and is shared among the armed forces. Similarly, the civil army needs to have clearly stated and shared goals to be achieved. Setting clear and shared goal is one of the critical issues in team building. People who are effective in this area are responsive, innovative and seek out opportunities to create effective change. Especially, when building a new modality like the change army teaming in Ethiopia, the primary issue that the new team leader should do is to clarify the team's purpose and goals (Chi and Huang 2014). Whether team members shared clear goals or not, is stated and presented in Table 4.

The Addis Ababa civil service organizations registered a mixed result of creating clear and shared change army goals. As depicted in Table-4 below, 36.7% of the respondents believed that the goals of the change army are clear and shared. In addition, a significant number of the respondents (42.6%) replied that the change army goals are somewhat clear.

Table 4: Sex and Clearly Stated Shared Goals

		Clearly stated shared goals			
		Yes it is clear	Somewhat clear	Not clear	I don't know
Sex	Male	37.4%	45.1%	9.7%	7.7%
	Female	35.8%	39.5%	9.9%	14.8%
Total		10.9%	42.6%	9.8%	36.7%
		Total			
		100.0%			
		100.0%			
		100.0%			

Source: Field Survey, 2015

As indicated in Table 4, almost 10% of the participants confirmed that the change army goals are not clear. The issue was not well-communicated to the implementers (change army members), in most cases communication is top down (not participatory) and the change army scenario is not integrated with organizational goals. Some one-to-five team members assume the change army as an activity by itself rather than a tool. This implies that still many civil servants did not clearly understand the mission of change army.

4.9 Commitment of the Change Army members

Mackin (2007) asserts that team building is a cultural change in addition to being a tool and in a team work, team members must change the way they think and perform tasks. Hence, when the professionals in change army are encouraged to use their knowledge, experience and skill, a shift in attitude would occur and this helps to meet - organizational goals. Regarding the commitment of the change army, respondents were asked to rate the extent to which commitment of army members is observed and the responses have been summarized as follows.

Table 6: Respondents Sex and Commitment of Members in the One-to-Five Teaming

		Strongly Disagree	Disagree	No Comment	Agree	Strongly Agree	
Sex	Male	3.1%	35.4%	.0%	44.1%	17.4%	100.0%
	Female	4.3%	32.7%	.6%	46.9%	15.4%	100.0%
Total		3.6%	34.2%	.3%	45.4%	16.5%	100.0%

Source: Field survey, 2015

The fundamental nature of establishing the change army in Ethiopia was to modernize the civil service. The theoretical approach of modernized civil service is geared towards government policy implementation and is the sole promoter of sustainable development and quality service provision. Table 6 above explains that the level of civil servants' commitment in Addis Ababa is improving the introduction of the change army scenario. For this reason, the majority (61.9%) of the participants confirmed that change army team members are highly committed. Though this can be cited as a positive achievement, the level of commitment within the change army team members still needs a careful attention because 37.8% of the respondents did not accept- its uniformity across the Addis Ababa civil service organizations. From this one can infer that the level of commitment in the change army calls for more concerted efforts.

4.10 Change Army Meeting and Agenda Setting

Meetings are the means of exchanging ideas, sharing experiences and can be considered as the learning forums for participants. The way agendas are set and their contents are very critical for the success of team meetings. Similarly, nowadays participatory planning, implementation, monitoring and evaluation as well as decision making- are becoming a necessity in team. Respondents were, thus, consulted to state their experience and the feedback is shown in Figure 5.

The Addis Ababa civil service organizations do not conduct their change army meetings as per the schedule. As can be seen from figure-5 above, 83% of the civil servants/ respondents disclosed that the one-to-five teams held their meeting once a week. The respondents were also asked about agenda setting and their contents and most of them (66.7%) regarded the agenda as appropriate but indicated also that the agenda was mostly about job performance and public service delivery. Nevertheless, some of the respondents claimed the appropriateness of the agenda.

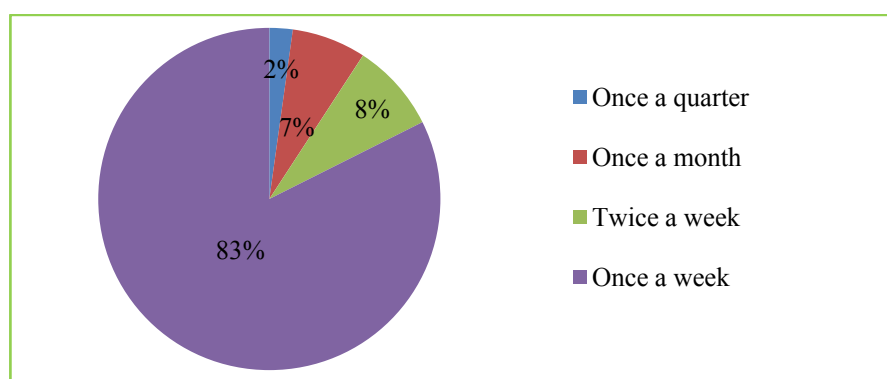


Figure 5: Change Army Meeting

Source: Field Survey, 2015

This was also justified by most of the interviewees including the process coordinators and the focus group discussants that the daily meeting was nonsense, boring and the point of discussions were redundant. In addition, some of the discussants stated that due to the tiresomeness of the daily meetings, some teams simply wrote a minute and they signed without any discussion session. Finally, the participation and size of team were correlated by using nonparametric correlation (Spearman) and the result has been presented in the following correlation table.

Table 7: Correlation between Change Army Team Size and the Level of Participation

	Level of participation	Change army team size
Spearman's rho	Change army team size	-0.163**
	Level of participation	1
		-0.163**

** . Correlation is significant at the 0.01 level (2-tailed). N= 357

Source: Field Survey, 2015

As can be seen from Table 7, the association between the two variables is statistically significant featuring the P-value of .002 and their relationship is negative. This means that the larger the size of the team, the lower the level of participation. In other words, when the team size is increased by one member, the level of participation of its members significantly decreases by 0.163. This also implies that as the size of the one-to-five teams increases in Addis Ababa, the participation of army members is negatively affected. Hence, adherence to the standard team size (3-7)-is very important.

5. Conclusion and Recommendations

5.1 Conclusion

The aim of this study was to explore scenarios of implementation of, and the role the change army is playing in the reforming and modernization of the civil service organizations in Addis Ababa. The study revealed that definitions and concepts of change army were not properly understood at all levels of the employees and the officials. The one-to-five team and change army arrangements are department based and have similarity with the concept of self-directed teams. The application of change army as a tool to implement organizational goals was not uniform across the civil service institutions of the Addis Ababa City Government.

Leadership commitment is found to be poor in Addis Ababa City Government. because the civil service leaders are leading the institutions with limited knowledge. Lack of uniformity in applying

the change army with self-responsibility and team orientation, and in evaluating the civil servants' performance to identify model (star) performers was observed in the study area. The communication system in change army teams was also found to be poor, top-down, not participatory and not integrated with organizational goals. Though participatory decision making was improved, conflict resolution skill was poor. The reward system was also unsatisfactory and this resulted in a high turnover of employees which adversely affected team building efforts in the *Woredas* of the city.

5.2 Recommendations

The following recommendations have been made based on the findings. The change army's working manual should be known by everyone and it must be documented, as well. Because change army leaders and team members need to internalize the concept of the change army scenario. The standard change army team size must be applied based on the baseline. Government officials and the change army teams should pay due attention to make the civil servants active, accountable, responsible, team oriented, and integrated in strong networks. The knowledge gap of the change army leaders about the new scenario needs to be successfully addressed through effective training initiatives so that leaders can have exemplary leadership roles.

The one-to-five and change army teams' performance evaluation should be uniform across the civil service organizations. In military, heroes are always honored after winning a skirmish. In a similar fashion, after accomplishing some grand objectives, there should be celebration of success to honor civil heroes (successful public servants). The Addis Ababa civil service organizations should follow change army meetings as per the schedule and the agenda setting needs to be appropriate, i.e. clear, well-structured and comprehensive.

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Practices and Challenges of Universities in Ethiopia in Building the Capacity of Public Organizations

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Abstract

This study assessed the status of university-public organizational capacity building practices (UPOCBP) and challenges faced when contributing its role in the growth and development initiatives of the country. Five public universities were purposively and 450 respondents were randomly selected for the study. The data were collected through questionnaire and interview items as well as observation checklist. Descriptive and inferential statistics including frequency, percentage, mean, standard deviation, ANOVAs, Pearson correlation, multiple regression and Mann U Whitney test were used. Statistically significant differences were observed among the practices of the universities. Regarding the extent of the contribution of the practices, high contribution levels were observed in most and medium in few. Specifically, staff commitment and awareness had no significant level of contribution to capacity building practices of the universities. Education, short term trainings and research undertakings contributed better than consultancy services and sharing university resources in facilitating the effectiveness of capacity building initiatives. Differences were observed among universities, and to narrow the effectiveness gaps, best practices and experience- sharing programs need to be designed in addition to addressing the existing professional deficiencies. To get the most reliable outcomes from the core processes of the universities, the intervention types have to be planned and implemented in collaboration with public organizations. Further studies need to be conducted on specific factors that might influence success stories of the universities. . The challenging low commitment of the staff needs due attention so that it can gradually be minimized. Besides, incentives and recognition mechanisms have to be introduced for encouraging outstanding performers.

Key words: *University-industry-linkage, university-capacity building of public organizations*

1. Introduction

The role of higher education in the socio-economic and other aspects of development of a nation is of paramount importance. In order for universities to contribute to the multifaceted development of a country, they have to get outside of the walls of classrooms and get involved in addressing societal problems in the context of their mandates. Such remedial initiatives demand appropriate interaction between institutions of higher education and public organizations.

The need for capacity building practices of a university-public partnership mainly includes steps towards enhancing the relevance and quality of education, research and community services on the part of the universities to effectively build the capacity of targeted organizations. It is in this context that universities become successful in meeting their intended purposes. In this regard, Bishop (1985; viii) write:

If Africa has to alleviate the challenges of the late twentieth century and prepare for the twenty-first, it will have to take giant steps, and cover in twenty years the process that took Europe centuries to achieve. The answer does not lie in increased budgets

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and number of personnel alone, but in adopting a radical or unconventional approach to the question of finding solutions for Africa's problems.

In line with this, Ethiopia has envisaged to undertake higher education reform by examining her educational system and outlined the inherent problems. To solve the local and national problems and to make the educational system relevant, policies, strategies and proclamations were set to link the higher education with the prevailing industries. For instance, the Education Policy (MOE, 1994), the Higher Education Proclamation (FDRE, 2009), the Growth and Transformation Plan (MoFED, 2010) were among the policies and strategies. Moreover, the Capacity Building Strategy and Programs document (FDRE, 2002; 238) clearly articulated that all research works have to address problems of the community in particular and that of the public and the nation in general. Despite the availability of policy and strategy directions, much is expected to strengthen the linkage practices between a university and an industry that is at its infancy stage.

Attaching a great value to the issue, EPRDF has made an immense contribution to national efforts of creating access to higher education in various inaccessible localities of the country. When this study was being conducted, thirty three public universities were being provided with, more or less, adequate budget so as to link them with industries. In this study, the term industry refers to public organizations, which are mainly workplaces for trained human resources from the universities. Here, the main issue is whether or not the universities are functioning effectively in the direction they ought to function. That is, universities are obliged to build the capacity of public organizations to enable them to render quality services or products for the public. For too long, universities have been considered as the major sites for knowledge creation and accumulation. The World Bank (2002) stated that knowledge by itself does not transform economies of nations. However, when universities render quality and relevant services to industries, they can benefit the public. Given this ground, this study attempted to assess the status of the practices and challenges of university - industry linkage with a special reference to public organizations capacity building.

From the historic background of the past educational systems of Ethiopia, the education system including the higher education was not relevant to serve the needs of the public. With regard to this, the Education and Training Policy (FDRGE, 1994; 2) indicates the following points:

... that our country's education is entangled with complex problems of relevance, quality, accessibility and equity. The objectives of education do not take cognizance of the society's needs and do not adequately indicate future direction. The absence of interrelated contents and mode of presentation that can develop students' knowledge, cognitive ability and behavioral change by level to adequately enrich problem solving ability and attitude are some of the major problems of our education system.

To solve the problems, nowadays the number of functional universities went up from less than five to thirty three. The outcome of this move improved access to higher education dramatically. As a matter of fact, there is a need to link the two parties – university and industry - for the betterment of the lives of societies. In this context, efforts were being made to link the universities with industries to further facilitate the ever growing rapid development of the country. It was, thus, essential to assess the status of a university-industry linkage practices against the purposes for which the linkage was established.

This study was geared towards assessing the university -industry -linkage practices of selected universities in Ethiopia as part of their endeavor to build the capacity of civil servants in public organizations. It addressed the following basic questions.

- (1) To what extent do the following three categories of practices were effective?

- (1.1) Category one variable: Capacity building, awareness creation and staff commitment;
- (1.2) Category two variables: Shared vision, organizational structure and objectives, relevance of curricula ;
- (1.3) Category three variables: Types of university interventions to facilitate the effectiveness of the university capacity building practices?
- (2) Are there variations in university public organization capacity building practices across the universities under study?
- (3) What are the possible factors that can affect outcomes of the university public organization capacity building practices?
- (4) What relationships do exist between demographic factors and university public organization capacity building practices?

Theoretical and practical importance was the two reasons to conduct the study. The theoretical importance is that its results might initiate the policy makers to examine the practical aspects of policy directions for the university public organization capacity building practices. Similarly, the practical importance pertains to directions for the universities that are short of forming effective linkage to public organization capacity building practices. Generally, the study is of paramount importance at this time of rapid growth and transformation initiatives of the nation.

2. Review of Related Literature

This section deals with pertinent research findings and factors influencing the effective implementation of university-industry linkage practices, with special reference to the public organization capacity building initiatives.

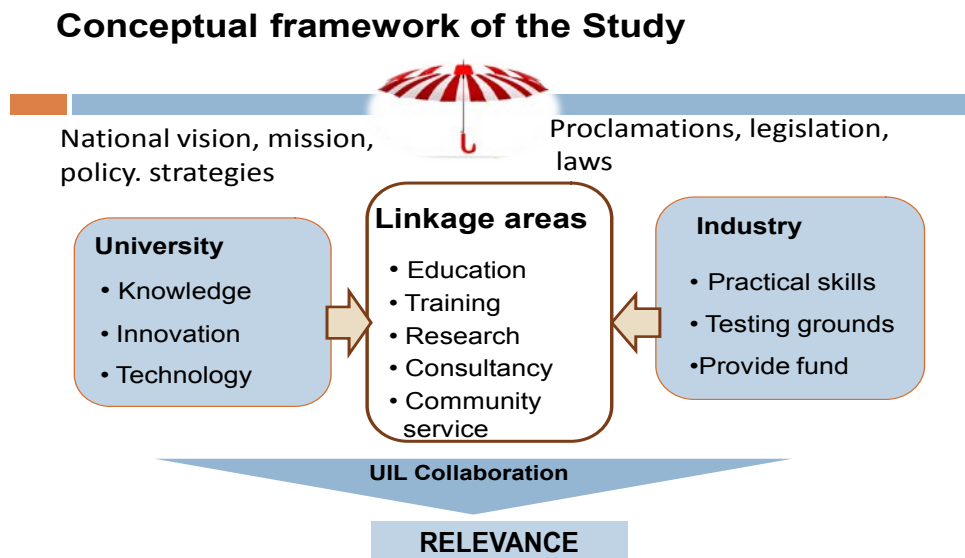


Figure 1: Conceptual Framework of the Study

The conceptual framework of the study was designed based on suggestion by scholars (e.g. ZZ and YY as well as JJ) to figure out the linkage between university and public capacity building organizations under the umbrella of national policies and strategies as well as sector specific policies strategies and proclamations.

2.1 Types of University Public Organization Capacity Building Interventions

There are various types of university-industry linkage. However, it was acknowledged that there has not been a universally accepted university-industry linkage intervention category. Wu (2000:4) categorized those university-industry interactions into six areas of intervention as follows: (1) General support; (2) Contract research; (3) Research centers & institutes; (4) Research consortia; (5) Industrial associate/affiliate programs; (6) New business incubators and research parks.

Wondwessen (2014) in his study stated that in the last few decades the linkages between the universities and industries have grown. The growth was observed in terms of depth and complexity. He added that the linkage types were training and curriculum development, problem solving collaborative research, hiring university facilities and consultancy services. In line with this Higher Education Proclamation (2009) has endorsed the university-industry linkage types in Article 4. That is, Articles 4 sub-articles 1, 2, 4 and 6 indicate education and training; research; consultancy; community services, and other relevant collaborations (Negarit Gazeta p. 4979). Whatever the types of linkages being practiced, differences among institutions are inevitable. However, no institution denies the importance of the linkage. Hence, universities need to plan their areas of intervention and collaboration with their respective industries.

2.2 Importance of Forming University Industry Linkage

Linking University with public organizations in their endeavors of building capacity is basically meant for promoting the relevance and contribution of universities to aspects of a multifaceted national development one of which is a socio-economic development. The linkage between university and public organization was given due attention by many scholars and concerned organizations both at national and international levels. World Declaration on Higher Education (1998: 24) stated that without adequate higher education and research institutions providing a critical mass of skilled and educated people, no country can ensure genuine, endogenous and sustainable development.

There is significant attitudinal changes that have occurred with regard to the missions of higher education institutions have reasons that emanated from the very need of collaboration between the two entities. The three broader changes in the institutes of higher education as UNESCO (2001) indicated are the emergence of knowledge-based economies; a changing government role; and financial stringency, combined with more targeted funding. This confirms that the importance of the role that higher education institution linkage to industry constitute.

As the research result conducted in Taiwan indicated, there are various reasons for the formation of the linkage between the two basic entities, university and industry. The reasons as Atlan (1990) and Peters and Fوسفeld (1982) outlined in Wu (2002) are: (1) Access to manpower, including well trained graduates and knowledgeable faculty; (2) Access to basic applied research results; (3) Solutions to specific problems or professional expertise, not usually found in an individual firm; (4) Access to university facilities, not available in the company; (5) Assistance in continuing education and training; (6) Obtaining prestige and enhancing the company's image; and (7) Being good local citizens or fostering good community relations.

Universities are not only the home bases of knowledge, skills, attitudes, and consultancy but also research centers. Universities also share the resources they have that the industries do not have for that matter. For instance, libraries, training rooms and facilities and other related accommodations have to be availed when the need arises. The reason behind such collaborations is the grand task of building the common nation. Wu (2002) empirically studied the need of university industry research cooperation for Taiwan. He contended that collaborative research was found to be useful

to achieve the objectives of knowledge based economy, since at that stage Taiwan was moving from labor intensive to knowledge based economy.

In Ethiopia, higher education policies, strategies and declarations give due considerations to university industry linkage to make them play their utmost roles in the undergoing development. In this context, the Education and Training Policy (1994; 15) indicated the strategy of creating university and industry linkage to enhance the relevance of education in sub-article 3.2.4: *Higher education at diploma, first degree and graduate levels will be research oriented enabling students become problem solving professional leaders in their field of study and in overall societal needs.*

This sub-article indicates two primary issues of the university industry linkage. The first issue is that the professional leaders of the society need to be shaped in the way they have to serve the need of the society. And the second implication deduced from the sub-article is that it shows the strategy and direction of addressing the relevance of education of higher education through conducting collaborative problem-solving research. The upgrading of the relevance of higher education through university industry linkage in education, training, research, consultancy service and community service is at its rudimentary stage.

Besides, the Federal Democratic Republic of Ethiopia has ratified Higher Education Proclamation (2009) in which it gave due consideration to university-industry linkage related intervention means. Regarding the issue, Article N^o. 8 – Responsibilities of the Institute - clearly sub article seven underlined that “... *establish cooperation relations with industries and other institutions in pursuit of its mission*” (Negarit Gazeta P. 4982).

The aforementioned policy and proclamation provisions have laid fertile ground for multiple university-industry linkage practices and were found to be among the major factors to enhance growth and development. Nevertheless, regarding the shortcomings in practices of the university-industry linkage, Wondwossen (2014; 6) stated that *despite the encouraging efforts, deficiencies in the areas of contract and collaborative research, consultancy, enterprise development and technology transfer activities are widely noticeable in most of our universities.*

2.3 Management and Organizational Structure of the University Industry Linkage

At the government level there are policies, strategies, declarations, supports available. Moshe et al. (2000; 27-28)

Purported that successful university-industry linkage relations should be based on a strategic management approach to make the development of such relations to declare university-wide, long term development objective. Apart from that the policy concerned needs have to be backed up by top management. Other than that activities should be coordinated, university wide rules should be designed and synergies created.

Based on such enabling ground, universities need to cascade these enabling factors to their practical contexts. In the context of the university industry linkage of this study, universities that are mandated to build the capacity of public service giving organizations need to tune their overall efforts with the specific mandate goals they were established to accomplish. However, Wondwossen (2014; 6) stressed that *most of the universities lack policies that guide their operations, the available activities are not well organized and documented in most of the institutions.*

In addition, the organizational structure of the universities is very important to successfully deal with the core businesses or the type of university- industry linkage practices. As the result of the

Study of Institutional Practice from 12 Different Countries (UNESCO (2001; 13) indicated that the professional management of university industry linkage included the Internal or external interface structures (organizational development) which are in charge of the management university-industry linkage, in particular their organization, staffing, modes of operation, and legal status as well as their control through:

Procedures of financial management: *Financial autonomy in the deployment and utilization of resources, costing of projects, distribution of general income, existence of risk capital*

Procedures of personnel management: *status of salaries of personnel; collaborating in projects; development of skills and attitudes in staff for their collaboration in the university-industry linkage*

Management of intellectual property: *Existence of policies and procedures for the development and management of patent and other intellectual properties.*

In short, the existence of professional management and organizational structure is of paramount importance for the success of the university-industry linkage practices.

2.4 Relevance of Programs' Curricula and Intervention

In today's trends towards knowledge-based economies, the education and training programs, researches, and areas of intervention such as consultancies and community services need to fit the purpose. That is, the quality and relevance of the programs curricula towards the growth and development endeavors is of no compromise. Universities core programs serve the needs of the industries. In this study, universities were expected to render relevant education, training, research outputs, and consultancy and community services by developing knowledge, skills and attitudes of the civil servants towards rendering effective services for the public. To do so, relevant education, training, research and other relevant programs have to be designed and be put into practice. The Capacity Building Strategy document, FDRE (1986; 175) out rightly issued direction to the universities that they are obliged to design relevant programs that constitute relevant curricula to address the need and goals of the nation at large and the society at particular. Here it adds that the issue of producing skilled and competent professionals is highly demanded from universities to transform labor based economy to knowledge based economy.

To put the strategy to the practical ground, Higher Education Proclamation (2009) – Article 8, Responsibilities of Institutions, sub-articles 2 & 3 explicitly underscored that universities are responsible and mandated to design programs:

...every institution shall...

- 2) *develop programs of study and provide higher education; prepare and supply qualified graduates in knowledge skills and attitudes on the basis of the needs of the country; and award academic / qualifications in accordance with its programs*
- 3) *undertake and encourage relevant study, research and community services in national and local priority areas and disseminate the findings as may be appropriate; undertake, as may be necessary, joint academic and research projects with national and foreign institutions or research centers (Negarit Gazeta p. 4921)*

It is the role of the universities to design relevant programs and implement them for the betterment of the life the society by enhancing the quality and pace of the ongoing development undertakings. With this regard, university core processes in general and the programs, curricula in particular need

to be designed with the relevance to enhancing business of the public. As Singh (2001) presented the finding of his study that generic competencies are important for enabling the transfer of learning from classroom to workplace among university graduates. He adds that in the Malaysian context, higher education institutions need to consider the development of generic competencies in students so as to enable them to transfer learning to meet the changing demand of the workplace when they graduate. Moreover, collaborative researches need to be conducted to show the direction through focused and relevant education and training services to realize the desired competencies.

2.5 Communication Means and Intensity

Enhanced communication is an important resource which enables an organization to be accessible to others. In the process of linking university with industry, communicating the necessary information to create new linkage and/ or to facilitate the existing one is of paramount importance. This notion was underlined by UNESCO (2000; 29) that heralds, *“Without engaging knowledge of institutions, there is very little chance of making accelerated economic development.”*

Explaining this view, UNESCO (2001) states that even during developing new programs, universities (faculties) need to consult the specific industries or organizations that could potentially hire graduates of the university programs. The collaborative industries need to have their say in the process of developing the program curricula by articulating their needs.

The Guideline of the Ministry of Civil Service and Good Governance (2013; 31) on change army team building and implementation considers team meetings as means of effective communication and BSC plan implementation. In addition, the Ministry of Education Annual Plan (2012; 8) also confirmed that the immediate feedback obtained and agreements reached on the basis of regularly scheduled meetings is one of the important means of communication. The university uses this spiral and horizontal meetings to link its ideas and duties within the university units or organizational ladders as well as to the external entities such as industries for.

2.6 Challenges in University Public Organization Capacity Building Practices

Policy documents and research findings depict that there are challenges that might impede effective practices of university public organization capacity building practices. Among the many, some are indicated as follows. Many higher education institutions and research institutions work in isolation from industries. In such a context, the research outputs of higher education institutions misalign with needs of industries. Moreover, the type of curricula and skills endowment of university graduates mismatch with the immediate demand of skilled manpower and fail to consolidate their efforts to come up with improved tools, equipments and services which would bring real impact on productivity. (Wu, 2002)

The other most perplexing challenge, as Awuor (2013) underlined, is that the orientation of the research at the university is geared towards basic research which is in mismatch with industries' needs. In confirming the issue as one challenge, Mongkhonvanit (2008) underlined that university should be empowered by generating new and significant discoveries by being engaged in productive competition rather than maintaining the status quo of conducting basic researches for desk top accumulation. Moreover, many universities have not developed specific regulations related to staff management, development and incentive schemes for those who might wish to participate in such undertakings (Wondwossen, 2014). He also added that management of intellectual property was another challenging gap.

3.The Methods

3.1 The Research Design and Data Analysis

A descriptive survey method as a research design was employed with the intent that it could help to obtain pertinent information concerning the current status of the higher education university-industry linkage practices and challenges faced. In addition, both qualitative and quantitative techniques were employed for the data analysis..

3.2 Sources of Data

The sources of data were primary and secondary. The primary sources included the instructors, researchers, community services unit staff and management members of the universities. The secondary data sources included the analysis of available documents that were sought to give pertinent comprehensive information on the issues related to university public organization capacity building practices.

3.3 Population, Sample and Sampling Techniques

As noted above, when this study was being undertaken, there were thirty-three public universities in Ethiopia. Purposive sampling was used to select five public universities for the study. The five higher education institutions chosen were Bahir Dar University (BDU), Ethiopian Civil Service University (ECSU), Jigjiga University (JIGU), Jimma University (JIMU) and Mekelle University (MU). These institutions were selected due to the fact that they, more or less, represent the northern, western, south eastern and the center of the countries geographical regions. Apart from representing the south -eastern region, Jigjiga University represents the universities of the emerging regional states.

Table 1 Sample Institutions, Population, and Sample

No	Universities	Respondents	
		Population	Sample
1	Bahir Dar University	136	81
2	Ethiopian Civil Service University	134	96
3	Jigjiga University	128	92
4	Jimma University	259	102
5	Mekele University	172	79
Total		829	450

Three to four colleges, faculties and/or institutes were purposively selected from each university. Fifty percent of education and training professionals as well as 50% of the researchers and research and community services directorates were taken randomly as samples of the study from which first hand information were obtained. In addition, four to five management members of each university were interviewed. The sampled respondents in the sample universities have been shown in Table 1.

3.4 Data Gathering Instruments

As stated above, the study was drawn on qualitative and quantitative research methods. The data gathering tools were- a survey questionnaire, interview guide and observation checklist. A brief explanation of each of the instruments has been presented below. The reasons behind using these multiple tools (triangulation) was to minimize and avoid systematic bias

4. Results and Discussion

This section deals with the analysis, i.e. presentation and discussion of the results of the data collected through questionnaire, semi-structured interview, and observation checklist.

A total of 436 subjects were selected for the study; 398 (91.3%) of them filled in the questionnaire featuring Likert scale, and the remaining 38 (8.7%) were involved in the interview. With respect to sex, the majority, 331 (83.2%), were male respondents and the remaining 67 (16.8%) were female. This shows that female participation in the universities was far below their male counterparts. As regards years of experiences of the respondents, the majority, i.e. 163 (41%) were in the range of 9-12 years. This shows that the respondents got sufficient experiences so as to provide valid information for the study.

Regarding the level of the respondents' qualification, the majority of the respondents, i.e. 375 (86.0%) were at the masters' level and 46 (10.6%) of the respondents were at the PhD level. This indicates that universities demand competent professionals among PhD holder staff to accomplish desired duties and responsibilities.

The result in Table 1 depicts that 364 (83.5%) of the respondents were lecturers and accounts for the majority, whereas, 62 (14.2%) were assistant professors. Moreover, there were 10 (2.3%) assistant lecturers. This indicates that the universities were with no or few professors and associate professors when the study was being conducted. Hence, internal capacity building should be given due attention.

In this study, five categories of variables indicated below were also used to augment the validity of the data collection and analysis. These are:

Category One: Capacity building and awareness creation has 10 variables (*Accessible Organizational Mandate; Accessible organizational Objectives to stakeholders; Capacity building education and training; Capacity building education and Training; Sufficient awareness; Success in Raising Capacity of Staff; Capacity to fill killed professional needs; Considered UPOCBPs as ones Major Duties; Cascaded organizational objectives; Commitment of the Staff*) on UPOCBP.

Category Two has 8 variables. The variables are *Shared vision to stakeholders; Availled Higher Education and university proclamations; Relevant organizational structure to facilitate; Needs assessment of the customers and stakeholders; Focused organizational objectives; Relevant BSC plan; Cascaded organizational objectives; Needs and impact assessments based programs' curricula; and Needs and impact assessments*).

Category Three has 5 variables. The variables are *Education; Short Term Training, Research; Consultancy services; and Shared university resources*.

Category Four has 3 variables. The variables are *Relevant programs' curricula, Success story and recognition awards; and Reputable leaders and competent professionals*.

Category Five has 2 variables. The variables are *Parallel plans of university and industry as well as professional commitment*.

The following section presents the five categories of variables and their contribution to the effectiveness of the university -public organization capacity building practices.

4.1 Ratings of Respondents³ and Differences among the Respondents⁴ in the Influences of Category one Variables* in Facilitating the Effectiveness of UPOCBPS

Mean and SD values of 398 respondents' responses and MU-test of significance were checked to determine the level, extent and differences between education and training respondents (n=341) as well as research and community services respondents (n=57) in terms of Category Two Variables: *Internal capacity building awareness creation* to facilitate university public organization linkage practices (UPOCBP). Category Two has 8 variables. (Shared vision to stakeholders; *Higher education and university proclamations*; *relevant organizational structure to facilitate*; *needs assessment of the customers and stakeholders*; focused organizational objectives; *relevant BSC plan*; *cascaded organizational objectives*; *needs and impact assessments based programs' curricula*; and *needs and impact assessments*) As a result, the *influence of capacity building and awareness creation* on UPOCBPs was measured by employing ten items. To determine the extent to which *internal capacity building and awareness creation* facilitate the effectiveness of the UPOCBPs, the researcher used the likert scale suggested by He (2012), i.e. M=4.21 – 5.00 is very high extent, M=3.41 – 4.20 is high extent, M=2.61 – 3.40 is moderate extent, M=1.81 – 2.60 is low extent and M=1.00 – 1.80 is very low extent. See the analysis in Tables 4.2, 4.4 and 4.5.

The results of the descriptive statistics show that all the 10 variables of Category One treated under the study, namely; Accessible organizational mandate (M=3.67, SD=1.03), accessible organizational objectives (M=3.80, SD=1.02), capacity building education and training (M=3.56, SD=1.03), effective communication (M=3.57, SD=1.10), success in raising capacity of staff (M=3.43, SD=1.08), skilled professionals (M=3.54, SD=1.05), UPOCBPs as one's major duties (M=3.57, SD=1.06), and cascading organizational objectives (M=3.59, SD=1.73) were of a high extent of contribution to the effectiveness of university intervention in working with the public organizations. However, commitment of staff (M=3.37, SD=1.14) was of a moderate extent of contribution.

To determine whether there was significant mean rank difference between the two groups of respondents, Manny Whitney U- test was run. In this regard, statistical significance difference between ET and RCSR in eight of the items was checked., Namely, accessible organizational mandate (MU=6239.000, Z=-4.539, p=.000), accessible organizational objectives to stakeholders (MU= 6948.500, Z =-3.654, p =.000), -, capacity building education and training (MU=6840.500, Z= -3.751, p =.000), effective communication (MU=6938.000. Z= -3.632, p=.000), success in raising capacity of staff (MU= 6506.000, Z= -4.158, p=.000), skilled professionals (MU= 6988.500, Z= -3.583, p=.000), considered UPOCBPs as one's major duties (MU= 7224.500, Z= -3.250, p=.001) and cascaded organizational objectives (MU= 6422.000, Z= -4.243, p=.000).

In six of these variables (organizational objectives, capacity building education and training, effective communication, success in raising capacity of staff, skilled professionals and considered UPOCBPs as one's major duties), the mean rank of ET respondents were higher than those of their counter parts, showing that RCSR respondents rated higher than ET respondents rating. On the other hand, in two of the variables, namely, accessible organizational mandate, sufficient awareness and staff commitment were rated higher by ET than their counter parts, RCSR respondents. Nevertheless, no statistically significant differences were observed between the two groups of respondents in ratings of the level of contribution of the variables, namely, sufficient awareness (MU= 9457.500.000, Z= -.338, p=.735).and staff commitment (MU= 8489.500, Z= -1.601, p=.109).

³ N=398(education and training as well as research and community services staff plus researchers)

⁴ n₁=341(education and training - ET); n₂=57(research and community services staff plus researchers - RCSR)

NB: *significant differences at .05 level; **significant differences at .01 level; ***significant differences at .001 level

4.2 Summary of Interview Results (N=38)

The summary of interview results indicates that the influences of these two variables (staff commitment accounted for 33.3 % of the respondents and sufficient awareness accounted for 25 %) was of average influence on the effectiveness of the UPOCBPs and this coincided with the results of Mann Whitney U test.

To facilitate the effectiveness of the university public organization capacity building practices, the low commitment of the staff and the low awareness of the UPOCBPs appeared as bottlenecks which need to be alleviated by possible means available. As the interview and observation results indicated, all the universities used communication means such as posters, brochures, electronics media, banners, forums, change army meetings and discussions. Especially, regarding the change army building procedures and implementation, as a means of communication and sharing experiences, they were not continuously implemented in all the universities. Similarly, the root causes of the low status of staff commitment that hampered the effective of the implementation of the UPOCBPs needs to be thoroughly investigated through further research.

4.3 Ratings of Respondents⁵ and Differences between Two Groups of Respondents⁶ in Influences of Category Two Variables on Facilitating the Effectiveness of UPOCBPs

The mean values of responses of 398 respondents and MU-test of Education and Training [ET] (n=341) and Research and community services staff responses [RCSR] (n=57) of Category Two 10 variables were computed for identifying their extent and level of influences on the effectiveness UPOCBPs.

Consequently, the results of the descriptive statistics showed that all the 10 variables were of a high extent of contribution in facilitating effectiveness of university intervention in building capacity of public organizations.

Regarding the results of Manny Whitney U- test, it was observed that there was a significant mean rank difference between the two groups of respondents. With regard to this, there is a statistically significance difference between ET and RCSR in eight of the items. Namely, shared vision with stakeholders (MU=6790.500, $Z=-3.84$, $p=.000$); higher education and university proclamations (MU= 7324.500, $Z=-3.16$, $p=.002$); needs assessment of the customers and stakeholders (MU=7233.000, $Z=-3.22$, $p=.001$); focused organizational objectives (MU= 7862.000 $Z=-2.42$, $p=.015$); relevant BSC plan (MU= 7253.000, $Z=-3.21$, $p=.001$); needs and impact assessments based programs' curricula (MU= 7319.000, $Z=-3.17$, $p=.002$); relevant programs exit outcomes (MU= 7087.000, $Z=-3.41$, $p=.001$) and communicated areas of intervention (MU= 7144.500, $Z=-3.35$, $p=.001$). It was found out that these eight variables had remarkably a high level of influence on the UPOCBPs.

On the other hand, ET rated higher than their RCSR counter parts pertaining to one variable - namely, shared vision to stakeholders. Regarding the influence of the organizational structure of university on UPOCBPs, the interview results indicated that 19 respondents, that is, 52.7 % reported the existence of the physical organizational structure of the university . To realize the end goal of the relevance of education to the felt needs of the public, all the staff across the vertical as well as the horizontal structural ladder, need to exert their utmost efforts of quality services. The respondents also stated that there were shortcomings in improving the staff commitment to effectively discharge their duties and responsibilities partly due to the fact that all performances are dictated by subjective attitudes.

⁵ N=398(education and training as well as research and community services staff plus researchers)

⁶ n₁=341(education and training - ET); n₂=57(research and community services staff plus researchers - RCSR)

4.4 Ratings of Respondents⁷ and Differences between Two Groups of Respondents⁸ in Influences of Category Three Variables on Facilitating the Effectiveness of UPOCBPs

According to the results of the descriptive statistics, namely, Mean Rank and Mann-Whitney U- test in the three variables of Category Five, i.e. education, short term training and research were said to have a high level of influence with a mean range ($M=3.41 - 4.20$) on the effectiveness of the UPOCBPs. The fact that collaborative research has a high contribution to the effectiveness of university public organizational capacity building practices, was supported by the finding of Wu (2002) which contends that the results of collaborative researches had contributed to achieve the objectives of knowledge based economy for Taiwan to move from labor intensive to knowledge based economy. However, the rest two variables, *consultancy services* and *shared university resources* had a very low extent of influence of facilitating the effectiveness of UPOCBPs ($M=1.00 - 1.80$). This result is in line with that of Wondwossen (2014) which states that significant deficiencies were observed among the Ethiopian universities in their efforts to undertake collaborative researches and consultancy services.

The Mann-Whitney U- test result implies that there is no remarkable difference between the two groups in category three variables treated under the study ($p>.05$). However, it is worth mentioning that the difference in research is marginal ($MU= 8260.000$, $Z=-1.913$, $p=.056$). Both consultancy services and sharing of university resources, such as professionals and material resources, were found to be of a very less extent of contribution and of no remarkable influence on the effectiveness of the university public organization capacity building practices. Nonetheless, the other three variables, i.e., *education*, *short term training* and *research* were said to have contributed to a high extent with a low level of intensity. This indicates that there were inherent deficiencies. Likewise, Mongkhonovanit (2008) sets direction for universities by stating that large number of universities could escape the status quo of conducting basic research if they target to address the felt needs of the public. To this end, the task of universities must focus on how to engage their professionals in collaborative problem solving researches.

Regarding these two variables, the results of the interview indicate that consultancy services were rarely given in the sampled universities. The universities shared their resources, such as, consultants, trainers, missionaries on foreign relations, laboratories, engineering materials, health care materials, innovative technology, etc. even though this provision was below the expectation of stakeholders. All the types of intervention need to be examined in detail to see their desired positive outcomes.

4.5 ANOVA Summary for Differences among the Five Universities on UPOCBPs

Five variables from Category One and four variables from Category Two were taken to determine their differences of influence on the effectiveness of university public capacity building practices.

The ANOVA summary portrays that there is a statistically significant difference among the universities in each of the variables under study (where $p = .000$ in eight of them and $p = .004$ for skilled professionals). Regarding the variable Capacity Building Education and Trainings, the result shows that there is a statistically significant difference between Bahir Dar and Jigijiga ($MD= -.55225$, $p = .017$) as well as between Jimma and ECSU ($MD= -.59056$, $p = .0001$). The statistically significant mean differences show that Jimma and ECSU are better than Jigijiga in implementing capacity building education and training that remarkably contributed to UPOCBPs.

⁷ $N=398$ (education and training as well as research and community services staff plus researchers)

⁸ $n_1=341$ (education and training - ET); $n_2=57$ (research and community services staff plus researchers - RCSR)

The Bonferroni Post Hoc test further portrays that there is statistically significant difference between Jimma and Bahir Dar (MD= .59762, $p = .017$), Jimma and Jigijiga (MD=.70085; $p = .000$) as well as between Bahir Dar and ECSU (MD= -.46990; $p = .051$) on *Effective Communication*. This means that effective communication contributed to UPOCBPs in Jimma, Mekelle and ECSU universities as compared to that of Jigijiga University. It is worth considering that- the effectiveness of communication is much higher in Jimma and ECSU than in Mekelle, Bahirdar and Jigijiga. Though there are disparities as shown above, the four universities are in a better position in their communication access compared to Jigijiga. This might be because Jigijiga is younger than the other four universities.

Concerning *Success in Raising Capacity of the Staff*, remarkable differences were observed between Jimma and Bahir Dar (MD=.79762; $p = .000$), Jimma and Jigijiga (MD=.56951; $p = .000$), Jigijiga and ECSU (MD=.79762, $p = .000$). Mekelle and Jigijiga (MD=.50522, $p = .017$) Bahir Dar and ECSU (MD=-.55186, $p = .010$). This result signals that Jimma and ECSU have contributed more in raising the capacities of their staff as compared to Bahir Dar and Jigijiga universities. Regarding, the *Consideration of UPOCBPs as Ones Major Duties*, statistically significant differences were observed between Jimma and Bahir Dar (MD= .58968; $p = .008$) Jimma and Jigijiga (MD= .73699; $p = .000$); Bahir Dar and ECSU (MD= -.54820; $p = .021$) and Jigijiga and ECSU (MD= -.55889; $p = .002$) This result portrays that Jimma University and ECSU considered capacity building of the public organization as one of their major duties better than Bahir Dar and Mekelle universities.

The comparison of the ratings of the five universities, regarding the *Staff Commitment* towards the effectiveness of the UPOCBPs, showed that Jimma and Bahir Dar (MD= 1.08578; $p = .000$) Jimma and Jigijiga (MD= 1.32452; $p = .000$); and Mekelle and Jigijiga (MD= .6881; $p = .000$); Mekelle and ECSU (MD= -.56351; $p = .012$) had a statistically significant mean differences. These results indicated that a strong *staff commitment* was observed in Jimma better than in Bahir Dar and Jigijiga. Similarly, more staff commitment was observed in Mekelle than in Jigijiga. Moreover, ECSU is in a better position off concerning the issue than Mekelle University. Though the status of the staff commitment was not as intended as indicated earlier previous data showed, building strong staff commitment is a big and challenging assignment for all universities. The Capacity Building Strategy (1986) underlined the issue of creating positive attitudes and improved skills of professionals are among major obligations of higher education institutions.

Jimma and Bahir Dar (MD= 1.06905; $p = .000$), Jimma and Jigijiga (MD= 1.58571; $p = .000$); and Mekelle and Jigijiga (MD= -1.6905; $p = .000$); Bahir Dar and Mekelle (MD= -1.77027; $p = .000$); and Mekelle and ECSU (MD= -.66667; $p = .000$); have statistically significant difference regarding the *Shared Vision to Stakeholders*. That is, Jimma when compared with Bahir Dar and Jigijiga universities considerably contributed to the effectiveness of UPOCBPs. Similarly, *Sharing vision to Stakeholders* at Mekelle University has contributed significantly in facilitating UPOCBPs when compared to Bahir Dar University. Similarly, ECSU contributed better than Mekelle. Basically, Bahir Dar and Jigijiga universities need to share vision with their stakeholders. Regarding Mekelle University, the sharing of their vision with their stakeholders needs some improvement.

With respect to the *Relevance of Organizational Structure* and its contribution in facilitating effective UPOCBPs, a statistically significant difference was observed between Jimma and ECSU (MD= -.56139; $p = .015$); Mekelle and Bahir Dar (MD= .63333; $p = .011$); Mekelle and Jigijiga (MD= .62687; $p = .001$); Bahir Dar and ECSU (MD= -.80901; $p = .000$); and Jigijiga and ECSU (MD= -.80901; $p = .000$). This shows that the organizational structure is more relevant to ECSU when compared with Jimma, Bahir Dar and Jigijiga; and to Mekelle when compared with Bahir Dar and Jigijiga in facilitating the effectiveness of UPOCBPs. Nevertheless, with regard to the relevance of the organizational structure, from the results of the interview it was observed that the

relevance of the physical existence of the organizational structure was not denied, but the performances of the staff in the units were found below expectations.

Pertaining to *Needs Assessment of Customers and Stakeholders*, when taken as possible contributor to facilitate the effectiveness of UPOCBPs, statistically significant differences were observed between Jimma and Bahir Dar ($MD = .84048$; $p = .000$); Jimma and Jigijiga ($MD = .63177$; $p = .000$); Mekelle and ECSU ($MD = -.67883$; $p = .001$); Bahir Dar and ECSU ($MD = -.94550$; $p = .000$); as well between Jigijiga and ECU ($MD = -.73679$; $p = .000$). These results depict that in Jimma, when compared with Bahir Dar and Jigijiga; ECSU when compared with Mekelle and Bahir Dar, the needs assessment of customers and stakeholders remarkably contributed to the effectiveness of UPOCBPs. Though in both Jimma and ECSU the contribution of the variable was remarkable, there were no statistically significant differences attested between them ($MD = -.10502$; $p = 1.000$).

The results of mean differences of needs and impact assessments in programs among the sampled universities in this study indicated that there was statistically significant difference between Jimma and Bahir Dar ($MD = 1.08810$; $p = .000$), Jimma and Jigijiga ($MD = 1.71620$; $p = .000$), Mekelle and Bahir Dar ($MD = .75000$; $p = .000$), Mekelle and Jigijiga ($MD = 1.37811$; $p = .000$), Bahir Dar and Jigijiga ($MD = .62811$; $p = .000$), Bahir Dar and ECSU ($MD = -1.13288$; $p = .000$), and Jigijiga and ECSU ($MD = -1.76099$; $p = .000$) in facilitating the effectiveness of UPOCBPs. These results reveal that Jimma as compared to Bahir Dar and Jigijiga, Mekelle when compared to Bahir Dar and Jigijiga, ECSU when compared to Bahir Dar and Jigijiga, regarding needs and impact assessments on the curricula of programs remarkably contributed to UPOCBPs. In other words, in three of the universities, namely, Jimma, Mekelle and ECSU, the needs and impact assessments conducted on capacity building programs remarkably contributed to UPOCBPs.

4.6 Regression for Possible Factors that can Affect Category Four (Outcomes of UPOCBPs)

To determine the combined effects of the nine variables, i.e., needs and impact assessments on programs; *shared vision to stakeholders*; *success in raising capacity of staff*; *effective communication*; *needs assessment of the customers and stakeholders*; *capacity building education and trainings*; *staff commitment*- as well as - *UPOCBPs as one's major duties* were examined against three outcomes. As indicated in the analysis, Outcome one, *relevant programs' curricula*; Outcome two, *success story and recognition awards*, and Outcome three, *reputable leaders and competent professionals* were treated as three independent variables in three separate regression models.

The regression results of model-1 indicate that the nine variables in combination significantly contributed to the variance in Relevant Programs' Curricula as a result of Needs and Impact Assessments [$F_{(9,388)} = 13.106$, $p = .000$]. The value of $R^2 = .233$, indicates that these nine variables in combination contributed 23.3% of the variance in outcome one, i.e. Relevant Programs' Curricula as the result of *Programs' Curricula Needs and Impact Assessments*. As $R^2 = .233$ shows the rest 76.7% of the variance on UPOCBPs occurred as result of other factors or variables not treated in this study.

The ANOVA analysis of Model 1- shows that among the nine variables, only four of them, i.e., Capacity Building Education and Trainings ($\beta = .076$, $t = 1.392$, $p = .002$), Effective Communication ($\beta = .121$, $t = 2.110$, $p = .035$), Shared Vision to Customers and Stakeholders ($\beta = .139$, $t = 2.711$, $p = .007$) and Program's Curricula Needs and Impact Assessments ($\beta = .225$, $t = 4.051$, $p = .000$) had a significant effect on Relevant Programs' as a result of Programs Needs and Impact Assessments.

The ANOVA analysis of Model-2 shows that *capacity building education and trainings*, *effective communication*, *success in raising capacity of staff*, *UPOLPs as one's major duties*, *staff commitment*, *shared vision to stakeholders*, *relevance of organizational structure*, *needs assessment*

of customers and stakeholders, as well as needs and impact assessments on programs had a combined significant effect on success story and recognition awards as a result of *capacity building education and trainings* ($F_{(9, 388)} = 24.718, p=.000$), and needs and impact assessments on programs ($F_{(9, 388)} = 24.718, p=.000$). However, the standardized beta weight in Model-2 shows that *Capacity Building Education and Trainings* ($\beta=.182, p=.000$) and Needs and Impact Assessments on programs ($\beta=.181, p=.001$) have significant contribution to the combined significant effect of the nine variables on success story and recognition awards.

The combination of the nine variables accounted for $R^2=.334$. This means 33.4% of the variance in the programs occurred as a result of *capacity building education and trainings, and needs and impact assessments on programs* is contributed through the eight variables in the study. This shows that other variables not treated in this study accounted for 66.6% of the variance in facilitating the effectiveness of the UPOCBPs in general and that of the success story and recognition awards of universities in particular.

The ANOVA analysis of Model -3 shows that *capacity building education and trainings, effective communication, success in raising capacity of staff, UPOCBPs as one's major duties, commitment, shared vision to stakeholders, relevance of organizational structure, needs assessment of customers and stakeholders*, as well as needs and impact assessments on programs had a significant combined effect ($F_{(9, 388)} = 19.798, p=.000$), on the effectiveness of reputable leaders and competent professionals in general, and as a result of needs and impact assessments on programs, shared vision to stakeholders as well as capacity building education and trainings. However, the standardized beta weight in Model-3 shows that it is needs and impact assessments on programs ($\beta=.186, p=.000$), shared vision with stakeholders ($\beta=.133, p=.006$) and capacity building education and trainings ($\beta=.091, p=.099$), have significant contribution to the combined significant effect of the nine variables on UPOCBPs in general, and in contributing reputable leaders and competent professionals for the nation in particular. In relation to this evidence, the results of interview and observation of documents indicated that the universities contributed their average share.

The nine variables together accounted for $R^2=.315$. This means that the nine variables altogether accounted for 31.5% of the variance in the effectiveness of the UPOCBPs, where as there are other variables that accounted for 68.5% of the variance.

4.7 Summary of Pearson Correlation Results between the Demographic Data and Category One Variables

To determine the direction of relationships between the demographic data and Category One variables, Pearson Correlation Coefficient was run. Accordingly, amongst the four demographic variables, sex had a positive relationship with *capacity building education and training* ($r=.103^*$); *effective communication* ($r=.195^*$); *success in raising capacity of the staff* ($r=.108^*$); and *cascaded organizational objectives at all levels* ($r=.125^*$); as well as strong positive relationship with *UOPLPs as one's major duties* ($r=.182^{**}$). Similarly, *services in years* had a strong positive relationship with *accessible organizational mandate* ($r=.205^{**}$) and *staff commitment towards UOPLPs* ($r=.175^{**}$). Interestingly, *sex* and *services in years* had no common variables of Category One with which they had a significant relationship. On the other hand, both *Sex* and *Services in years* had no relationships with *Accessible organizational objectives to stakeholders, sufficient awareness, and capacity to fill public organization skilled professional needs*.

4.8 Summary of Relationship Results between the Demographic Data and Category Two Variables (Shared Vision, Organizational Structure, Impact and Needs Assessment)

Pearson Correlation Coefficient was run to determine the direction of relationships between demographic data and Category Two variables. Thus, amongst the four demographic variables, sex had a positive relationship with *relevant organizational structure* ($r=.122$); *relevant BSC plan*

($r=.155$); *needs and impact assessments on programs* ($r=.101$); *communicated areas of intervention* ($r=.121$). Service years had also a strong positive relationship with *shared vision and mission to stakeholders* ($r=.278$); and *needs and impact assessments on programs* ($r=.325$). Similarly, *educational qualification* had a strong positive relationship with *shared vision and mission to stakeholders* ($r=.143^{**}$); and *needs and impact assessments on programs* ($r=.126$). These findings showed that strong relationships were observed among the three demographic variables and the variables in Category Two.

4.9 Summary of Relationship Results Between Demographic Data and Category Three Variables (Types of Intervention)

Pearson Correlation Coefficient was run to determine the direction of relationships between demographic data and Category Three variables. In this case, positive statistical relationships were observed between the sex of respondents and short-term trainings as well as between service years and shared university resources.

5. Conclusions and Recommendations

5.1 Conclusions

Education, short term-trainings, and research undertakings have contributed better than consultancy services and sharing university resources in facilitating the effectiveness of capacity building efforts of the universities. Besides, remarkable disparities were observed among the universities in facilitating effective capacity building programs. Namely, the universities were not on the same footing to play their intended roles. Needs and impact assessments conducted on programs of the curricula had strong positive contributions to facilitate effective capacity building outcomes. On the other hand, a low level of the staff commitment and lack of adequate awareness negatively contributed to the effectiveness of capacity building outcomes. The demographic factors such as educational qualification and academic ranks of the academic staff did not significantly contribute to efforts of enhancing the capacity building endeavors of the universities.

5.2 Recommendations

- All the core businesses of the university should be based initially on needs assessment of the customers and stakeholders and be examined by assessing the impact observed at the end of the program for much better success stories.
- Basic research undertakings of universities need to be geared towards problem solving collaborative initiatives.
- To narrow the effectiveness gaps observed among universities, experience sharing programs need to be designed in addition to addressing the existing professional deficiencies through additional trainings and long-term education.
- The challenging low level of the commitment of the staff towards exerting maximum effort in serving the public requires due attention and further transparent and remedial discussions among stakeholders.
- Motivating factors such as incentives and recognition for outstanding performers need to be seriously considered by concerned bodies of the universities.

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What has the Whistle blowing Literature Thought Us?

*Fathe Mahdi Wozir**

Abstract

Illegal, immoral or illegitimate practices such as corruption, fraud, theft, sexual harassment and the like have been a source of major social and economic crises to employees, organizations and the society at large, according to the media and many studies around the globe. The legal, sociological and criminological literature is filled with examples of wide-spread malpractice and systemic breaking rules within organizations. Public inquiries have revealed improprieties, and, in some cases, illegalities, in business and government. Even though the occurrence of these malpractices and misconducts have existed and continued to exist, individuals, organizations, societies and governments are always attempting to minimize and prevent these wrong doings by deploying their efforts and resources in various ways. Whistleblowing is one of the mechanisms in which employees disclose the wrongful practices. This study thematically reviews the existing literature on whistleblowing—by assessing the commonly accepted definitions and popular theories related to it. Finally, practical cases and cultures of whistle blowing have been presented followed by conclusions and recommendations.

Key Words: *Whistle blowing, public interest, ethics, accountability, culture, Ethiopia*

1. Introduction

Nowadays organizations play pivotal roles in determining the quality of one's life. It is, therefore, crucial that such organizations need to be responsible and accountable. Yet the legal, sociological and criminological literature is filled with examples of wide-spread malpractice and systemic rule-breaking within organizations, according to the media and many studies around the globe. Public inquiries have revealed improprieties, and, in some cases, illegalities, in business and government. Investigative journalists, drawing from a range of sources published in many countries have documented the existence of various forms of illegal and immoral wrong doings (Gobert & Punch 2000). One of the mechanisms in which illegal, illegitimate and immoral practices are minimized is through a disclosure of these wrongful practices. When organizations bend or break rules of law, employees tend to blow the whistle.

The current study reviews the existing literature on whistleblowing. The review starts by assessing the commonly agreed upon definition of whistleblowing and popular theories related to it. The importance of whistleblowing and effective whistleblowing is addressed followed by antecedents and consequences of whistleblowing which are based on previous studies. Finally, Practical cases and cultures of whistleblowing in different countries have been presented followed by roles of cultures on whistle blowing, conclusions and recommendations to concerned bodies as in management.

2. Review of Related Literature

2.1. The Concept of Whistle-blowing

Whistle-blowing has become a subject of public interest and the concern of the media legislative reform and academic scholarship in many parts of the developed world (Wim 2006). "Whistle-blowing" has been derived from the blending of two separate words, whistle and blowing. It is a

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metaphorical term originated from the whistle that referees and police officers use to indicate an illegal or foul play or to expose and halt a crime in a crowd on a street. The term appears to have been coined in the early 1970s in the United States, where it was first used and discussed at a conference organized by a US civic activist Ralph Nader. It refers to the ethical action of reporting a violation or a dysfunction detected within an organization, for the purpose of avoiding wrongdoing or serious abuse (Pierre 2012).

Many authors have defined whistle blowing in several ways. There has been debate in the literature on what constitutes whistleblowing. In a review of best practices observed, it was found that across the international landscape there is no common definition of “Whistleblowing” or “Whistleblowers”, and argued that neither of the terms constitutes a technical term (Latimer & Brown 2008 in Patricia 2010).

The choice of definition offers insight into the role that the respective jurisdictions and authors see whistleblowing playing in a society. Whistleblowing has many different facets. It can be seen as an act of free speech, an anti-corruption tool and an internal dispute mechanism. Banisar (2006) in Patricia (2010) observed that the different definitions draw different boundaries in relation to the vision, scope and nature of the relevant whistle-blowing frameworks.

When Emphasis is given to disclosure of illegal, immoral or illegitimate practices, whistleblowing is taken as an anti-corruption tool. In this context, it is defined as a “public interest disclosure”, a “protected disclosure”, or the disclosure of “public interest information”. Other definitions see whistleblowing in a similar, but slightly more restricted vein as addressing corruption internally within an organization. An example is the UK Committee of Standards in Public Life’s definition of whistleblowing as “Raising a concern about malpractice within an organization or through an independent structure associated with it” (Patricia 2010: 21).

More recent definitions have focused on Whistleblowing as a workplace phenomenon. Many consider it as a disclosure made by an employee about an employer organization. One of the most popular and widely cited definitions is “the disclosure by organization members (current or former) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action.” Miceli & Near (1995: 680). This definition appears to be the most widely used definition in empirical research about whistleblowing (King 1997 in Janet, Marcia & Terry 2008).

Another comprehensive definition was offered by Jubb (1999: 78), who stated that:

Whistleblowing is a deliberate non-obligatory act of disclosure, which gets onto public record and is made by a person who has or had privileged access to data or information of an organization, about non-trivial illegality or other wrong doing whether actual, suspected or anticipated which implicates and is under the control of that organization, to an external entity having potential to rectify the wrongdoing.

This definition is very instructive in the sense that it contains six elements and can generate a number of definitions by altering the elements’ descriptive component and qualifiers. The six elements are: action, outcome, actor, subject, target and recipient (Wim 2006).

While a generic definition of whistleblowing is useful, it is important to note that the social meaning of whistleblowing and its acceptability as a form of disclosure depends on the context in which it takes place. This context involves characteristics of the observer, the initial misconduct that precipitated the whistle-blowing, situational factors, and characteristics of the organization. For example, the act of reporting on an illegal activity “up the line” may not be considered

whistleblowing in some organizations (because employees are expected to file such reports), but in other settings such reporting is defined as whistleblowing as it violates an informal policy about minding one's own business (Miethe & Rothschild 1994: 324).

2.2. Why Whistle blowing?

Whistleblowing is nowadays central to many countries' constitutional principles. It has become one of the key instruments that are used in the fight against corruption and mismanagement, especially of public funds, and to strengthening transparency and accountability within organizations and society in general (Patricia 2010).

Whistleblowing as a mechanism for achieving accountability in public and private organizations was further stimulated in Britain by the enactment of the Public Interest Disclosure Act 1998 (PIDA). The Act constitutes an attempt to provide legal protection to good faith whistleblowers. But it also can be viewed as part of a larger movement to make institutions more transparent and accountable (Gobert & Punch 2000).

The attention for whistleblowing among the public, media, government institutions and business managers seems to be both growing and turning into a positive attitude. Hollywood has celebrated whistleblowing in popular culture through movies like 'Serpico', 'Silkwood', 'Erin Brockovich' and most recently 'The Insider'. Certainly the December 2002 issue of Time made 'whistleblowing' part of Western standard vocabulary. In that issue, Time presented the persons of the year 2002, three women who had 'blown the whistle' on their organization: Cynthia Cooper of WorldCom, Coleen Rowley of the FBI and Sherron Watkins of Enron (Wim 2006).

International, continental and regional laws have started to recognize and prescribe the following value to and objectives of whistleblowing including: (a) Whistleblowing is a key instrument in the fight against corruption and other unlawful conduct in both the private and public arena as it promotes a culture of openness and transparency; (b) It is fundamentally linked to ensuring transparency and political accountability in relation to the use and management of public and private resources and property; (c) By promoting responsible and accountable use of public resources and property, whistleblowing is causally linked to socio-economic development, especially in developing countries; (d) It is of great public value. It reduces the risk of harm to others. Whistleblowing often reveals information that is critically important for public life, such as the disclosures about the SARS virus in China; and (e) Whistleblowing is of intrinsic value to organizations themselves. It promotes good organizational governance and is an effective internal risk management tool. It is not only in the public interest, it is also an efficient tool for risk management within organizations. The UK Committee on Public Life elaborates further in its statement that whistleblowing is "both an instrument in support of good governance and a manifestation of a more open organizational culture" (Patricia 2010: 27).

2.3. Theories of Whistleblowing

To articulate a coherent understanding of whistleblowing and related concepts, a theory is needed in which the nature and parameters of appropriate whistleblowing are specified. Some of the major theories related to whistleblowing are presented in the following section.

2.3.1. The Standard Theory

One of the long established theories on whistleblowing is that of Richard De George (1986). De George specifies three positions regarding whistleblowing, i.e., whistleblowing as morally prohibited, as morally permitted, and as morally required. He begins by refuting the position that whistleblowing should be morally prohibited. He argued that the most plausible and most commonly stated rationale for not blowing the whistle is given in terms of loyalty. However, even

giving the norms of loyalty, De George holds that in some cases whistleblowing should be considered morally permitted or required (Hoffman & McNulty 2009).

De George proposed five criteria for determining whether whistleblowing would be morally permissible or required. According to him, the criteria for permissible whistle blowing are as follows: (a) The firm, through its product or policy, will do serious and considerable harm to the public, whether in the person of the user of its product, an innocent bystander, or the general public; (b) Once an employee identifies a serious threat to the user of a product or to the general public, he or she should report it to his immediate supervisor and make his or her moral concern known. Unless he or she does so, the act of whistleblowing is not clearly justifiable; and (c) If one's immediate supervisor does nothing effective about the concern or complaint, the employee should exhaust the internal procedures and possibilities within the firm. This usually would involve taking the matter up the managerial ladder, and, if necessary — and possible — to the board of directors. De George holds that whistleblowing becomes *morally required* when — in addition to the previous three criteria — the following two are also met: (a) The whistleblower must have, or have accessible, documented evidence that would convince a reasonable, impartial observer that one's view of the situation is correct, and that the company's product or practice poses a serious and likely danger to the public or to the user of the products; and (b) The employee must have good reason to believe that by going public the necessary changes will be brought about. The chance of being successful must be worth the risk one takes and the danger to which one is exposed (Hoffman & McNulty 2009: 3-4).

Why is whistleblowing morally required when these five conditions are met? According to the standard theory, whistleblowing is morally required, when it is required at all, because “people have a moral obligation to prevent serious harm to others if they can do so with little cost to themselves”. In other words, whistleblowing meeting all five conditions is a form of “minimally decent Samaritanism” (a doing of what morality requires) rather than “good Samaritanism” (going well beyond the moral minimum) (Davis 1996: 7).

2.3.2. Complicity Theory

The complicity theory proposed by Michael Davis is an account of a scenario where whistleblowing is morally required. It is developed out of a critique of the now standard theory identified with the work of Richard De George (Kline 2006). According to the complexity theory, one is morally required to reveal what one knows to the public (or to a suitable agent or representative of it) when:

- (C1) what you will reveal derives from your work for an organization;
- (C2) you are a voluntary member of that organization;
- (C3) You believe that the organization, though legitimate, is engaged in serious moral wrongdoing;
- (C4) you believe that your work for that organization will contribute (more or less directly) to the wrong if (but not only if) you do not publicly reveal what you know;
- (C5) you are justified in beliefs C3 and C4; and
- (C6) beliefs C3 and C4 are true (Davis 1996: 11).

There are distinct visions behind the Standard Theory (ST) and Complicity Theory (CT). On the ST one must blow the whistle when by doing so one can prevent considerable harm. On CT one must blow the whistle when by doing so one avoids being part of serious wrongdoing. The theories also differ on exactly why whistleblowing requires justification. On CT one needs a good moral reason to overcome the act of disloyalty in which the agent engages. On the ST one needs a good moral

reason to overcome the harm to oneself, one's company and one's community which the agent causes (Kline 2006: 206).

The complicity theory (C3) requires moral wrong, not harm, for justification. The wrong need not be a new event (as harm must be if it is to be prevented). It might, for example, consist in no more than silence about facts necessary to correct a serious injustice. The complicity theory (C3) does, however, follow the standard theory in requiring that the predicate of whistleblowing be "serious". Under the CT, minor wrongdoing can no more justify whistle-blowing than can minor harm under the ST. While organizational loyalty cannot forbid whistleblowing, it does forbid "tattling," that is, revealing minor wrongdoing (Davis 1996: 12).

2.3.3. Social Learning Theory

Social learning theory is widely used to account for both conventional and deviant behavior. From this perspective, learning takes place primarily through interactions and associations with significant others who support and reinforce particular attitudes and behavior (Bandura 1977; Sutherland & Cressey 1980; Akers 1985 as cited in Miethe & Rothschild 1994). When applied to whistleblowing, this theoretical perspective suggests that the attitudes of significant others (i.e., family, friends, coworkers) and broader social norms regarding public disclosure should influence the likelihood of whistleblowing. If these "significant others" view whistleblowing as appropriate behavior or local norms encourage this conduct, then the probability of whistleblowing should increase (Sykes & Matza 1957; Michaels & Miethe 1989 in Miethe & Rothschild 1994).

2.3.4. Rational Choice Theory

Rational choice theory assumes that human behavior is produced by the relative weighting of the probabilities and magnitudes of both rewards and punishment. From this perspective, whistleblowing should be inhibited in direct proportion to the perceived likelihood and gravity of punishment, and enhanced by the relative rewards for that activity. Potential costs for whistleblowing include various forms of organizational retaliation (e.g. firing, demotion, countercharges), loss of coworkers' respect or loyalty, and exclusion from other employment opportunities (Glazer & Glazer 1989; Jos et al 1989; Near & Jensen 1983; U.S. Merit Systems Protection Board [USMSPB] 1984 in Miethe & Rothschild 1994). Rewards include both material and psychological benefits (e.g., promotions, economic bonuses, feelings of efficacy, self-satisfaction) that sometimes accrue from taking an unpopular position (Miethe & Rothschild 1994).

Rational choice theory predicts that whistleblowing is very likely when the benefits exceed the costs. However, applications of this perspective in other substantive areas (e.g., criminal victimization) reveal that the cost benefit framework does not apply uniformly across different contexts (Miethe & McDowall 1993 in Miethe & Rothschild 1994). For example, when an organization's position on whistleblowing is clearly articulated and extreme (i.e., either categorically favoring or opposing it), a rational choice perspective may not adequately account for this behavior. In contrast, a rational choice model may explain whistleblowing in work environments where the organization provides mixed messages about its appropriateness (Miethe & Rothschild 1994).

2.3.5. Theory of Planned Behavior – Intention and Behavior

Ajzen's (1991) Theory of Planned Behavior postulates that the intentions of human behavior as an outcome of three types of determinants, which are conceptually independent of each other. The three types of determinants are attitudes toward behavior, subjective norms, and perceived behavioral control (Ajzen 1991 in Park 2009). Whistleblowing intentions in the theory of planned behavior were viewed as a function of three types of underlying beliefs: (1) attitudes toward

whistle-blowing, which were determined by beliefs about the consequences of behavior, (2) subjective norms, which were determined by normative beliefs, and (3) perceived behavioral control, which was determined by beliefs about resources and opportunities (Park 2009).

An attitude toward whistleblowing, which is explained by the extent to which an individual has a favorable or unfavorable evaluation of whistleblowing, can be estimated by the strength of an employee's beliefs about the consequences of whistleblowing and by his or her subjective evaluation of those consequences. A subjective norm, another determinant of whistleblowing intentions, was constituted by normative beliefs, along with referents. Normative beliefs were usually relevant to how much a referent would be proud of, encourage, and willingly support an individual who would blow the whistle. The referents of a whistleblower were members of the individual's family, coworkers, immediate supervisor, friends, and neighbors (Park 2009).

Perceived behavior control in whistleblowing can be estimated by a means of both control factors and an evaluation of their importance. One of the control factors of whistle-blowing was from the beliefs about the organizational hindrances, namely, a thwarting or intentional ignoring of the reporting. The other one was associated with the personal negative beliefs, such as the perceived impossibility of successfully correcting the wrongdoing by reporting it in the organization, and retaliation due to the reporting (Park 2009).

Even though the above section of this review presented the various theories so far formulated regarding whistleblowing, there seems to be no comprehensive theory that can explain whistleblowing. For example, Keenan & McLain (1992) as cited in Paul & Townsend (1996), pointed out that there is no comprehensive theory of whistle-blowing and that a number of theories of behavior seem to be relevant in specific situations. Some researchers have suggested that whistleblowing can be understood best from a pro-social behavior perspective (Dozier & Miceli 1985; Miceli & Near 1988; Brief & Motowidlo 1986 in Paul & Townsend 1996).

Although popular interest in whistleblowing continues to increase, little is known about why some employees who observe wrongdoing report it, while others do not. Many studies have tried to reveal the significant variables to account for the decision making process of whistleblowing. However, they have largely explored certain factors in the specific situation or environment and this has led to a lack of theoretical development in this area. Miceli and Near (1988: 268) pointed out that there is no general or comprehensive theory on why some employees intend to report illegal or unethical behavior in an organization, while others do not.

3. The Methods

The aim of this study is to assess the existing literature on whistleblowing and to derive lessons from empirical research findings and whistleblowing practices. To this end, an integrative literature review approach was used to examine and summarize whistleblowing literature. In other words, for a thematic data analysis that this paper features, a comprehensive search of popular offline and online database (Journal of Business Ethics, The Academy of Management Review and the likes) was conducted by the author. A range of books and journals published since 1994 till 2014 are accessed for the review. A total of 23 published books and journals are selected as they were found to be most appropriate.

4. Results and Discussion

4.1. Antecedents of Whistleblowing

4.1.1. Individual Antecedents of Whistleblowing

A variety of individual-level factors are associated with the decision to blow the whistle. These factors include demographic characteristics such as age, gender and level of education, as well as personality variables such as locus of control, personal morality and one's attachment to the organization. Although existing research on the individual differences between whistleblowers and inactive observers has been informative, several findings remain inconsistent (Miceli & Near 1992 in Abhijeet, Brianna & Ruth 2009).

Generally, empirical research prior to 1996 showed some tendency of whistleblowers to be male, supervisors or above, and more senior, with higher pay and performance. But this finding was by no means clear-cut. Research rarely showed opposite findings – such as whistleblowers had relatively little power (junior, non-supervisory women, for example). But in many cases, there was no relationship between whistleblowing and demographic variables (Miceli & Near 2005).

Factors such as perceiving whistleblowing as job performance, organizational position, and pay level have produced relatively consistent findings. In contrast, research on gender, age, tenure and personal morality as predictors of whistleblowing has yielded mixed results (Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1996 in Abhijeet et al 2009).

- **Role Responsibility**

Findings regarding *formal* and *informal* role responsibility and whistleblowing are quite consistent in that, observers of wrongdoing who view whistleblowing as integral to their role in the workplace are more likely to blow the whistle. Miceli and Near (2002) as quoted in Abhijeet et al (2009) found that observers were more likely to blow the whistle and to believe that their whistleblowing was more effective when whistleblowing was perceived to be a part of their role descriptions.

- **Gender**

One stream of research contends that women are likely to report questionable or illegal acts more frequently than men because women, on average, feel a greater public responsibility to speak against wrongdoing. The opposing view is that to the extent that reporting questionable or illegal behavior is considered risky, men are more likely than women to report these acts since women tend to conform to a majority opinion more than men, and the majority opinion may be to not report (Abhijeet et al 2009). Moreover, research since 1996 has shown that whistleblowing is positively related to being male. Overall, the findings regarding gender and whistleblowing are inconsistent (Miethe 1999; Sims & Keenan 1998 in Miceli & Near 2005).

- **Age**

Existing research has reported positive, negative, and zero associations between whistleblowing and age. Although some studies (Brewer & Selden 1998; Dworkin & Baucus 1998) reported a positive correlation with age and years of service to the organization, others (Lee et al 2004; Sims & Keenan 1998) found out no relationship (Miceli & Near 2005). Most of the arguments relating age and whistleblowing are based on power theories. Researchers have argued that “more powerful employees who observe wrongdoing have less to fear from their organization than do less powerful employees, and are therefore more likely to blow the whistle” (Lee et al 2004 in Abhijeet et al 2009: 44). On the other hand, some studies discovered that age was negatively related to internal whistleblowing while others have found no relationship (Zhang et al 2008; Chiu's 2003 in Abhijeet et al 2009). However, most studies indicated that older and more experienced employees were more likely to blow the whistle than younger ones (Brabeck 1984; Miceli & Near 1984; Sims & Keenan 1998 in Abhijeet et al 2009).

- **Tenure**

A systematic review of studies examining the association between tenure and whistleblowing indicates that extant research is mostly concerned with the relationship between tenure and external versus internal whistleblowing. Overall, tenure is found to be negatively related to external whistleblowing and positively associated with internal whistleblowing. Support for the negative relationship between tenure and external whistleblowing stems from the argument that newcomers generally tend to be less familiar with appropriate channels for internal reporting. They may also identify less with the formal and informal goals and the culture of the newly joined organization (Abhijeet et al 2009).

- **Attachment**

Studies on the relationship between an employee's attachment to the organization in terms of job satisfaction, pay satisfaction, job commitment and organizational commitment and his/her likelihood to blow the whistle offered inconclusive findings. The argument here is that loyalty or one's relationship with the organization is the main mechanism through which these attachment characteristics are associated with whistleblowing. However, this prediction is not as straight forward as one would like. For example, whistleblowers have been thought to be more loyal to the organization than inactive observers because they help the organization learn about the whistleblowing event before the public does. Yet, whistleblowers have been claimed to be disloyal if they use external agencies to report wrongdoings because this is likely to harm the organization. And finally, whistleblowers have also been perceived as being loyal to the public but disloyal to the organization because they act in the interest of the public and not in behalf of the organization. In sum, the prediction for the attachment's relationship to whistleblowing can take different directions depending on how one interprets loyalty (Abhijeet et al 2009).

- **Personal Morality**

Research examining the link between whistleblowing and morality (in terms of personal ideal values, i.e., values associated with viewing whistleblowing as a moral obligation, moral perceptions regarding the seriousness of frauds, etc.) also found mixed support. For example, one study revealed evidence for a positive relationship between moral perceptions of managers at all levels and the likelihood of blowing the whistle on less serious fraud. However, when testing this relationship for middle-level managers, the relationship was found to be opposite. Other studies reported a positive relationship between the judgments that whistleblowing was ethical and whistleblowing intention (Abhijeet et al 2009). A study conducted by (Brabeck 1984) on the other hand showed that there is a positive correlation between cognitive moral development & whistleblowing (Street 1995).

- **Other Factors**

Although results vary slightly across studies, whistleblowers (as compared to inactive observers) tend to have good job performance, to be more highly educated, and to hold higher-level or supervisory positions. Some studies (Mesmer-Magnus & Viswesvaran 2005; Brewer & Selden 1998) showed that federal employees who engaged in whistleblowing were more likely to be high performers in their organizations. Similarly, another study (Miceli and Near 1984; Goldman 2001; Keenan 2000) showed that whistleblowing was positively related to individual performance and that whistleblowers tended to have higher education, pay levels and organizational positions than inactive observers. However, other studies (Miceli & Near 2002; Rothschild & Miethe 1999; Sims & Keenan 1998) have found no association of individual performance, education and organizational position to whistleblowing (Abhijeet et al 2009).

4.1.2. Situational Antecedents of Whistle-blowing

- **Characteristics of the Job/Organization**

Perceived Support: Perceived support from top management and from supervisors predicts both when and how the whistle is blown. The theoretical arguments here are based on social exchange theory, which suggests that a high level of supervisor support leads to norms of reciprocity which develop trust in the channel an individual can use to report unethical practices. Closeness to supervisor was shown to be positively related to internal whistleblowing. Similarly, other studies showed that external whistleblowing was significantly related to supervisor support for and that whistleblowing was more likely to occur when observers of wrongdoing were employed by organizations perceived by others to be responsive to complaints (Dworkin & Baucus 1998; King 1997; Sims & Keenan 1998; Miceli & Near 1988 in Abhijeet et al 2009).

Organizational Justice: Organizational features such as organizational justice and organizational climate or culture have also been linked to whistleblowing. Previous studies found out that distributive and procedural justice within organizations was negatively associated to external whistleblowing while the highest perceived likelihood of internal whistleblowing occurred when all whistle-blowing circumstances (i.e., distributive, procedural and interactional justice) were fair; and the opposite was found when all whistleblowing circumstances were unfair. The stream of existing research indicates that when organizations are perceived to be fair, observers are more likely to blow the whistle internally and less likely to engage in external whistleblowing (Goldman 2001; Seifert 2006 in Abhijeet et al 2009).

Organizational Climate/Culture: Organizational climates may be viewed as a characteristic of the organization or its subunits. The ethical climate may affect the extent to which whistleblowing may be seen as appropriate. With regard to whistleblowing, the most pertinent aspect of climate is probably the organization members' shared values regarding wrongdoing. It is possible to characterize an organization by its climate—one that either encourages or discourages both wrongdoing and whistleblowing, which in turn has impact on whistleblowing behavior (Blackburn 1988; Keenan 1988; Zalkind 1987 in Miceli & Near 1995).

Regarding organizational climate and culture, research shows that individuals in organizations with team or friendship climates, strong ethical climates, or democratic climates are more likely to engage in whistleblowing when they observe a wrongdoing. Ethical climate, in terms of democratic culture, was also positively associated with whistleblowing (Rothwell & Baldwin 2007; Zhang et al 2008; Rothschild & Meithe 1999 in Abhijeet et al 2009).

Other Organizational Characteristics: In their previous review Miceli & Near (1996) indicated that some studies showed whistleblowers were more satisfied and committed than inactive observers and perceive the organization to be more just. In a more recent scenario study of whistleblowing, there was no relationship between whistleblowing and job satisfaction or organizational commitment (Sims & Keenan 1998 in Miceli & Near 2005). The authors also concluded in their previous studies that whistleblowing was more likely in organizations that supported whistleblowing. Organizations with higher rates of whistleblowing seemed to be high performing, to have slack resources, to be relatively non-bureaucratic, and to cluster in particular industries or in the public rather than private or not-for-profit sectors (Miceli & Near 2005).

- **Characteristics of the Wrongdoing**

Characteristics of the wrongdoing have also been believed to have significant implications in the decision to blow the whistle. These characteristics include the type of wrongdoing and the perceived severity of the wrongdoing. This body of research stems from work claiming that wrongdoing which harms the organization and/or the coworkers is more likely to be reported if

strong norms of reciprocity and social support exist between the whistleblower and the organizational members (Abhijeet et al 2009).

Previous studies indicated that rates of whistleblowing varied significantly by type of wrongdoing. In particular, employees who observed wrongdoing involving mismanagement, sexual harassment or unspecified legal violations were significantly more likely to blow the whistle than employees who observed stealing, waste, safety problems, or discrimination (Miceli & Near 2005).

4.2. Consequences of Whistleblowing

4.2.1. For the Individual

It is almost evident that if something goes wrong in a workplace, the first people to know and report the problem are always the staff ‘closest to the fire’. At the same time, they are at the highest risk to lose their credibility, integrity or, eventually, their job and in the most dramatic instances, their lives. Therefore, if the organization does not aim to demonstrate that it is secure and legitimate to report wrongdoings, employees will take it for granted that they will be victimized or their career will suffer damages (Calland & Dehn 2004).

When discovering malpractice, in most cases, there are four options a potential whistleblower can choose from: (1) Staying silent; (2) Blowing the whistle within the organization; (3) Blowing the whistle outside the organization; (4) Leaking the information anonymously (Calland & Dehn 2004).

Whistleblowing leads to adverse effects such as loss of employment, threats of revenge, and social isolation at work. Some may be completely “vindicated and rehabilitated back into the system, but for many it will be necessary to change jobs, countries, take early retirement, become self-employees, or remain unemployed.” In essence, whistleblowing is tied in with “economic and emotional deprivation,” along with “career disruption and personal abuse”. Whistleblowers suffer discrimination and retaliation not only from their present employees but also from their existing fellow employees and future employers (Chiu 2002; Vinten 2004; Vinten 1995 in Hugues Kirandeep & Steven 2006: 10).

An individual employee who is engaged in whistleblowing might face many negative consequences. As a result of the negative organizational response, whistleblowers may experience great disbelief and distress at the manner in which the organization they seek to protect is behaving. Furthermore, it stands to reason that the discrimination, ostracisation and alienation from management and work colleagues will undermine the whistleblower’s dignity and integrity (self-confidence, and heighten the emotional and psychological trauma). Ultimately, negative retaliation affects the whistleblower’s ability to continue working in the organization. Many whistleblowers also endure endless litigation when compensation is sought for damages suffered by the whistleblower. Litigation is also known to be time consuming, and emotionally and financially draining, and will affect the whistleblower’s family too. Financial pressures are also escalated as a result of losing their jobs (Rothschild & Miethe 1994; Uys 2005; Rothschild & Miethe 1994; Joe et al 1989; Milliken et al 2003; Jos et al 1989 in Binikos 2006). Some evidence suggests that there are circumstances in which a whistleblower can benefit from exposing problems that have a large impact on them, provided that corrective action is taken. Thus, in some cases, the cessation of wrongdoing may actually benefit the whistleblower either through intrinsic rewards or through direct rewards (Miceli & Near 1985 in Amrit, Mark, Robert & Sweta 2010).

4.2.2. For the Organization

Whistleblowing may lead to a negative or positive consequences for the organization. When the consequence is positive, whistleblowing helps to overcome criminal and irregular conduct in organizations. It is central to the realization of the governing constitutional principles of

transparency, accountability and a just society based on democratic principles. Whistleblowing and the protection of whistleblowers is key to the realization of a number of fundamental human rights, including the right to freedom of expression, equality and fair labor practices (Patricia 2010).

Whistleblowing threatens organizational viability in that it reduces the organizations' use of illegal means to achieve great profits, and any exposure of these shady dealings may be costly in terms of penalties, reputation and loss of business too. Whistleblowing affects the organization's reputation and results in employee withdrawal, a decline in staff morale is experienced, a lack of trust develops, and loss of business results as a consequence of these factors. It is also financially costly, as organizations would incur costs when the matter is referred to labor courts and when penalties are levied against the organization for their infringements (Milliken et al 2003; Barnett 1992; Davis 1989; Miceli & Near 1992; Camerer 1996 in Binikos 2006).

4.3. Discussion

The various topics presented in the sections above dealt with the various empirical research finding that affect whistleblowing and also its consequences. It is thus very important and critical to analyze the findings in terms of their applicability in various cultural settings/countries. Otherwise a research conducted in other country might not represent another population as in Ethiopia. Hence, there is a need for further empirical research in various settings. The final target of every whistleblowing research should be enhancing the effectiveness of whistleblowing.

If whistleblowing is not effective, it will not benefit anyone. Therefore, it is very critical to determine the predictors that could possibly lead to effective whistleblowing which in turn leads to the termination of the wrongdoing and a successful organizational change. The effectiveness of whistleblowing may be defined in a variety of ways. Legal scholars tend to define the effectiveness of the outcome in terms of the win/loss ratio of lawsuits entered by whistleblowers (Terpstra & Baker 1988 in Miceli & Near 1995). The primary interest is that whether the whistleblower accomplished what she or he set out to accomplish-namely, the implementation of organizational change as opposed to obtaining a judgment (Miceli & Near 1995).

The effectiveness of whistleblowing is defined as "the extent to which the questionable or wrongful practice (or omission) is terminated at least partly because of whistleblowing and within a reasonable time frame". There are five primary factors that influence the termination of wrongdoing. These are; characteristics of the whistleblower, characteristics of the complaint recipient, characteristics of the wrongdoer, characteristics of the wrongdoing and characteristics of the organization.

Furthermore, individual variables (pertaining to the whistleblower, complaint recipient, and wrongdoer, etc.) and situational variables (pertaining to organizational and wrongdoing) have effect on the five primary factors. The links among all of these sets of variables are provided by power and change theories and the theories are linked to the predictors (Miceli & Near 1995: 681).

One of the methods that may be utilized to encourage whistleblowing is the enactment of legislative provisions designed to protect whistleblowers. Formally enacted whistleblowing laws may require companies to adopt whistleblowing programs, may mandate that the identity of the whistleblower be kept confidential and may prohibit the taking of retaliatory action against whistleblowers (Pascoe & Welsh 2011).

It is not enough to have laws that comply with some or all of the prescribed legislative principles. The laws must be known, respected, implemented and enforced by all role players. The following are some indicators of effective implementation of whistleblowing laws that should be evident in an organization and/or society marked by an emerging culture of disclosure. These include: (a) A statistical increase in disclosures; (b) The existence of whistleblowing procedures in organizations;

(c) Are staff and the public aware of the whistleblowing laws, their rights and duties? Do staff and the public believe they will be protected? A belief by workers that they will not be protected can seriously undermine the effectiveness of any law; (e) How do organizations respond to outside disclosures: Is the predominant response one of seeking the source and reprisals or is the focus on the problem disclosed by the whistleblower? And (f) What is the public's predominant perception of whistleblowers – is it negative or positive?

An effective system would not only exhibit the above mentioned indicators, but will be geared towards regular and systematic empirical monitoring of whistleblowing in society to track whether or not there is a steady transition from “symbolic” to more effective legal frameworks (Patricia, 2010: 36-37). The best way of protecting whistleblowers is to treat whistleblowing as an ethical issue, by integrating it into companies' internal governance frameworks. The key to protection for corporate sector whistleblowers is to be found within the company itself, in its corporate culture and inner commitment to setting up effective compliance programs. Best practice recommendations state that the most effective whistleblower programs are likely to be those that are integrated into the corporation's code of ethics (Pascoe & Welsh 2011).

4.3.1. Whistleblowing Cases

Below is a case that clearly illustrates whistleblowing, if implemented effectively, can protect a remarkable amount of resources as Cynthia saved billions of dollars.

Box 1: The Case of Worldcom

The Case of WorldCom

Cynthia Cooper, former WorldCom's Vice-President-Internal Audit, has played a key role in blowing the whistle on one of the most important accounting scandals in history. In fact, after a lawsuit was filed by shareholders in 2001 against WorldCom, the Securities & Exchange commission (SEC) of the United States, conducted an investigation in 2002 to confirm that an amount of \$306 billion in 2001 & \$ 797 million for the first quarter of 2002 were not reported in accordance with the Generally Accepted Accounting Principles (GAAP).

Following this investigation, a total of 6 former WorldCom executives were held responsible for the fraud. In an interview with Time Magazine, as she was appointed as “the Woman of the Year” Cynthia Cooper Explained that “There is a price to be paid; there have been times that I could not stop crying.” This is a very clear illustration about the difficulties that are associated with the period of time that precedes the whistle-blowing act, and the period of time that follows.

One thing is clear however, that Time Magazine's nomination as “Woman of the year” is yet another indication that the North American business community is slowly but surely starting to applaud & cheer whistleblowers, rather than perceive them as betrayers & threats, and people who tell the truth and value ethics and fairness.

Source: Extracted from Hugues et al 2006

This event would have a great effect in initiating other would be Whistleblowers all over the world. It will also give red-sign as a warning to other companies so that they can critically think of the various illegal and immoral wrong doings that might be occurring in their organization and be prepared to correct them in advance or face the possible danger of facing successful Whistleblowers as in the above case.

Box 2: The Case of Mr. M**The Case of Mr. M**

Mr. M, a long-standing employee of a national public transport company was concerned about the lack of adequate training given to new recruits on how to implement the company's safety plan. He raised his concern with his senior managers, but they did nothing to remedy the situation. The insufficient application of safety checks resulted in the floor boards of a vehicle deteriorating without anyone noticing this dangerous wear and tear. In consequence, a number of passengers fell through the floor boards while the vehicle was in motion, resulting in many deaths.

Mr. M's managers instructed him not to include details of the poor condition of the vehicle in his safety report. Mr. M refused to remain silent and asked his union representative to intercede and raise the issue with his managers. This angered the company managers who threatened Mr. M. They issued an ultimatum that he either remain silent or resign. Mr. M resigned and referred the matter to a labor tribunal on the grounds that he had been unfairly dismissed. He won his case and was reinstated. But only after the loss of life, the loss of his job, damage to his rights of freedom of expression, dignity and fair labor practices, and after damage to his past and future working relationship with the organization concerned.

Source: Extracted from a book "The Status of Whistleblowing in South Africa" by Patricia 2010

The above cases can be taken as examples to show some of the many consequences occurring in various organizations. The cases demonstrate the risks and drawbacks associated with whistleblowing.

5. Conclusions and Recommendation

5.1. Conclusions

There is a tenacious opposition to whistleblowers in many societies. Cultural and political factors contribute to this significant barrier to effective implementation of even the most progressive whistleblowing laws (Patricia 2010). In some cultures, the term "whistle-blower" is viewed as derogatory, having a "snitch" connotation, whereas in others, "bell-ringer" or "lighthouse keeper" are preferred (Johnson 2002 in Janet et al 2008).

Theories about cultural differences may imply intriguing research questions about whistleblowing. Perhaps one of the best known theories is that of Hofstede, who proposed a model that cultures vary across six key value dimensions. Some studies have tried to discover the relationship between these cultural dimensions and whistle-blowing in various cultural settings/countries. It has been argued that whistle-blowing would be less likely in collectivist cultures, where it might be viewed as disloyalty against the group. In cultures where high power distance exists, such as in India, there is greater pressure to conform to accepted organizational practices. In such cultures, employees may have a greater fear of retaliation for blowing the whistle, though no support for this proposition emerged in preliminary studies (Rehg & Parkhe 2002; Keenan 2002 in Miceli & Near 2005).

Workers in more individualistic cultures may be more supportive of whistleblowing than would collectivistic cultures, where members might be more likely to judge the whistleblower as a traitor to the employer and co-workers. In other words, collectivistic cultures may view whistle-blowing as an attack on the collectivity, meaning the organization itself and its members (Rehg & Parkhe 2002; Park, Regh & Lee in press as cited in Miceli & Near 2005).

Power distance (PD) is also among one of the important factors in whistleblowing because significant PD implies fewer checks and balances against the abuse of power and stronger

hierarchical cultures. In such societies, strict respect for authority and centralized organizations are the norm, and inequalities in power provide a cultural setting in which corruption is likely to take place and whistle blowing more likely not to take place. The control-oriented structure of bureaucracies in developing countries results in civil servants and elected officials enjoying a significant degree of autonomy from public pressure (Gurgar & Shah 2000 in Dorasamy & Pillay 2011). Thus, it is very critical to identify the impact of culture on whistleblowing which implies that findings of empirical studies from western countries do not directly apply to other different cultural settings. Further detailed empirical research is very mandatory on whistleblowing particularly for third world developing countries like Ethiopia who are struggling to implement good governance policies nationwide.

5.2. Recommendations

The following points are potential recommendations to stakeholders as in—organizational management:

- Providing a workable framework to encourage and protect whistleblowers.
- Providing assistance to regulators in the detection and enforcement of corporate crimes.
- Preparing a comprehensive theoretical framework that provides a systematic explanation of whistle blowing intention.
- Successful implementation of an ethical or legal system to protect whistleblowers and prompt employees to report wrongdoing.
- To treat whistleblowing as an ethical issue, by integrating it into—internal governance frameworks of organizations.
- The key to protection for corporate sector whistleblowers is to be found within the company itself, in its corporate culture and inner commitment to setting up effective compliance programs.
- Critically analyzing societal and organizational cultural values that hinder whistleblowing and to improve attitudes and intentions towards whistleblowing.

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The Practice of the Disposal of Materials in the Public Sector of Selected Sub-cities in Addis Ababa

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Abstract

This paper explores the disposal practice of unwanted fixed assets and stock items in Bole and Yeka sub-cities of Addis Ababa, Ethiopia, and attempts to let concerned bodies gain know-how about the advantage of having efficient and effective periodic disposal of unserviceable, obsolete, and surplus materials as an integral part of overall properties management. Besides, it was intended to assess the effect of the system in practice, availability of reliable information for effective decision of disposal function, and gaps in carrying out disposal functions. To investigate this, a case study was conducted and data were collected through questionnaires filled in by 28 property management experts, a face-to-face interview with 13 property management unit process owners, observation, and reviewing official documents. The data gathered were systematically arranged and organized, and analyzed using SPSS to generate descriptive statistics results (figures-numbers and percentages) presented in tables, and then thematically interpreted. The Heads, Disposal Committee, and Property Management Units of public organizations as well as Regulatory Body have less attention to disposal functions and, thus, ample long stayed unusable fixed assets and stock items have occupied store spaces and shelving equipment, and found under the custody of public organizations of the sub-cities. Maintaining accountability and responsibility as a carrot and stick approach for sustaining the system and undertaking disposal functions timely in efficient and effective ways, and paying due attention to disposal tasks are critical to secure best value for money and avoid carrying costs. To this end, dedication to deal with accomplishing the functions in planned way and removing unusable properties on time in environmentally friendly and fiscally accountable ways is expected from concerned bodies..

Key Words: *Unserviceable, Disposal, Obsolete, Surplus, Scrap, Carrying Cost, Disposal Plan, Dedication, Benefit, Addis Ababa*

1. Introduction

Public services are evolving in a new context of rising public expectation, increasing focus on improving efficiency and value for money, and continuous emergence of new technologies. Accordingly, governments and their tiers are responsible for providing quality services in cost effective and efficient ways, and for exploring the living standards of their constituencies that in turn enhance the well-being of their jurisdiction.

To provide services required efficiently and effectively at required level and quality, governments and/or their functional units are enforced to acquire and hold fixed assets and stocks items to support and facilitate production of essential services and products efficiently and effectively. The intention of owning fixed assets and stocks items is not for the purpose of accommodation but to enable the organization run its business in efficient and effective manner, and critically required otherwise without the support of them impossible to achieve the intended goal of the organization (GASB 2003; MoFED 2009).

Due to such forcing condition of holding the required properties to support and ease service provision, now days the rate of investment in such assets by a government and its functional units has been increased. Therefore, to gain expected benefits from the assets, effective and efficient

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overall asset management system that is properly recognized and in place is the paramount. Such in place system and practice enables to dispose unusable fixed assets and stock items on time from organization's premises to free spaces and storing equipment for other uses, resources for new investment or use, transfer ownership of assets to other (s) for gaining benefits or transferring risks. Moreover, it enables to identify and capitalize on most valued assets, and increase value for money from retained assets (Lyons 2004).

The presence of asset disposal policy and procedure that ensure standard is by itself not enough for achieving the best value for money and conducting the duty in an efficient, effective and transparent manner but dedication for undertaking disposal functions is vital (New South Wales Treasury 2006). So, to properly execute the law and carry out disposal function efficiently and effectively, commitment of concerned bodies and follow up of the execution by the legislative body and taking corrective measure on time are very important.

Corresponding to the disposal policy and procedures that are in place, well prepared disposal plan and timely disposal of materials by employing suitable disposal method by weighing potential impacts on return, human and natural environment have a significant impact on maintaining efficiency and capability of asset disposal functions (New South Wales Treasury 2006 & Department of Treasury and Finance of the government of Western Australia 2005) Well prepared plan lets utilizing scarce resource proficiently and successfully, and to aggregate disposal activities.

Identifying serviceable and unserviceable materials and handling them separately has high benefit to facilitate disposal functions and to take appropriate measures on unserviceable materials. When materials are inefficient and unserviceable, or when they expire, or when they are surplus to requirements, or unfit for a purpose. It is better to remove them on time. As Office of Auditor General of Ethiopia (2011) reported in its audit report, various unserviceable fixed assets and stock items that should be disposed are found in stores and out of stores of federal public organizations of Ethiopia. However, the power and responsibility is legally given to public bodies of Ethiopia to dispose unserviceable materials on time (MOFED 2011).

When materials out of services are held by an organization for a long period of time and timely measure is not taken, they are exposed to damage and even they may bring hazard on human beings as well as environment. Especially, those surplus fixed assets on which huge amount of money was invested will lose their value and become depreciated. This in turn reduces return expected from these assets if they are not disposed on time (Warren and Reeve 2005). On the other hand, if wellbeing sensitive materials like chemicals, medicines and food items that are out of use and should be removed on time are not disposed promptly, they may cause health problems on warehouse workers of an organization as well as on environment and living things as a whole. In addition, the accumulation and unnecessarily owning of unserviceable materials leads to inefficient utilization of warehouse or storehouse spaces and shelving equipments because they have been occupied and additional cost may be incurred to avail new spaces or equipment for handling serviceable materials.

Though the disposal functions in the Addis Ababa sub-cities obviously suffer lack of efficiency and effectiveness, the exact reason behind it is not yet studied or identified. In addition, there is no pioneer research currently conducted regarding disposal of unserviceable materials in the public sector in general, and its problems and challenges in particular, because it is the neglected area of problems which occur in public sector of Ethiopia. Hence, this study tried to find problems and issues that holdup disposal of unserviceable properties in the sampled two Sub-Cities of the Addis Ababa City Government.

The main objective of this study was to evaluate and examine the disposal practice and challenges of unusable fixed assets and stock items in sub-cities of Addis Ababa. In line with this objective,

the following questions were raised: (1) How are the properties disposal policy and procedures complied with and implemented in sub-cities of Addis Ababa City Government?; (2) How are the disposal functions of unserviceable materials carried out?; (3) What are the major challenges in disposing redundant materials?

The findings of this study are supposed to alert public bodies of the sub-cities as well as those organizations that own physical non-financial assets for giving due attention to disposal business as one of the core business of overall assets-life cycle management. In addition, it is very important for changing the attitude of managers and concerned bodies of sub-cities as well as City Government in disposal functions, without which the asset management function is not complete, efficient and effective; and is impossible to maximize benefit.

2. Review of Related Literature

2.1. Disposal of Unserviceable Materials

Materials are items that have physical existence and used directly or indirectly in producing a product or a service and owned by an organization to carry out some particular operation. As it is defined in the Oxford English Dictionary of 2nd Edition, they imply "Objects considered as a physical existence ...". In addition, as defined in Oxford Advanced Learners Dictionary, they involve "Things that are needed in order to do a particular activity". Moreover, as Robert et al (2010) stated, materials represent everything that an organization needs for its operation and acquired by the organization that are diverse mix of things that an organization needs to perform its operations. In the case of public sector, fixed assets and inventory items are part of materials, which require cautions management throughout their life cycle; however, those materials that are in excess of need, obsolete, surplus and scrap have no economic value for an organization.

Obsolete materials are items that are not damaged but have economic worth and are no longer useful for the organization's operation due to technological change (Gopalkrishnar & Sundaresan 1997). These items are not required at all due to changes in technology; and owning an item without adequate preparation to use will result in dormant or slow moving stock whose usage is infrequent and holding items as safety stock contributes to obsolescence. Though complete avoidance of obsolescence is impossible, it is necessary to avoid accumulation of huge obsolete items which result from faulty forecast and buying in bulk (Sharma 2006).

Surplus materials, as Gopalkrishnar (1994) and Nair (2005) argued, contribute to the quantity of obsolescence and become dormant stock and stored over a period of time. They involve materials that are in excess of what is needed. They have no immediate use but have accumulated due to faulty planning, forecasting and purchasing; however, they have usage value in the future.

Unserviceable materials are of no use or not having or performing a function to an organization and require disposing from a location, typically scrap, surplus, excess, obsolete, and waste items from organization's premises. Disposal, as it is defined in Oxford English Dictionary of 2nd Edition and Oxford Advanced Learners Dictionary, is "Putting something into proper or suitable place, putting something in the place where it is kept since using it is ceased, to be free of something that is not needed". In addition, it refers to transferring items to another person (natural or judicial) by sale, or other means, or the act of getting a ride of unwanted materials by discarding (burning or burying), (Thai 2009), for gaining benefit. So, unserviceable materials, which are unusable to organization need timely disposal.

It is required from a government or its functional units to manage materials that they owned in most efficient and effective manner including materials identified as unserviceable. Public organizations can obtain materials by using their own funds or through other means and use them in the course of

running their businesses (Razek et al 2000; Fess and Niswoger 1981), and accountable for performance of these assets under their control; and lastly remove them through economic, legal and transparent way when they are absolutely unserviceable; unless the materials' management task becomes complex, of no use, and ineffective and uneconomical (Office of Government Commerce of UK 2005). Thus, where an organization has no longer usable materials, it should consider how to dispose them in a way that gives best available overall value for money

A government or its functional unit can exchange an old asset for a new similar asset, Warren et al 2005; & Granof 2001), when the benefit of an old asset compared to the new asset is less, and owning the new exchanged asset saves time of service provision and has highest efficiency.

2.2. Disposal Policy and Procedure

As the Department of Treasury and Finance of the Government of Western Australia (2005) stated, the presence of properly enacted and in place asset disposal policy provides clear guidance, and systematic and accountable method for disposal business. The policy also enables to ensure the presence of transparent, efficient, effective and economical disposal of assets; the alignment of an organization's asset acquisition and procurement plans; and the achievement of service delivery at optimum level of investment. Thus, the presence of policy maintains transparency, fairness, effectiveness and efficiency, and economy in disposal; and clarifies the process, facilitates the removal, promotes alternative internal uses, and reduces the organization's storage burden (University of Vermont 2012).

2.3. Disposal Reasons and Methods

Obsolescence, or wear and tear, or surplus to needs, or technologically unwanted for the provision of services could be the cases for disposal of materials. By considering potential benefits, the unserviceable materials can be removed either through sale, or discarding, or transfer, or donation, or cannibalization, or recycling, or trading-in, or use of two or more of these methods depending up on the type of unserviceable materials available (Warren and Reeve 2005; University of Sydney 2010; Texas University system 2013; BOFED 2011). At any stage of disposal, if benefits from disposal of materials are less than the costs of disposal or the material are sold as a material in its own right, the material should be scrapped.

When unserviceable assets can be exchanged with new similar assets, public organizations can trade-in the assets that are no longer usable with better valued new assets by allowing bidder to submit trade-in value as well as the new asset prices at the same time (Thai 2009; Federal Republic of Nigeria; Bureau of Public Procurement 2008). Before an asset is disposed through trade-in, it is important to gain sound knowledge of the disposal marketplace. To gain better knowledge, third party or other means that enable to obtain equivalent proceeds from disposal of assets can be used. If it is possible and available, specialists that can assist with property disposition to create a competitive environment for getting the best possible price can be employed (Brandy 2001).

Materials that are unserviceable to an organization and can be able to serve other sister organizations or governmental departments or agencies can be transferred to those which are in need through internal and/or external transfer (Thai 2009). However, in all cases the disposal of materials should be undertaken based on the efficient and effective removal of materials and in view of environmental conveniences unless decided to be retained based on predetermined reasons such as cultural and heritage (Queensland Government Chief Procurement Office 2010).

Even though disposal is the final phase of materials' life-cycle management (NIGP 1996 cited in Thai 2009), most of the time, it is unattained and unrealized phase of the materials management in the public sector. However, when materials' whole-life management system is properly set up, and applicable disposal policy and procedures with the adequate provisions are in place, a government

or its functional unit(s) can use either of the disposal methods by considering specific situations, nature of the particular material, and cost-benefit analysis, for avoiding unserviceable materials from its premises to gain social and economic benefit(s) (Thai 2009).

Even though a material can serve an organization, if the repairing cost exceeds the benefits expected from the assets after repair, it is rational to dispose the assets rather than retaining (South Africa National Treasury n.d)

2.4. Materials Disposal Plan

The structured and systematic process that comprises identifying assets that are surplus to service delivery, assessing benefits of disposal against retention, maximizing value, determining disposal method, then after preparing and implementing disposal plan, and thereby monitoring performance are perquisite in disposal business (New South Wales Treasury 2006; Department of Treasury and Finance of the government of Western Australia 2005). The well prepared disposal plan establishes rationale for, and timing of asset disposals, and considers the optimal strategy for disposal (Federal Republic of Nigeria; Bureau of Public Procurement 2008). Having disposal plan enables to ensure that an organization's, or a government's, and/or its tier's asset portfolio contains only those assets that effectively meet its/their service delivery requirements at the lowest long term cost. The plan enables to prioritize and optimize the disposal of unserviceable assets identified as being no longer usable to organization's requirements (Queensland Department of Housing and Public Works 2010). Disposing unserviceable assets, in accordance with an asset disposal plan, ensures that they do not become an occupant and/or financial burden; and may also free up funds required for other works, influence decision-making and support the forward estimates, and budget processes by enabling reinvestment of disposal revenue (Office of Government Commerce of UK 2005).

2.5. Benefits of Disposing Unserviceable Assets

Effectively managing and taking prompt measures on the growing quantity of unusable as well as no longer serviceable materials reduces challenges to materials management officials and officers, and makes possible to keep safety and security of human beings as well as environment. Taking timely measures enables to gain return and economically utilize space of storehouse and shelving equipments (Macauley et al 2001). Moreover, removing unusable items in environmentally friendly and fiscally accountable way on time reduces work burden, and safety and security problems (MOFED 2011; BOFED 2011).

3. The Methods

3.1. Research Method

A case study was employed for this paper since the focus of the study was to develop in depth analysis of cases of the disposal of unserviceable assets by collecting data through documents, questionnaires, interviews and personal observation. The data were analyzed through thematic descriptions. This descriptive research is supposed to enable concerned bodies to present facts concerning the nature and status of disposal function, as it exists at the time of the study. It was also concerned with relationships and practices that exist; processes that are ongoing; effects that are being felt, or trends that are developing. In addition, the study would enable concerned bodies to describe present conditions, events and systems based on the impressions or reactions of the respondents of the research.

3.2. Data Sources and Collection Method

The data for this study were gathered from both primary and secondary sources. The primary data were collected through purposive sampling from property management unit experts and process

owners of Bole and Yeka sub-cities districts since there was no well organized and properly produced and documented written material about disposal functions other than legal documents. The objective of considering the experts and process owners is to acquire reliable, relevant, and useful information for adequate discussion and presentation in a manner that helps to understand more about problems related to disposal function and effects. Such data were acquired from the informants of the sub-cities through questionnaires, face-to-face interview, and observation. On the other hand, the secondary data identification, location and analysis of the documents that provide information related to the research problem were gathered from various articles, shelf materials, and annual reports of the under the study sub-cities of Addis Ababa, Ethiopia.

3.3. Population and Sampling

Within Addis Ababa City Government, there are 10 sub-cities with 116 districts. To infer and come up with concrete generalization and conclusion, it is rational to take sample from sub-cities. This is because the sub-cities are working within the same asset management system, i.e., governed by the same proclamation provisions, directive guidelines and procedural manual details to manage the whole processes of properties owned, and the same management bureaucracies. Thus, the researcher selected 2 sub-cities (Bole and Yeka) with their 27 districts and 54 property management officers and 27 property administration process owners. Then, to have a better representation and obtain accurate information, from the sub-cities property management workers, those who have better knowledge about the property management duties and carry out property management were used. That is, 13 property administration process owners and 28 property management officers were purposively selected for the study.

3.4. Data Analysis Method

The questionnaires about disposal of fixed assets and stock items that were forwarded to property management unit experts were collected, organized and quantitatively and qualitatively analyzed. After the data were gathered, relevant data were selected, checked and organized for analysis and interpretation, i.e. the data were tabulated to make orderly and easy presentation followed by discussions. In other words, following the arrangements, the data were coded, analyzed by using SPSS, descriptive statistics and were interpreted against what is theoretically and legally stated with regard to properties disposal. The analysis was made to feature figures – numbers and percentages - and trends, conclusions and recommendations. In addition to the data obtained through questionnaire, interview, the researcher employed results of observation in the data analysis..

4. Results and Discussions

The questionnaires, which were prepared featuring issues of disposal of unserviceable fixed assets and stocks, were distributed to 28 property management officers of Bole and Yeka sub-cities, and all of them were properly collected. Then, face-to-face interviews were held with 13 property management process owners of both sub-cities by using guiding interview questions that were designed for them to gain concrete knowledge about disposal of properties. In addition, the researcher observed the overall conditions of the disposal phase of the property management in both sub-cities of public organizations.

4.1 Profile of Respondents

The background of respondents who involved in this study in terms of sex, age, work experience and education and the address of their residence were presented in Table 1 as shown below.

Table 1: Respondents' Background Information

	Sex			Age			Experience	
	No.	%		No.	%		No.	%
M	12	42.9	18-25 years	9	32.1	< 2 years	13	46.4
F	16	57.1	25-35 years	7	25.0	2-5 years	6	21.4
-	-	-	35-45 years	7	25.0	5-10 years	2	7.1
-	-	-	> 45 years	5	17.9	>10 years	7	25.0
Educational Level			Qualification			Sub-City		
	No.	%		No.	%		No.	%
High school	3	10.7	Management	6	21.4	Bole	13	46.4
Certificate	1	3.6	Accounting	9	32.1	Yeka	15	53.6
Diploma	14	50.0	Economics	2	7.1	-	-	-
1st degree	9	32.1	Proc. & Prop. Mgt	5	17.9	-	-	-
2nd degree	1	3.6	Marketing	1	3.6	-	-	-
-	-	-	Management	5	17.9	-	-	-

Source: Field Survey, 2015

Though experienced expertise is expected in the area of property management unit of each public organization, 46.4% of the workers have less than 2 years work experience in the area of property management, and 21.4% are in between 2-5 years service experience (Table 1). Not only that but also in educational background about 64% of the workers of the sub-cities have less than first degree and about 82% are not qualified in the area of property management. In addition, as the interview held with 13 property management process owners of the both sub-cities indicated, major problem in the area is low work experience and high employee turnover. This is because nobody interested to work in the area of property management and thus some job positions are vacant due to less recognition to the area and less salary scale.

The insignificant work experience exposed employees to the challenge of knowledge gap in executing property management functions in efficient and effective way. Besides, the problem of employees' turnover adversely affected the efficiency and effectiveness of property management. Thus, when the study was being conducted, the knowledge gap and turnover had a great influence on the proper execution of disposal functions. .

4.2 Requirements and Methods for Disposal

The presence of properly enacted policy and procedure, and disposal methods for removing unserviceable properties; and duties and responsibilities of individuals who take part in disposal functions were presented in Table 2. Even though 46.4% of the workers disagreed on the presence of implementable policy and procedure (Table 2), as it was proved by the researcher, there is legal framework for disposal function that is endorsed as directive and procedural manual, (BoFED 2011; MoFED2007), even if it was lately issues.

Why the employees complained is that: first, they have knowledge gap on law documents; second, they, as the respondents said, faced with challenges in valuing old properties for disposal since it is not clearly specified in procedural manual of Addis Ababa City Government even in federal Government of Ethiopia, in a way that takes into account the nature of each property; and third, the attention of higher bodies to Property Management Unit is less and thus proper execution of the work is lagged. This shows the application problem; however, there is policy option.

Table 2: Policy, Procedure, Responsibility, and Methods for Disposal

Policy and Procedure for Disposal			Clearly Set Duty and Responsibility for Disposal			Legally Approved Disposal Methods		
	No.	%		No.	%		No.	%
Strongly disagree	4	14.3	Strongly disagree	-	-	Sale, Transfer/ Donation, Discarding, Cannibalization but not Trade-In	17	60.7
Disagree	9	32.1	Disagree	17	60.7	Exchanging old asset plus required cash with similar new asset	1	3.6
Strongly agree	1	3.6	Strongly agree	-	-	Sale by Auction and Tender	10	35.7
Agree	14	50	Agree	13	39.3	-	-	-

Source: Field Survey, 2015

Besides, the majority of the respondents disagreed (60.7%) on the presence of clearly set duty and responsibility for the disposal function. When this is cross-checked and proved by researcher, why they responded like this is that to some extent they have knowledge gap on the duties and responsibilities and on the other hand, there is no clearly set disposal method for some items such as chemicals that are found in schools, and is not clear how they can be disposed.

As about 96% of the respondent workers reported (Table 2); there are legally approved disposal methods except, TRADE-IN METHOD, exchanging old asset with the new most valued assets. Based on the responses, as the researcher proved, there are really legally approved disposal methods, except trade-in method, such as sale by auction or tender, transfer (external or internal), donation or gift, discarding (burning or burying), and cannibalization. Though currently trade-In is not considered as a legal disposal method by City Government, if it is regarded as one of the disposal methods legally, it is valuable method to exchange old fixed assets with new similar items. In general, the major gap is not the problem of presence or absence of disposal methods but the unserviceable assets are not properly disposed on time and the methods are not properly employed by the sub-cities due to skill gap and fear of liability as it was proved through interview held with 13 property management process owners.

4.3 The Role of Concerned Bodies for Disposing Unserviceable Assets

The presence and functionality of disposal committee, commitment of concerned bodies that take part in disposal tasks, and carrying out disposal functions were presented in Table 3.

Well enacted and issued law for carrying out disposal function has no value by its own unless the concerned bodies are absent and/or non-functional. As it is sated in the property management law of the City Government, the establishment of disposal committees is critical for disposing unserviceable assets on time (BoFED 2011). But, as all respondent reported (100%), almost all committees throughout the sub-cities are non-functional (Table 3). In some public organizations, the committees are not properly established (as the 25% of the respondents replied); and even in established organizations they are non-functional (as the 75% of the respondents replied) and not dedicated to carry out the duty, and almost no one follows up them for their functionality. In addition, 71.4% of the respondents confirmed that not only the committees are ineffective but also the heads of each public organization have not taken corrective measures such as facilitating and enforcing the duty, and the property management units in properly identifying the unserviceable items within the sub-cities. Moreover, as the researcher cross checked through interview held with 13 property management process owners, the response of the respondents is valid one.

Table 3: Responsibility and Disposing Unserviceable Assets

Presence and Functionality of Disposal committee	Attention for Disposing Unserviceable Assets		Punctuality of Disposal Function	
	No.	%	No.	%
Established but not functional	21	75	Only Heads and Disposal Committee are uncommitted for Disposal	3 10.7
Not established thus non-functional	7	25	Heads, Disposal Committee, and Unit: are uncommitted for Disposal	10 71.4
-	-	-	The Unit and Disposal Committee are trying to dispose	5 17.9
			There is too delay in disposal	20 70.4
Efficacy, Legality and Non-Discrimination of Disposal of Unserviceable Assets				
			No.	%
Undertaken in legal, efficacy, transparent, non-discriminate way			1	3.6
Undertaken totally in illegal, non-efficacy, non-transparent, discriminate way			7	25
Undertaken sometimes in illegal, inefficacy, non-transparent, discriminate way			18	64.3
I don't know			2	7.1

Source: Field Survey, 2015

Even if there is delay in disposing unserviceable items and disposal is infrequent in the sampled sub-cities, efficiency and effectiveness, legality, and non-discrimination of disposal is required whenever there is disposal by each public body as it is clearly stated in legal documents of the property management (FDRE 2009; 2011). Nonetheless, in some cases, the disposal processes of infrequent disposals did not maintain public confidence as about 89.3% of the respondents reported. Even, for such infrequent disposals, there is too delay in disposing unserviceable properties, as almost all respondents confirmed. Moreover, the researcher cross-checked to whether these some infrequent disposals have collusive practices that hinder the public from benefiting more from the disposal if it is treated fairly, efficiently and effectively. But there is no such exaggerated problem rather than inefficiency, ineffectiveness and non-transparency in some infrequent disposals.

4.4 Reasons and Disposal Duties

The reasons for disposal, annual disposal plan, identifying properties as unserviceable and serviceable and handling them separately; and reporting unserviceable properties promptly to concerned body were presented in Table 4.

As the realities revealed, there are various reasons for disposal of unserviceable properties which could be carelessness that is intentional or unintentional, knowledge gap which will expose properties to damage, or obsolescence, or surplusness, or scrapness, or all or some of these cases, which is also confirmed by respondents (Table 4). But, the government laws require considering each cause and preventing reasons that could be mitigated (FDRE 2009). To effectively carry out disposal duty without any complexity, properties owned by an organization should be identified as serviceable and unserviceable and handled separately. But, as the 85.7% of the respondents replied, the properties under the ownership of the public organizations within the sub-cities of the Addis Ababa City Government are not properly separated as serviceable and unserviceable and even though in few organizations they were segregated but not handled separately. To support this response the researcher tried to take pictures of such mixed properties from the storehouse or stockyards of public organizations, but it is prohibited by the organizations. However, the

researcher observed the presence of such mingled properties under the custody of public organizations of the sub-cities and also the interviewees proved. Even, as the 64.1% of the respondents confirmed, the unserviceable assets are not properly reported to concerned body on time for taking measure.

Table 4: Reasons, Plan, Identifying Unserviceable Properties, and Reporting

Reasons for Disposal			Disposal Plan			Serviceable and Unserviceable Assets		
	No.	%		No.	%		No.	%
Surplus	1	36	No strategic or annual disposal plan	23	82.1	Not Identified	2	71.4
Surplus, Obsolete, Scrap & Damage	23	82.1	There is annual disposal plan but no strategic disposal plan	4	14.3	Identified but not handled separately	4	14.3
Surplus, Scrap, & Obsolete	4	14.3	Don't know	1	3.6	Don't Know	4	14.3
Reporting Unserviceable Properties to Concerned Body							No.	%
Strongly disagree							8	28.6
Disagree							10	35.7
Strongly agree							-	-
Agree							10	35.7

Source: Field Survey, 2015

Having effective strategic and operational disposal plan enables to aggregate disposal activities and benefit from economies of scale, and it establishes the rationale, timing of, and for selecting appropriate strategy for disposal. Even though this is the case, when the actuality of sub-cities public organizations are considered (as the 82.1% of the respondents confirmed, there is no well prepared strategic as well as annual disposal plan that specifies each unserviceable asset with rationale, timing and strategy for disposal. This absence of the plan is also proved by the researcher through observation of the reality.

4.5 Owning Unserviceable Fixed Assets and Inventory Items, and Effects

The presence of unserviceable properties in storehouse as well as the premises of the sub-cities and how long they lasted under the custody of the cities were presented in Table 5.

When unserviceable properties are available under the ownership of public organizations, they have to be disposed of in environmentally friendly, fiscally accountable, and efficient and effective way on time since keeping them has opportunity cost, i.e., holding cost (MoFED 2007). When the sub-cities case is considered with regard to this issue (Table 5), there are various unserviceable properties under the custody of public organizations that can be disposed of through any legally approved method of the City Government of the Addis Ababa.

In addition, there are long lasted unserviceable properties under the custody of public organizations (Table 5). The 53.6% and 42.9% of the respondents reported the presence of various unserviceable properties that - lasted up to 10 year and 11-20 years respectively under the custody of various public organizations of sub-cities. But 3.6% of the respondents reported that there are some unserviceable properties that lasted for 21-30 years under the custody of public organizations of the sub-cities, which is valid, though rate is low, since the respondents are the experienced expert of property management. This was triangulated through interview with 13 property management process owners of the sub-cities at various districts of various public organizations.

Table 5: Presence of Unserviceable Assets under the Ownership of Sub - cities

Unserviceable Assets found in Storehouse or Compound of Sub - Cities			There are unserviceable Assets under the Custody of the Sub - Cities that can be			Lasting Time for Unserviceable Assets that are found under the custody of Sub - Cities		
	No.	%		No.	%		No.	%
Strongly disagree	-	-	Sold, or Transferred	12	42.9	Up to 10 years	15	53.6
Disagree	-	-	Discarded, or Cannibalized	7	25	11-20 years	12	42.9
Strongly agree	12	42.9	Donated, or Traded-In	9	32.1	21-30 years	1	3.6
Agree	16	57.1		-	-		-	-
There are Unserviceable Heritage and Cultural Assets under the Ownership of the Sub-Cities								
							No.	Percent
Strongly disagree							-	-
Disagree							-	-
Strongly agree							6	21.4
Agree							12	42.9
Neutral							10	35.7

Source: Field Survey, 2015

The interviewees confirmed the presence of various unserviceable properties that lasted for 5-20 years, such as office furniture, printers, photocopy machines, computers, typewriter, chemicals, and vehicles, which were found under the custody of various public organizations of sub-cities.

Furthermore, though the legal guidelines of the Ethiopian government orders the transfer of heritage as well as cultural assets to the respective concerned bodies, as the 64.1% of the respondents reported, there are such assets under the custody of the public organizations of sub-cities.

4.6 Maintenance Costs and Effects of Unserviceable Assets

The comparison of cost of maintenance of old aged properties and the benefits generated from the maintained assets, and the negative side effects of not disposing unserviceable assets on time were presented in Table 6.

When the maintenance cost of unserviceable fixed assets expected to be exceeded from the benefits expected to be gained, it is rational to dispose of the assets (MoFED 2007; 2010). To consider this, organizations need to undertake assessment of asset condition and maintenance cost to be incurred through various ways. When the sub-cities case is considered with regard to this issue (Table 6), based on their experience and exposure, 71.4% of the respondents proved the presence of unserviceable fixed assets whose maintainace costs exceeded the service they provided to organizations in past five year, especially vehicles. The presence of this in some organizations of sub-cities is also confirmed by 13 interviewees of the property management process owners of the sub-cities with whom the researcher held discussion.

In theory and practice, the keeping of unserviceable assets under the custody by an organization has a lot of negative side effects, which is cost of carrying that should be considered and sought the way at least to minimize it. In line with this, as it can be seen from Table 6, 64.1% of the respondents reported negative effects that faced by public organizations within the Sub-Cities.

Table 6: Maintenance Cost and Effects of Owning Unserviceable Assets

Maintenance Costs Assets Exceeds Benefits of the Maintained Assets	Negative Side Effects of Not-Disposing Unserviceable Assets		No.	%
	No.	%		
Strongly disagree	-	-	Overcrowding stores, and Loosing value and benefit	4 14.3
Disagree	8	28.6	Overcrowding stores and Creating work burden	6 21.4
Strongly agree	9	32.1	Overcrowding stores, Loosing value and benefit, Creating work burden, Posing to safety and health problem	18 64.3
Agree	11	39.3		

Source: Field Survey, 2015

In general, as the researcher observed and cross checked the same problems in all sub-cities and as it is confirmed by the study, the gaps that were observed in all public organizations of the Yeka and Bole sub-cities in disposal of unserviceable properties could also be reflected in all other sub-cities of Addis Ababa City Government. This could be valid because the whole sub-cities are under the same system, governed by the same laws, and have similar capabilities.

5. Conclusions and Recommendations

5.1. Conclusions

It is common for public organizations to acquire imperative materials or obtain them through gift, or donation, or transfer for production and rendering services without which the smooth running of the business is impossible and would be halted. These assets have to be managed in efficient and effective way throughout their life cycle so as to drive the benefit expected from them. Commitment of all concerned bodies is required to undertake the task of management efficiently and effectively. Without having effective and efficient disposal of obsolete, surplus and scrap materials that are unserviceable to an organization, it is not viable to say the asset management function of the organization or a governmental unit is complete, efficient and effective as required by property management law. The presence of unserviceable assets under the custody of an organization has not only these limitations but also negative effects, such as occupying space that can be used for other purpose, imposing work burden on property management unit workers as well organization, creating safety and health problems, loosing value and benefit, and polluting and overshadowing the good looks of the environment. The negative effects have impact on not only assets and organizations but also on environment and constituencies as well.

Under the custody of Addis Ababa sub-cities' public organizations, there are long lasted unserviceable assets. The sub-cities' organizations under the study are feeble in disposing unserviceable materials from their custody even though the mandate is given to them legally by the Bureau of Finance and Economic Development of Addis Ababa for property management and dispose of each unserviceable assets. In addition, all the concerned bodies of the sub-cities' public organizations are also unattached to the task of disposal and undertake the disposal functions as required by the law. The legal documents clearly specify each disposal method that is to be used by any public organization when needed except exchanging the old unserviceable asset with the similar new asset by giving the old asset with cash required for getting the new asset, which is also vital. Moreover, the regulatory body is not monitoring the accomplishment of duty.

5.2. Recommendation

A variety of properties are owned by the public organizations to undertake service provision smoothly and realize the objectives of their organizations. These assets should be managed efficiently and effectively throughout their life cycle including disposal of unserviceable assets. In the light of this, the findings and conclusions of the study, the following recommendations have been made to concerned bodies.

- In order to undertake disposal duties efficiently and effectively, having implementable policy and procedures (law) by itself has no value without having adequate know-how of the policies and procedures, and enforceability and follow up for execution of the law. There is a significant gap in sub-cities of Addis Ababa in training employees and properly executing the property management law since there were ample long lasted unserviceable assets under their custody. On the other hand, the law does not say anything about changing old asset with new asset-trade-in that is one of the most important disposal method. Therefore, the law making body should consider in law trade-in as one of disposal methods and follow up the implantation of the law. Besides, the sub-cities as well as the City Government should train employees on policy and procedures of property disposal and implementing the law properly.
- Having effective strategic and operational annual plans in relation to removal of unserviceable assets enables to identify assets, schedule for disposal, allocate resources properly, and aggregate disposal activities to benefit from economies of scale. As it is ascertained from the survey, this duty is not considered by the sub-cities Addis Ababa. Thus, it should be done by sub-cities as well as the city government and concerned bodies.
- Identifying serviceable and unserviceable assets under the custody of organizations and handling them separately facilitates the disposal decisions and duties. The assets under the ownership of the sub-cities of the Addis Ababa City Government have not been identified as serviceable and unserviceable by the Property Management Unit and the unserviceable properties are not reported to the higher body on time properly for decisions to be made. Even though, to some extent, in few organizations the assets are identified, they are not separately handled properly. So, this duty should be done properly by the Unit and the concerned body should support and follow up for the accomplishment.
- Maintaining public confidence in disposal process is crucial since the unserviceable assets are the properties of the public. Thus, the disposal of unserviceable properties should always be in legal, transparent, efficient, environmentally friendly, and fiscally accountable way. As observed by the researcher and as for the informants, there is weakness in maintaining public confidence by the Addis Ababa sub-cities even in infrequent disposal processes.
- For properly undertaking disposal of unserviceable assets on time, the commitment of all concerned bodies (the Heads of the organization, Disposal Committee, and Property Management Unit) and collaboration as well as walking hand in hand are important. The commitment of all concerned bodies of sub-cities of Addis Ababa is weak in undertaking disposal function in an efficient and effective way. This weakness of the sub-cities should be replaced by strong dedication and the higher officials should find the way to make it sustainable.
- Failing to timely dispose of unserviceable assets and keeping them cornered somewhere for a long period of time entails carrying costs. When short and long lasted unserviceable assets are found within an organization's storehouse/warehouse or any place within the premises of an organization or throughout the environment, they overcrowd and occupy spaces, create work burden to employees of the property management unit, loose value, pose safety problems to health and, affect the aesthetic value of the compound and/or the environment. As the researcher observed and respondents' confirmed, long lasted unserviceable assets are found under the ownership of the sub-cities of Addis Ababa. Therefore, the sub-cities as well as the

city government should consider this problem and find the way to dispose of such assets when they become unserviceable.

- Corrective maintenance for assets that are no longer functioning is required to preserve the assets value provided that the maintenance cost does not exceed the benefit expected from the assets after their maintenance. However, in the case of sub-cities of Addis Ababa as the informants revealed, there are assets whose cost exceeds benefits expected from the assets after their maintenance, i.e. the service provision of the assets after their maintenance is so less. Therefore, the sub-cities as well as the city government should assess the presence of such assets in advance and dispose of them rather than retaining and incurring unnecessary cost.
- As a whole, so as to gain the overall benefits and maintain public confidence on disposal, the sub-cities as well as the city government should go through the law, enforce the law, capacitate concerned bodies, and monitor and follow up all concerned bodies for undertaking timely disposal of unserviceable properties in environmentally friendly, fiscally accountable, fair and transparent, efficient and effective ways.

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The Performance of the Ethiopian Tax Administration: A Study on Tax Assessment and Audit

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Abstract

A successful tax administration can support the development efforts of any country. Ethiopia, being an emerging economy, is currently exerting utmost efforts of sustainable development that does not rule out options of minimum aid and debt dependency. In the light of this, the purpose of this study was to examine the level of performance of Ethiopian tax administration. The study employed both qualitative and quantitative approaches. Questionnaires, interviews, and document analyses were used to gather relevant data collected from the Ethiopian Revenue and Customs Authority and its selected branches. Simple random and purposive sampling techniques were used to select respondents. Tax assessment, audit and collection functions were examined with the challenges in the functions. The study revealed many good practices of administration in the Ethiopian tax offices. On the other hand, failure to meet revenue plans, difficulty to accomplish full audit coverage and use of improved audit techniques and existence of huge tax arrears were found to be limiting factors to achieve administrative effectiveness. Limited taxpayer compliance level, lack of human resources, limited support of information technology for administrative functions, and inadequate services for taxpayers were the main reasons for the aforementioned problems. Hence, the study presents such suggestions as improving compliance by segmenting taxpayers and assessing risk, filling manpower vacancies and upgrading their capacity, applying automated risk assessment audit methodology, and enhancing taxpayer service programs to wipe out these challenges. The study also recommends further research covering the entire administrative areas to uncover all the issues related to tax administration in the country.

Key Words: *Taxation, Tax administration, Performance, Ethiopia*

1. Introduction

The importance of a good tax administration has long been a concern for many. The way a tax system is administered affects the yield, the incidence and its efficiency. According to Bird (2004), a tax administration is a difficult task and the best tax administration is not simply the one that collects maximum amount of tax. As tax administration has a definite role in collecting the desired revenue, it is essential to ensure that the system works well and it achieves its objectives. Since 2002, significant changes have occurred on the Ethiopian tax administration through initiatives of tax reforms. Measures such as introduction of Taxpayer Identification Number (TIN); later supported by finger print, introduction of tax withholding system and replacement of sales tax by Value Added Tax (VAT) are notable achievements of the reform. Tax administrations are also supported by widespread taxpayer education programs (including the mass media) and strong enforcement mechanisms. According to the 2011/12 annual report of ERCA, the government is able to collect Birr 70.75 billion revenue in the budget year which covers more than 60% of the government budget in that fiscal year (Ethiopia, Ministry of Finance and Economic Development,

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2012). This seems ideal and is promising but there needs to be continuous efforts to bring about tax compliance in the years to come, in order to achieve ERCA's vision, and to fully finance the budget of the country from own revenue by 2020.

Tax administration is an important tool for a government to finance the expenditures of what the government plans. Tax mobilization acts as a channel that leads to economic growth of every country. However, it faces challenges from both the tax authority and the taxpayers. On the one side, taxpayers' resistance to comply with the regulations, i.e. on the other side, the tax authority's failure to be effective in the administration. Ethiopia has a federal system that gives room for the management and collection of tax/ revenue by the regional states and federal government. As of 2010 Ethiopia has stretched its plan to achieve the five years Growth and Transformation Plan (GTP), the tax revenue to be collected within these years is expected to be in conformity with expected expenditure. Besides, according to the Council of Ministers, "...the average ratio of tax to Gross Domestic Product (GDP) has reached 12.5%, lower than the 19% average for Sub-Saharan Africa, up from 11.5% in the previous fiscal year..." (na, 2014 Fortune, March 9).

Though few sartorial studies have been done on Ethiopian tax administration (see Wollela, 2009, Teklu, 2011), studies on the reasons for tax-GDP gap are scanty. This study emphasizes the issues of tax administration such as assessment and audit. In order to examine the performance of tax administration in Ethiopia, the study developed the following research questions: (a) what procedures are followed for the assessment and audit of tax payers in the Ethiopian tax administration offices? (b) Are the tax collection procedures properly implemented in the offices? And (c) How the tax offices address the administration challenges?

The paper consists of five sections. Section one introduces the topic, the problem identified, and the research questions. Section two deals with the theoretical and empirical literature reviews related to the study objectives. Section three presents the research methodology used in the study. Section four explains the findings and analysis of the study, and section five depicts the conclusions and recommendations of the study.

2. Review of Related Literature

Taxes help provide security to people, meet basic needs, and foster economic development of any nation. An essential objective of tax administration is to ensure a maximum possible compliance by taxpayers of all types with their tax obligation (Blueprints 2007).

2.1 Tax Administration

Tax Administration (TA) should be client based. A number of administrative activities ranging from identifying and registering taxpayers to the forceful collection of taxes from them are encompassed in tax administrative functions. Though all functions are equally important, assessment and collection of the planned taxes, identification and collection of concealed taxes through audit, and dealing with the complaints of taxpayers may be considered more important from the mobilization point of view. Assessment and audit, and legal enforcement are employed to locate weaknesses in compliance and compliance risks. Therefore, modern tax management relies heavily on risk assessment tools to determine which taxpayers' matters need to be examined very closely, not merely at the audit level, but all the stages of the management process (Ethiopia, Ethiopian Revenue and Customs Authority 2007).

2.2 Tax Assessment and Audit

Assessment (official) is the process of verifying the returns submitted by taxpayers by tax officials for their arithmetical accuracy and completeness. In a self-assessment system, taxpayers are

provided with information that gives them sufficient understanding of their tax obligations and rights and enables them to calculate their own tax liabilities, to complete their tax returns, and to remit the correct amount of tax at the time required by the law. Although the tax administration reserves the right to audit returns, it does so selectively and at a later stage (Crawford 2013).

The audit guideline of Ethiopia is primarily is meant to assist the staff in the audit of taxpayers' records for income tax purposes. Guidelines contain references to tests that should be conducted for audit. It also accompanies an audit checklist (Ethiopia, ERCA 2005). It outlines an analytical or system based approach that the Ethiopian Revenues and Customs Authority (ERCA) auditor should adopt in conducting the audit.

2.3 Tax Collection Procedures

Good collection strategy, taxpayer segmentation, arrear settling operations, and performance reviews are considered as the operational drivers of collection performance. Effective tax administrations tailor their collection strategies to each segment and regularly adjust these strategies based on new insights. To facilitate arrears settling, taxpayers may be allowed installment agreement based on their financial situation. They may also allow negotiations on penalties. They also track performance and communicate the results to operators to adjust and improve their performance. Measures that could enhance the probability of taxpayers staying in the tax system include adjusting advance payments, accelerating tax refunds, and making greater use of payment extensions. To the extent that these measures provide an element of fiscal stimulus, decisions on their introduction should be made at an appropriate level within the government and factored into the country's overall economic program for the crisis (Brondolo 2009). Tax withholding is a recent and widely accepted tax collection procedure.

2.4 Taxpayers' Voluntary Compliance

According to Brown and Mazur (2003) tax compliance is a multifaceted measure and theoretically it can be defined by considering three distinct types of compliance such as payment compliance, filing compliance, and reporting compliance. OECD (2001) advocates dividing compliance in to two, namely, administrative compliance and technical compliance. Others, like Bhatia (1976), the attitude of taxpayers is an important variable determining the contents of a good tax system. Richardson (2008) also suggests the role of government has a positive impact on determining attitude towards tax. On the other hand, Smith and Kinsey (1987) argue that tax non-compliance is an intentional behavior.

2.4.1 Taxpayer Service

With effective public information, forms, and services, and through conviction complying with relative ease, in a country, taxpayer services can encourage and help accomplish greater voluntary compliance. Tax administration needs greater use of services through e-facilities, and requires effective and prompt dealings with those who enquire. Proactive management of taxpayers is highly essential to improve taxpayer services. Maximum use of digital operations can speed up performance by reducing cost (Hodge 2013).

2.4.2 Information Technology (IT)

Globally many TAs face opportunities and challenges related to the use of technology in their operation. Developing countries face a number of challenges in this regard due to shortage of budget, complexities of taxpayer population, difficulty in establishing relationship with other institutions such as customs, chamber of commerce and the like. Developed countries make use of technology by redesigning their business processes for implementing electronic receipts, processing, and delivery (Jacobs et al 2013).

2.5 Empirical Literature

Effective, efficient and capable tax authorities able to mobilize domestic fiscal resources are essential if they are to provide governments with sustainable, domestically-generated revenue, thereby reducing the reliance on foreign investment and development aid.

2.5.1 Tax performance in Sub Saharan Countries

Tax revenue/GDP ratios vary widely around the globe. Performance in Sub-Saharan Africa (SSA) and Latin America has improved slightly, overall tax collection has increased from 16-17 percent in 1990 to 19 percent in 2005 (Addison & Levin 2011). In Sub Saharan Africa there has been an increase in the average tax shares in GDP since the late 1990s, but this was very largely due to a marked increase in revenue from natural resources (ibid). Tax revenue instability has been documented as particularly important in Sub-Saharan Africa and the countries did not succeed well in eliminating this instability over the period 1980-2005 (Ehrhart & Ebeke 2010).

The OECD data shows, tax/GDP ratios in sub-Saharan countries where tax administration reforms are being implemented now exceed 16.8% of GDP, which was the average for fragile and lower income countries. To narrow this gap, the International Tax Dialogue, a global initiative based at the OECD and involving the EU, the IMF and the World Bank, among others, has undertaken a survey of 15 sub-Saharan African revenue bodies. The aim is to build a clear picture as to the various approaches and practices used across the continent, to identify problems and to provide policymakers with a better view of the kinds of measures that might be taken to address them (Carter and Cebreiro 2011).

The Growth and Transformation Plan (GTP) Performance report (March 2013) of Ethiopia states that in the first two years of the GTP implementation, the GDP has grown on average by about 10% per annum. This achievement is slightly lower than the 11.1% annual average growth rate target set for the first two years of the GTP period and the 11.2% annual average growth rate target set for the entire GTP period. The Ethiopian economy has continued to show strong growth along with high inflation. Overall, the real gross domestic product (GDP) of the country has grown, on average, 11.4 percent. In order to attain the GTP target of 15-17% by 2014/15, it clearly requires strengthening the tax administration system, further intensifying tax education and public engagement (Ethiopia, MoFED 2014).

3. The Methods

A descriptive survey was selected because it provides an accurate portrayal or account of the characteristics for the behavior and opinions of the respondents. The study employed both quantitative and qualitative research approaches. Both primary and secondary data sources were employed and the data were collected and analyzed based on a mixed method. The primary data sources were questionnaires, interviews, and observations, whereas the secondary data sources were documents from ERCA and related websites.

The target population for this study includes four regional states, the federal tax administration offices and ERCA on the tax authority side; and the taxpayers operating at the designated areas. For the purpose of this study, cluster sampling and simple random sampling as well as purposive sampling were employed. Six hundred taxpayers were selected through simple random sampling and 170 tax office employees were selected through purposive sampling. The data were analyzed by using descriptive statistics using SPSS and thematic analysis. The content validity of questions was confirmed based on information gathered from the literature review and from the researchers' five colleagues' comments to ensure that the contents were representative of what tax officials and taxpayers should know about tax administration and its challenges.

4. Results and Discussion

Eighty five percent of the taxpayers' and 91.8 % of the employees took part in the study, and only valid (complete and comprehensive) responses were taken into account by the study for analysis.

4.1 Revenue Performance in Ethiopia

Enhancing revenue performance to address the ever increasing expenditures of governments has become of paramount importance in every government that undergoes tax reform. The following discussions signal the progress made by the country in its revenue performance over the years 2007/08 to 2013/14.

Table 1: Tax Revenue Performance of Ethiopia

Years	Collection (Million Birr)	Increase (Million Birr)	Increase (%)
2007/08	8005.62	-	-
2008/09	11375.51	3369.89	42.09
2009/10	17541.82	6166.31	54.2
2010/11	26116.89	8575.07	48.88
2011/12	36067.95	9951.06	38.10
2012/13	44733.20	8665.25	24.02
2013/14	59276.15	14542.95	32.51

Source: ERCA, and Own Computation, 2015

As noted in Table 1, an increase in tax (direct and indirect) revenue performance can be observed throughout the study period. However, the percentage increase in tax revenue reduced and fluctuated during 2010/11 to 2013/14, after having a steady increase from year 2007/8 to 2009/10. After reaching a percentage change (increase) of 49 percent, it started falling down to 24 percent in 2012/13 and then increased to 33 percent in 2013/14. The total revenue performance of the country was also showing an increasing trend during the same period.

Table 2: Total Revenue Performance

Years	Collection (Million Birr)	Increase (Million Birr)	Increase (%)
2007/08	19280.27	-	-
2008/09	23583.26	4302.99	22.32
2009/10	35708.47	12125.21	51.41
2010/11	50816.45	15107.98	42.31
2011/12	70745.94	19929.49	39.22
2012/13	84414.41	13668.47	19.32
2013/14	106798.27	22383.86	26.52

Source: ERCA, and Own Computation, 2015

However, as can be seen from Table 2, the percentage change in total revenue of the country is found fluctuating throughout the period. After having reached a percentage increase of around 52 percent in 2009/2010, it fell down to 19 percent in 2012/13, and then started increasing to 27 percent in 2013/14.

As tax revenue collection was showing an increasing trend (as observed in Table 1), the growth irregularity in total revenue collection (Table 2) could be due to changes in revenues of international trade taxes. This shows that the tax revenue collection in the country was somewhat having an encouraging movement considering the increasing trend over the years.

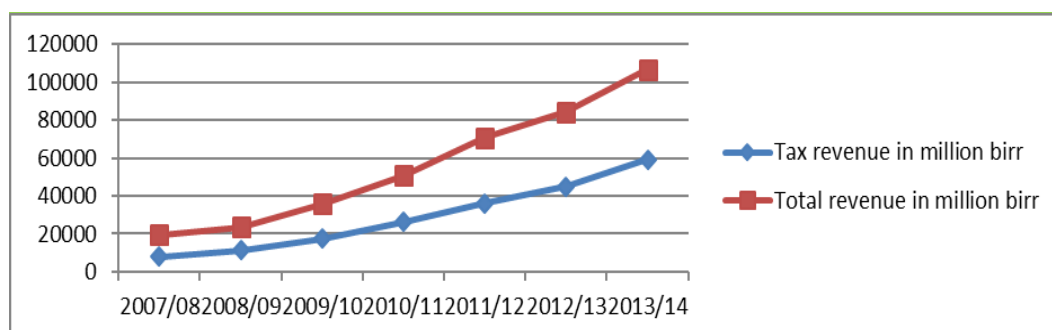


Figure 2. Total Revenue Verses Tax Revenue

Source: ERCA, and Own Computation, 2015

Figure 2 above compares tax revenue and total revenue performance in the study period. Both the performances are in an upward direction. Though differences in fluctuations are observed during the period, on examining the increase in percentage during 2012/13 of both revenues it can be seen that they are almost same (approximately 8 percent and 7 percent respectively) these increases and performance growth can be attributed to the reform programs implemented by the tax authority.

In the effort to attain self-dependence and sustainable domestic resources, the country adopted many measures including tax modernization and streamlining administrative procedures. Results of such attempts are very much confirmed from tax authority's reports. However, when one examines the trend of direct and indirect tax's revenue performance over the years, one can observe that it was disproportionate between the two types of taxes (see Figure 3). A steady growth in both the types of taxes cannot be viewed from the data obtained.

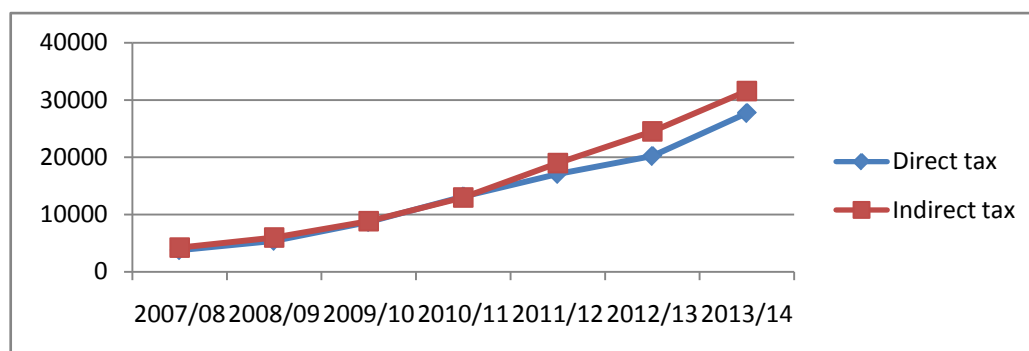


Figure 3: Direct and Indirect Tax Collection

Source: ERCA, 2015

An increase in the performance of both the types of taxes can be seen over the years, though the growth was not proportionate. During the first half of the study period, both the types of taxes showed similar increase, while towards the second half of the study period, indirect tax collection had overtaken the performance of direct taxes. The percentage increase in direct tax and indirect tax collection were 43 and 42 respectively in 2008/9. Up to the middle of the period under study, collections had a tremendous growth, thereafter it started declining. For instance, there was a percentage change (increase) in direct taxes at 61 percent in 2009/10 and indirect taxes 48 percent. The growth rate in indirect taxes in years 2011/12 and 2012/13 was much greater than that of direct taxes. The increase in indirect tax performance could be due to much attention being given to value added tax's collection and the tax authority's effort to bring VAT registrants to the tax net. Efforts were also made to detect evasion in Value Added Taxes. Even though such measures were taken by

the tax authority, the performance of both direct and indirect taxes were not shown that rate of growth in the latter years under the study compared to that of former years.

One of the indicators that demonstrate the effectiveness of tax revenue mobilization and tax administration is the tax-GDP ratio. Increase in tax-GDP ratios over years is definitely a symptom that signals achievements in tax policies and tax administration in a country. Both the revenues and tax-GDP ratios in Ethiopia have revealed growth over the years of study. For instance, as per the GTP report, Ethiopia's tax revenue as a percentage of GDP was 11.7 percent in 2010/11, and 11.6 percent in 2011/12. The tax to GDP ratio has further increased to 12.5 percent in 2012/13 (Ethiopia, 2014). Even though the growth of tax revenue and total revenue collection are at an increasing manner, tax to GDP has not grown proportionately.

Direct tax's average share of GDP has experienced a small increase throughout Africa in the last decade. This is particularly the case in upper and middle income countries like Botswana, Morocco, South Africa, Tunisia and Zimbabwe. A brief look at the tax-GDP ratio of a few upper- middle income and low income countries of SSA (except oil exporting countries) will help to examine the differences among them.

Ethiopia's tax reforms and Growth and Transformation Plan gave much emphasis to improve revenue performance and thereby achieving the aforementioned goal. The intention is to purely depend on domestic sources of income in the years to come. This can be evidenced by the share of domestic taxes in the total revenue collection of the country. The share of domestic revenue in total revenue was 81 percent in 2010/11, 89 percent in 2011/12 and 90.7 percent in 2012/13. Tax reforms initiated in the country implemented a number of new *modus operandi* in the important administrative functions of tax. Withholding schemes (especially for business profit tax and VAT) for collecting taxes, use of information technology for audit and assessment (i.e. SIGTAS), different improved ways of providing taxpayer service delivery, enhancing taxpayer awareness and so on, are some of such measures to mention among many. In spite of these measures, different scholars and ERCA itself through its different reports disclosed that the efforts have not found ultimate results in the country's revenue performance to date.

The study went through the assessment and audit; and collection functions undertaken by the Ethiopian tax authority to examine how far those functions were effective and what challenges the authority faced while performing these functions. The following sections sheds some light on these issues.

4.2 Tax Assessment and Audit

Assessment and audit may be considered as the most important tax administrative functions. Tax authorities strive for improving taxpayer voluntary compliance to achieve assessment and audit performance. The more compliant the taxpayers, the fewer the burden on the tax office of assessment and audit. In countries where Self-Assessment System (SAS) is fully applied, official assessment needs only a preliminary verification of declaration. Whereas a country like Ethiopia where SAS is not fully operational, declarations are to be officially assessed. This study tried to examine the views of respondents on the assessment done by tax offices.

More than half of the employees/ respondents agreed that technology helped much on the assessment procedures and they treated their clients in an equitable manner. Nonetheless, in informing changes in rules and regulations to their clients and completing assessments on time they were not found performing in a satisfactory manner. Taxpayers (the majority) were satisfied with the practice of keeping their information secret and in treating them in a fair manner. However, many of the taxpayers had a negative thought regarding the completion of assessment on time by

applying rules and regulation properly. Discussions with officials confirmed that assessments were done usually on manual basis uniformly.

Though many employees expressed that there were a good audit system and audit strategy in the office, most of the taxpayers said that it was easy to skip tax liability due to the weakness of the tax office. There were weaknesses observed in upgrading the capacity of auditors and using different audit techniques. Taxpayers were not fully satisfied with the audit procedures, adequacy of auditors in office, and the way employees treated while auditing their books. Clarification of audit results by tax office to taxpayers was considered a notable strength, according to the majority (69 percent) of the respondents.

Interviews with the tax officials revealed the following points: (i) the offices undertook audit with detailed audit plan and in accordance with the audit manual, (ii) Auditors were not sufficient in quantity and quality to carry out and complete audit within the allowed time, (iii) Even the offices were doubtful about the integrity of few employees (iv) as per the audit guidelines, information from third parties had to be sought for conducting audit even though it was not practiced generally (v) though risk based criteria were established for audit selection, sometimes selection might be done based on time limit criteria. If a taxpayer was not audited within five years (as per the regulation), he/she would be selected for audit even without considering risk factors.

According to the interviewees, the offices started correcting audit related issues by conducting internal discussions within the office starting from the current fiscal year. Currently both regional and federal bureaus provide trainings on audit related areas in a combined form.

Secondary data also show that the audit activities all over the country are not free from weaknesses. Audits planned are not found completed within the time as can be observed from the following Figure 4. The percentage of audit completed over the years is found declining as indicated on the figure. Audit plan of 2010/11 was not found documented. During year 2011/12 the completed audit represents 103 percent of the plan. It is assumed that a part of the audit of the previous year is also completed during that year.

The number of cases of audit (plan) increases from year to year and the work accomplished is shown in a decreasing trend. Audit coverage of 74.8 percent in 2012/13, even in the midst of insufficient resources (especially human), could be taken as a notable achievement. Amount of tax assessed after audit is also found increasing except in year 2014/15 where the data pertain to only 10 months. For instance, during the years covered, additional taxes collected through audit were 4046.68, 7174.45, 13061.23, 10348.42, and 5295.05 million Birr respectively (ERCA, 2015).

Inadequacy of auditors in offices and weaknesses in applying audit strategy and insufficient provision of capacity building initiatives expressed by the respondents could be taken as reasons for the unsatisfactory level in accomplishment of audit. It is known that the tax authority attempts with all its effort in increasing manpower and improving their capacity in tax offices. The study finds that these efforts are not fully supporting the administrative functions in tax offices. Good tax administration uses automated risk assessment systems for audit selection as an element of perceived effectiveness.

4.3 Tax Collection

Tax collection is one of the tax administration functions that require taxpayers to settle their tax liabilities and tax authority to facilitate the activity. This function can be performed by the taxpayers going to the tax authority's premises or via other means like banks through transfers and e-payments. In order to examine the effectiveness in tax collection in Ethiopian tax offices, the

study explored the views of taxpayers and tax office employees together with the documented evidences.

Most of the employees responded that there was a considerable improvement in tax collection due to the use of improved technology and collection of tax through banks. However, many of them disagreed with the existence of incentives for motivating them in improving their performance. Taxpayers also considered payment through bank was comfortable for them and speedy. They found that adequate number of staff to attend them was not at their disposal in offices. They had a strong belief that fairness or equity in treatment and services provided by the offices had a direct relationship with collection performance. Periodic contact of tax office with taxpayers was also found to be weak.

Interviews conducted with tax officials revealed the following regarding tax collection: (i) All administrative functions were not supported by SIGTAS (i.e. a piece of software); many functions were still operated manually; (ii) Directives, rules and regulations were not sufficient to support enforcement actions for collection; (ii) Many multinationals were doing businesses in the country, but issues of such enterprises were not properly addressed (for instance transfer of pricing issues) in the income tax proclamation; (iii) Efforts were made to assess and collect arrears, many cases were pending without decisions regarding write off of the uncollectible. There was no uniform procedure for write off across tax offices; (iv) Though provisions were there in proclamations, no clear cut directives were there as to who had a first claim on seized properties, the tax office or lenders of such taxpayers; (v) Liquidating seized fixed assets to cash was also found cumbersome. Collection department itself had to undertake all these responsibilities as no independent seizure sub-process was still established; (vi) Tax centers established under the federal offices for collection were not fully capable of handling tax issues as each tax center was responsible for covering a wide geographical area; (vii) E-filing was not yet operational in regions and federal offices except some federal offices found in Addis Ababa.

Interviewees confirmed that tax reform efforts resulted in approximately 26 percent increase in the revenue of the country annually. Reforms conducted on human resource management and technology deserve appreciation in this regard. The autonomy given to the authority together with government's attention on revenue mobilization also added value to the effort. Tax offices started accepting Cash Payment Order (CPO) and taxpayers are permitted to fax the receipts in some branches. A large taxpayers' office, eastern and western branches of ERCA in Addis Ababa accept e-filing for declaration. However, the interviewees have the opinion that remarkable improvements were observed immediately after the reform but later on they started declining.

Ethiopia designed many modes of tax collection consequent to its tax reform. Articles 51, 53, and 54 of Income Tax Proclamation 286/2002 stipulate for the collection of personal, business, and other income taxes via source withholding. Collecting taxes through bank using CPO is another development in this context in Ethiopia. However, many modern techniques can be observed being implemented by other SSA countries. Rather than collecting taxes on annual basis as Ethiopia does (Article 64, Income Tax Proclamation No. 286/2002), quarterly and semiannual collections are also used by some other SSA countries (International Tax Dialogue 2010).

The study explores some cautionary symptoms with regard to the collection of tax. While making a comparison between the planned and actual collection of taxes during the study period, it is observed that in all the years, tax collections went below the plan. The following figure illustrates this point.

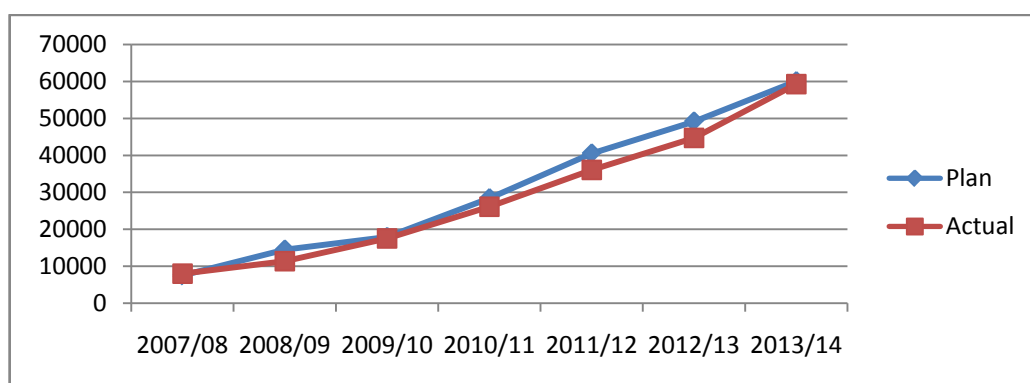


Figure 4: Planned and Actual Tax Revenue Performance (in million birr)

Source: ERCA, 2015

The Figure 4 above depicts that there is a linear increment in both the planned and actual collection of tax revenue (direct and indirect) in the past seven years. Except in year 2007/08 (i.e. 106.6 percent) achievement in all the remaining period the variance was adverse which reached to only 78 percent achievement in the year 2008/09.

Variance analysis was used to analyze and evaluate the past performance. Significant variance may indicate that an aspect of performance is out of control and that measure should be taken to improve performance in the future. This can also be related to problems in tax planning. As tax planning is not included in this study, it requires further studies to examine the plan's effect on performance. Unless all elements that support tax administration such as taxpayer compliance, information technology, taxpayer education, sufficient resources, and taxpayer service work simultaneously, thriving results cannot be achieved.

Another facet that the study observed with regard to collection was the accumulated amount of tax arrears. It can be viewed that the amount of tax arrears has grown tremendously over the period. This is an indication of lack of taxpayer compliance and to a certain extent tax offices' ineffectiveness.

Table 3: Tax Arrears (in million birr)

States	Total Arrears	Collected in 2012/14	Pending	Rolled over to 2013/14
Main tax & Interest	11,208.69	574.31	461.20	8,583.18
Penalties	5,821.54	74.18	564.73	5,170.33
Total	19,272.33	3,108.59	1,025.90	13,753.51

Source: ERCA, 2015)

Note: The data covers only arrears from - LTO, East Addis branch, West Addis branch and Adama branch.

Though much effort is being exerted by the tax authority, which is evidenced from the collections and actions taken (Table 3), it is discouraging with regard to the effectiveness of the tax authority.

Only for about 9.24% of the total tax arrears, actions were taken by the tax authority until 2012/13. The failure of tax authority in collecting taxes was again substantiated by the report submitted by OFAG to the Ethiopian Parliament. The report by the Office of Federal Auditor General (OFAG) to the Parliament on the second of June 2015 revealed that nine branches of ERCA and other twelve spending agencies endowed to collect taxes failed to collect over one billion birr government revenue (na, 2015 on Capital Newspaper, 7 June).

4.4 Challenges of Tax Administration

This study assessed whether the tax administration in Ethiopia faces such challenges or not. To this end, the study went through the compliance level of taxpayers in Ethiopia, the resource requirements (especially human) in the tax authority, the extent of IT support in Ethiopian tax administration, and taxpayer service provided by the tax authority. The following discussions show the responses that the study gathered.

4.4.1 Human Resource

Educated and well experienced employees with integrity and professionalism are backbones of a successful tax administration. Human resources with good quality and sufficient quantity are expected. Sufficient investment should be made in human resources with a forward thinking and human capacity must be continuously upgraded as tax policies and administrative procedures are continuously subject to amendments. The result of the study showed that, forty percent and 26 percent tax officers and taxpayers respectively expressed that there was shortage of employees in the office. Most of the tax employees (65 percent) said that the motivation and incentive provision in the office was low. The majority of the employees (77 percent) agreed that the turnover in the office was high. On the other hand, many taxpayers expressed that there was insufficient number of employee in the tax office. Even though the manpower was less, many of them are were satisfied with the level of knowledge that the employees had in tax laws and regulations.

The GTP Report (2014) states that the authority recruited 1834 new employees in 2013/14 and conducted short and long term trainings for 2696 staff and managers. Compared to the respondents' views reflected through the secondary data, it was observed that almost 53 percent of the positions in the office were vacant in 2012/13 (based on BPR requirements). International benchmark suggests that one administrator should serve 150 to 250 taxpayers in every office (Gallagher 2005).

When 53 percent of the positions are vacant in these offices, one cannot expect meeting the requirement. The percentage of unfilled positions was 45 percent, 52 percent, 52 percent, and 56 percent in 2011/12, 2010/11, 2009/10, and 2008/09 respectively. The data also showed that around 368 employees left the office in 2011/12 due to various reasons such as resignation, ethical issues and others, and it was 262 in 2010/11. At the same time it could be noted that above 90 percent of the employees in the tax authority in the study area possessed academic qualification of degree and above (it is to be recalled that the international benchmark is 75 percent (Gallagher 2005).

Data collected through interview with officials show that: (i) Training was given in a planned manner but was found to be inadequate, (ii) When trainings were given in a centralized manner, they were not economical to send trainees to faraway places and this implies that the trainings may claim lots of resources and cause a delay in the tasks of trainees in their offices; (iii) The number of training per year was inadequate; (iv) The issues related to turnover of employees were serious in Addis Ababa due to access to job opportunities.

When experienced and trained employees leave the office, it becomes necessary to hire new staff. This results in burden (including financial burden) to the office in two ways. On one hand, the office cannot perform its functions in the procedural manner and the investments made on educating and training them were lost, and on the other hand, the new comers find it difficult to cope with the tax laws and procedures.

4.4.2 Taxpayer Compliance

Self-assessment and voluntary compliance are the cornerstones for any effective tax administration. Tax administration can be improved if it is able to deal with shortfalls such as unregistered taxpayers, stop filers, non-filers, evaders, and delinquent taxpayers. Attitudes of taxpayers towards

tax, good administrative procedures, higher personnel standards, better management, and improved relation with the public and daily contact with taxpayers and the like have influence on bringing high level of taxpayer compliance.

Most (59%) of the taxpayers opined that they met their obligations and pay tax on time. The majority (68%) agreed that the office encouraged taxpayer compliance. However, only less than half (40%) of the tax employees expressed that taxpayers had a good record of compliance. Many (64%) employees confirmed that the office encouraged customers to be compliant. Interestingly, many, on an average 32% respondents were neutral in giving their responses.

According to officials, compliance level was found be improving. Compliance handling teams are basically established in offices to resolve compliance issues. Those that cannot be managed would be handed over to the review committee. In order to improve compliance, new directives are posted on notice board and if anyone needs a soft/hardcopy of the same it would also be served by the office. On the whole, as a result of improved awareness and strengthened audit, an improvement in performance is also observed. The respondents urged concerned bodies to stress the need for widening tax net as peoples' economic activities are increasing in the country. They also suggested making rules and regulations of administrative procedures easily understandable and increasing the number and improving the skill of administrators.

Ethiopian Income Tax Proclamation 286/2002 (Article 48) provides for compulsory keeping of books and records by first two categories of taxpayers. The law also indicates a period within which payment should be done, and modes of payment by taxpayers. However, based on the secondary data, it can be said that of the total number of taxpayers (948916) in the tax authority, only 521484 taxpayers constituting 54.95 percent had declared on time. In addition, out of the total 93618 VAT taxpayers, 67840 (72.46 percent) were found not declared on time in 2013/14 (ERCA, 2015).

As stated earlier, when voluntary declaration is weak, it becomes obligatory for tax authorities to exert additional effort in collecting taxes. This causes additional burden on them. At the same time, it can harm the smooth relationship between the two parties, which adversely affects revenue performance in the country. Rigorous taxpayer education and awareness is required to bring and maintain compliance of taxpayers. Ethiopia has exerted enormous efforts in educating taxpayers and making them aware of the significance of compliance in tax performance enhancement. Education through media, seminars, awareness campaigns and the like are initiated and are still active across the country. However, the compliance results show that still more effort is required in this regard in the country.

4.4.3 Information Technology (IT)

Modernizing tax administration and streamlining administrative procedures have become a slogan of tax reforms of those countries that have undergone reforms. Information technology has immense role in modernizing tax administration. Replacing manual procedures with automated ones can improve administrative functions and enhance performance. It is evidenced that developed and developing countries together strive to achieve performance effectiveness with IT support.

Quite a number of respondents expressed that their offices used IT for administrative functions, the system was user friendly, it was adequate, and employees were capable of operating the system. Most of them had the opinion that the system was adequate to gather data about the taxpayers and the office constantly invests in IT to improve the operations. However, considerable number of respondents opposed their views. Thirty two percent of the respondents stated that employees were not capable of operating the system. Thirty nine percent of them responded that implementation of IT for administrative operations were not adequate. Notable number of them expressed that still

investments were needed to improve the operations. On the other hand, the interview with tax officials and data collected from taxpayers revealed that among others the network problem and sometimes power interruptions were creating significant challenges in performing the required tasks. All functions were not supported by SIGTAS though many of them were performed using technology in Addis Ababa. Few offices in regions served only clearance using technology. There were offices where SIGTAS was not totally used.

Considerable effort is being done by the Ethiopian Tax Authority to integrate the country's tax system with IT support. This can be evidenced from the GTP I report (2014). Taxpayer identification (through fingerprint), cash register machine, SIGTAS, and IT audit are some of the IT supported operations as per the report. Nevertheless, the report also mentions that additional effort is needed to reap the required revenue. International benchmarks observe that a good administration will have IT support in registration, collection (including arrears), data backup, data cross checking, audit case selection and in detecting stop and nil filers. Information technology is intended to have a long term effect in administrative operations. Unless all operations throughout the country are supported by IT, the huge investments made on it can be at stake.

4.4.4 Taxpayer Service

The types and extent of services provided to taxpayers by the tax authority and the level of satisfaction among taxpayers regarding the services have an influence on taxpayers' degrees of compliance. Many different types of services are provided by countries all over the world to ease and economize tax declarations. Modern tax administrations assign a separate unit in the administrative structure to assist taxpayers. This study examined the extent and degree of assistance given by Ethiopian tax authority to taxpayers. When 49 percent of tax employees expressed that there was a fully equipped service delivery unit, 56 percent of taxpayers did not agree with that or they did not know about such a unit. Many tax employees claimed that they welcomed comments and complaints, they supported them on filing, and they observed progress in service delivery. Yet surprisingly, 38 percent of the taxpayers were not satisfied with the attention that they were getting from the office.

Tax officials, in the interview with them, disclosed that: (i) Free call center was established in ERCA head office to serve taxpayers. As it was not automated, the replies were given personally/manually. The answers to the queries of taxpayers might not be in compliance with the rules and regulations especially when it was operated by new personnel who did not have in-depth knowledge about such rules (ii) Taxpayer awareness and education were disseminated through bulletin, FM radio (in local languages), and Question-Answer sessions in secondary schools, (iii) Few regions had started e-mail communications, but due to network problems and lack of facilities it was not found successful, (iv) Standard timing was established for rendering services and if taxpayers approach with issues that were not complicated, it would be rendered quickly (v) Offices conducted biannual evaluation on customer satisfaction and were found satisfactory in resolving taxpayer issues, (vi) As most of the taxpayers were not adequately educated, they had a tendency to send their employees to attend training. When these trained employees quitted the organization, taxpayers found it difficulty in complying with law, (vii) Trainings were given to taxpayers of different sectors on a regular basis. The problem observed was sometimes the trainers might not have in-depth knowledge about tax laws, regulations, (viii) Taxpayers complained about inaccessibility of officials when they needed to contact tax officers due to continuous meetings and trainings of the tax officers.

It was also understood that within the same regions differences were observed in dealing with taxpayers in federal and regional offices. However, since 2010/11 efforts have been made to provide comprehensive trainings for taxpayers and other civic societies. A satisfaction survey was

made two times a year. Taxpayers were also served by getting queries through suggestion box. Enhancement of taxpayer awareness was one of the strategies of the reform for performance improvement. As per the GTP Report, the tax authority has actively exerted effort on educating taxpayers and improving their awareness with a quest of improving compliance level. A tax and customs national call center was established to provide transparent and consistent information for the public.

5. Conclusions and Recommendations

5.1 Conclusion

Tax revenue growth in the country is in progress but, compared to the growth in GDP, its share is not proportionately growing. In all the years covered under the study (except one), the authority has collected tax revenue less than what was planned (together with reports of high amount of tax arrears). This shows the ineffectiveness in collecting planned revenue by the offices and in enforcing collections that are due.

The authority started equipping the offices with qualified staff. It is a positive gauge when compared to the international benchmark. However, the majority of the administrative positions in the offices are found vacant. One employee is required to attend a number of clients and that causes important functions to be delayed. This would negatively influence revenue generation. In addition, the number of experienced and trained employees leaving the office is increasing year after year. This may be due to lower level of pay, tension during work, conflict with taxpayers, or even due to unethical behavior. This necessitates recruitment of fresh candidates whose lack of experience can cause delay and imperfection in their performance.

Taxpayer compliance level decides the volume of revenue generation. Unfortunately, the compliance level in the areas under study was found discouraging. With this level of compliance, meeting the desired level of performance would be absurd. Thus, taxpayer service is an indispensable element to improve compliance. Special units are structured in every tax office to treat taxpayers and offering help related with tax compliance for those who are in need. Yet the study shows that taxpayers are not fully satisfied with the assistance that the offices offer. Documentation in offices is also found very weak. Poor documentation leads to unidentified taxpayer source; improper information about taxes collected, tax arrears, non-filers and stop filers; and this would cause severe problems in tax planning.

Technological assistance is a prerequisite for modern tax administration. Lots of improvements are observed in use of technology in the Ethiopian tax offices. Introduction of the software -SIGTAS, use of cash register machine, and the likes are typical examples. Nonetheless, many complaints are observed both from tax office employees and taxpayers, in this regard. Frequently seen power outage, and slow internet services are repeatedly raised issues though the country has already invested huge amount of resources in technological improvements.

5.2 Recommendations

The following recommendations have been made in line with the above conclusions so as to enhance revenue in the Ethiopian tax offices.

Meticulous effort is needed in mobilizing tax revenue in order to achieve the average SSA tax-GDP ratio. Collection should be boosted in different ways that are convenient for the taxpayers. It is advisable to use net banking, and collections using credits cards initially on experimental basis and when found successful, on regular basis. Besides, a collection strategy needs to be developed for segmenting taxpayers on risk basis supported by technology to collect arrears. Collection centers should be opened with sufficient tax collectors in areas where the centers are absent. Periodic

monitoring and evaluation of such centers and applying measures to remove weaknesses of the centers can improve effectiveness.

Advance collection of taxes (business profit taxes) on quarterly or biannually (instead of on annual) basis can be worth considering. It would solve problems of cash flow for the parties, the tax office and taxpayers. In addition, Documentation system of the authority needs to be highly improved. Each tax office should be equipped with resources to keep complete data about its taxpayers. Building up a complete data base can also help tax planning. The data set needs to be entered into SIGTAS for future references.

It is advisable to take immediate action to fill in vacancies with all tax offices, upgrade the capacity of manpower and take measures to retain experienced staff. Promotions need to be supported by additional pay and incentives should be offered to officers with better performance. Though risk based audit selection is mandated in the audit manual, it is seldom practiced. Categorizing taxpayers based on risk factors for audit purpose would make audit completed in a strategic manner and audit findings can be communicated speedily to the clients.

Extra attention should be paid to taxpayer services. Though the authority has gone much forward in this endeavor, more efforts are required to arrive at better results in compliance level. Special units should be established in offices where it is absent. A squad should be formed in every office to conduct periodic survey to recognize services needed. Furthermore, with a special agreement with the Ethiopian Telecommunications Corporation, assistance should be sought to have access to continuous and fast internet services in tax offices. A separate room with Wi-Fi connection can also be arranged for helping taxpayers especially during periods of declaration. Finally, the study suggests further research covering all administrative functions to address specific issues relevant to taxation in Ethiopia.

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Factors Affecting Budget Utilization in Selected Ethiopian Public Universities

*Dejene Taffa Adera**

Abstract

Inefficient higher education budget utilization has been adversely affecting the implementation of government policies, programs and projects in Ethiopia. This study investigates the main factors that affect proper budget utilization in selected public universities of Ethiopia in 2016. A total of 178 respondents were randomly selected from Dilla, Wolaita Sodo and Bule Hora Universities. Primary data were collected through questionnaires and secondary data were collected from relevant documents of different organizations. The data were analyzed through thematic analysis featuring descriptive statistics. The findings indicated a significant improvement of budget allocation to universities. However, lack of proper planning and allocation of the budget in the universities were found to be serious challenges. Lack of a timely revision of initially proposed physical activity plan based on approved and available budget and the insignificant involvement of line managers in budget planning was found to be the main causes of the aforementioned problems. A centralized budget administration system, absence of evaluation of budget performance, inadequate knowledge of employees about program budget were identified as the most influential internal factors that affected budget utilization in the universities. Among external factors, imposition of the federal agencies to implement unplanned activities by universities, delay of projects, low financial and technical capacity of the contractors had adversely affected the budget utilization of the universities. It is recommended that due attention should be given by the top management during budget plan, and implementation. It is also suggested that capacitating employees and improving their skill, knowledge and attitude through continuous on the job training should be emphasized.

Keywords: Budget Utilization, Public Universities, -capacity building, Ethiopia

1. Introduction

Scholars have defined budget as an itemized summary of estimated expenditures for a given period along with proposals for financing them (Khan and Hildreth 2002). The budget has multiple functions: control of public resources, planning for the future allocation of resources and management of resources. The relative strength of each function depends on the current view of the function of budgeting and budgeting tool and techniques, but also depends on the strength of particular organizations and/or institutional arrangements to support these functions (World Bank 1998).

Budget implementation is the actual execution of the budget and application of funds to the planned activities. Government organizations plan their activities as well as the budget to fulfill the public interest. The financial plan of action for the year, reflects government priorities on expenditure, revenue, and overall macro-economic policy. The absence of a hard expenditure constraint at the start of the process, which forces early decisions, would invariably lead to malfunctions in budgeting (Shah 2008). In order to begin economic growth and reduce poverty, it is important to link physical planning to budgeting policy priorities. Failure to link policy, planning and budgeting is an important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries. In many countries, the systems are fragmented. This is because most often policy making, planning and budgeting take place independently.

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In Ethiopia a budget process is guided by a directive (financial calendar) issued by the Ministry of Finance and Economy Development (MoFED) whose name was recently changed to Ministry of Finance and Economic Cooperation of Ethiopia (MoFECE). This directive has a schedule making sure that planning and budgeting are prepared, approved, appropriated and executed in line with pre-set development agendas (MoFED 2010). Based on a three-year plan of budget MEFF, MoFED, prepares the annual fiscal plan, which includes identification of the amount of resources (foreign and domestic) known as the resource envelopes. These comprise the amount of money needed, known as the expenditure need, setting the block grant amount for regional governments and administrative councils from all sources (domestic and foreign), and splitting the federal share between the capital and recurrent budgets.

Like any other country, Ethiopia also puts more emphasis on higher education. As a result, in the past few years, the government has invested a lot to build a number of higher educational institutions mainly universities and diversifying academic programs and non-academic services. Moreover, scientific problem solving research and development projects pertinent to socio-economic, political as well as need based staff development programs.

In particular, a huge amount of money has been spent on building universities, and encouraging problem solving research activities. In the past few years, the government allocated 10 to 20% of the national budget to the education sector where the lion's share went to higher educational institutions (MoFED 2012).

In public expenditure management, lack of predictability of financial resources undermines strategic prioritization and makes it harder for public officials to plan for the provision of services. Predictability of government expenditures in the aggregate and in the various sectors is also a challenge to guide the private sector in making its own production, marketing, and investment decisions. Besides, budgetary rules are unclear and are uniformly applied to everyone. Transparency of fiscal and financial information is another problem for an informed executive, legislature, and public. Scholars show that dumping immense amounts of raw budgetary material on the public does nothing to improve fiscal transparency (Lewis 2007).

The IMF (International Monetary Fund) Code of Good Practices on Fiscal Transparency emphasizes the importance of clear fiscal roles and responsibilities; public availability of information; open processes for budget preparation, execution, and reporting; and independent reviews and assurance of the integrity of fiscal forecasts, information, and accounts (IMF 2001). Participation, in appropriate ways, improves the quality of budgetary decisions and provides an essential reality check for their implementation. Predictability, transparency, and participation, in turn, are the essential ingredients of accountability, which is the key to good budgeting (and good government in general). Accountability entails both the obligation to render accounts of how the budgetary resources have been used and the possibility of significant consequences for satisfactory or unsatisfactory performance (Shah 2008). Recently, lack of transparency and accountability has become a serious problem in the public budget allocation and utilization. As a result, the budget process which includes the revenue phase, planning and execution, audit and ex-post oversight was designed (McGee and Gavent 2010).

According to the report of the auditor general of Ethiopia, most public higher education institutions are frequently stated as prime government institutions for excess/under budget use and unlawful and/or improper utilization of the budget during the stated fiscal year.

In the year 2013/2014 budget, from only 99 public organizations, over 2.576 Billion Ethiopian Birr was returned back to the treasury having not been utilized and most of this amount was from public higher education. For instance, more than 782 million Ethiopian Birr was returned back from four

public universities. The amount of funds returned affects project implementation process as well as realization of goals of budget. Further, more than Birr 235 million was over utilized in 37 public organizations and also higher education institutions had a lion share. For instance, more than 85million Ethiopian Birr was over utilized in only 4 public universities (Federal Auditor General Report, 2013/2014). Obviously, such an improper budget utilization in public universities significantly hinders mission and affects the economic development of the country. To minimize the revealed improper budget utilization, clear identification of major factors significantly aggravating proper budget utilization is very crucial. As to the researcher's knowledge, there are no adequate empirical studies about factors affecting budget utilization in higher public universities particularly in Ethiopia. Therefore, this study was aimed at identifying the major factors significantly affecting budget utilization of Ethiopian public universities.

The general objective of this study was to investigate factors affecting budget utilization in the Ethiopian public universities. In order to achieve these objectives, the following research questions were raised before the official launch of the study: (a) In what manner do public universities plan and utilize their budget? (b) What are the major internal organizational factors affecting budget utilization in public universities?(c) What are the major external organizational factors affecting budget utilization in public universities?

2. Review of Related Literature

2.1 Origin of Knowledge Development

It has been argued that universities are multifaceted institutions in all societies. They are especially important as a centre of excellence for the knowledge economies of the 21st century, but their roles extend far beyond this. Universities are essential public-good institutions as they have the core underpinning of intellectual life in all societies, and especially in developing countries. They are key international links for science, scholarship, culture and ideas. Understanding the complex roles of universities is a first step towards providing the support needed for them along with appropriate public funding, academic freedom and autonomy (Global University Network for Innovation 2009). Even if the mandate of public universities is multidimensional, there are many challenges facing these public institutions including public universities of Ethiopia.

In the Ethiopia public sector, the budget implementation period or the financial years run from 1st July to 31st June. During this period, a lay down medium term expenditure framework of budget cycle is followed in the preparation and implementation of the national budget. Budget implementation is the real execution of the budget and application of funds to the planned activities. In the financial year, however, not all funds are expended as per the plan (Alemayehu and Dawit 2011). There are many factors why the approved budget is deviated from the actual expenditure during the budget year. The causes may differ from organization to organization.

According to Omitoogun and Hutchful (2006), there are a number of factors that can explain why actual expenditure deviates from the levels approved at the beginning of the financial year in any sector. The reasons for deviations may vary over time. Some of the more common causes are: deviation in aggregate expenditure; reallocation of funding during budget implementation; policy changes during the year; inability to implement policies, programs and projects and lack of financial discipline. The budget cycle shall be tracked and at every stage the factors that could be affecting the utilization of the budget need to be analyzed.

2.2 Conceptual Framework

As outlined in figure 1 below, the independent variables include while dependent variable in budget utilization in the public higher education institutions. It is presumed that the forecasted independent variables affects budget utilization in the Ethiopian public higher education institutions.

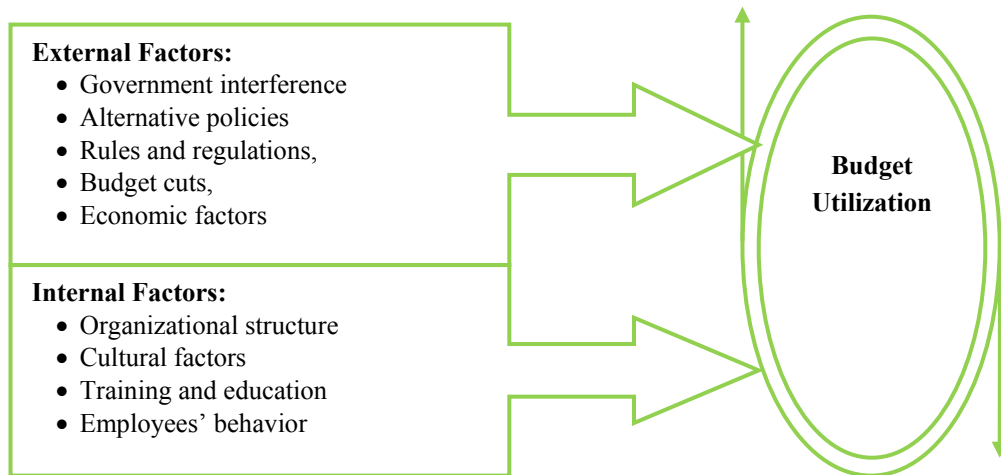


Figure 1: Adapted from the Reviewed Literatures

3. The Methods

3.1 Research Design

This study used a cross-sectional survey approach. The research design is mainly descriptive. A cross sectional study was used to determine the interrelationship between the variables under consideration among the different universities in the study. This allowed the researcher to make statistical inference on the broader population and generalize the findings to real life situations and thereby increasing the external validity of the study. This design enabled the researcher to collect the quantitative data at a time because this research is an explanatory research type where the researcher explains factors affecting budget utilization in public universities. Hence, quantitative data were collected using questionnaires.

3.2 Types and Sources of Data

Based on the objectives of the study, the researcher used both primary and secondary data sources. Primary data were collected directly from respondents such as university planning and program experts, finance and procurement department, school directors, department heads and internal audit experts. Secondary data were collected from secondary sources such as the Ministry of Finance and Economic Cooperation (MoFEC), Federal auditor general office, from books, manuals, audited annual reports, proclamations, and regulations. In addition to this, nine employees were interviewed to obtain data that could not be explained in the structured questionnaires.

3.3 Sampling Technique and Sample Size

Currently, there are 33 public universities in Ethiopia. The universities are categorized under three generations: 10 universities are clustered under first generation, 12 universities under second generation and 11 universities under third generation. The Ministries of Education has organized all the universities into four major clusters. Among those, south eastern cluster is the focus of this

research. The research included three universities from each generation on the basis of simple random sampling method. Stratification was made based on the clusters of universities. From each four stratum, a random selection of a proportionate samples was done. There are several approaches to determine the sample size. In this study, the following (Slovin's) sampling formula was adopted using 95% confidence level.

$$n = \frac{N}{1+N(e)^2}$$

Where: **n** = sample size,

N = Population size = 282, and

e = sampling error/level of precision = 5%

The above formula has followed two stages. The first step(Simple Random Sampling technique) was employed, using this formula:

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{282}{1+282(0.05)^2} = 165.4 \sim 165$$

However, based on the three sampling techniques (Namely: Cluster sampling, stratified sampling and simple random sampling) used for this research, the researcher considered the design effect of at least 1.5. To this effect, the researcher applied correlation formula to arrive at a representative sample size.

$$n = \frac{N}{1+n/N} = \frac{282}{1+165/28} = 177.9 \sim 178$$

3.4 Data Collection Methods

The primary data was collected through open and close ended questions. Open-ended questions require encouraging respondents to share as much information as possible in an unconstrained way, while a close-ended questionnaire involves “questions” that can be answered by simply checking a box from a pre-determined set of responses. The questionnaire was structured in such a way that it captured the respondents’ profile and data pertinent to objectives of the study. Unstructured interviews were conducted by selecting stakeholders and experts such as university finance and budget directorate directors and team leaders, project coordinators, internal auditors, anti-corruption experts, economists and accounting teachers from the universities as they have direct interaction with the public universities in the country as well as anti-corruption directors and experts and transformation office from selected universities. This is because they are the ones well experienced with budgeting procedures in the public universities. The data enumerators administered the primary data collection by distributing the questionnaires. Secondary data were collected from the Ministry of Finance and Economic Cooperation and Federal Auditor General. as well as other relevant documents such as a statistical bulletin prepared by different organizations.

3.5 Data Analysis Methods

The data collected was analyzed using descriptive statistics. To this end, depending on the nature of basic research questions and data collected, descriptive statistics, namely, percentages, frequencies, mean and standard deviation were used to analyze the data collected through the questionnaire. For the qualitative data analysis, the data collected through interview was organized and followed through coding, and then, categorizing the data based on their similarities and differences. Finally, the

categorized data were analyzed, interpreted, concluded and presented qualitatively through paraphrases, narrative discussions of the statements of the participants' opinions.

4. Results and Discussions

4.1 Trends in Budget Allocation

The Ethiopian government has been allocating a huge amount of resources to higher education institutions. The GTP one annual progress report indicates that in the past few years alone, the government allocated 10 to 20 percent of the national budget to the education sector (MoFED 2012).



Figure 2: Approved Budget for all Public Universities of Ethiopia from 2004-2007 E.C

Source: MoFECE, 2015

From the allocated budget to the sector, higher education institutions (HEIs) have received a significant amount. For example, Jimma University received about 1.65 billion birr in 2007 E.C budget year. On the other hand, Gambella University received about 50 million Birr in the same fiscal year. However, it should be noted that the allocated budget for Jimma and Gambella universities was about 1.7 billion, and 37 million respectively. This implies that there was effective unitization of budget at Jimma University. Gambella University has underutilized its allocated budget. In general the secondary data obtained from MoFECE showed that there was a significant improvement of budget allocation for public universities of Ethiopia. Figure 2 shows that the total approved budget for public universities of Ethiopia in the 2007 E.C budget year had a change of 121.7% when compared with the 2004 E.C budget year.

The results obtained from secondary data showed the mean average values of the budget allocated to Dilla, Bule Hora and Wolaita Sodo universities were 560.4, 449.8 and 456.2 million Birr respectively in 2007 E.C Budget year. Figure 3 shows that the allocated budget for public universities in the study was increasing from time to time.

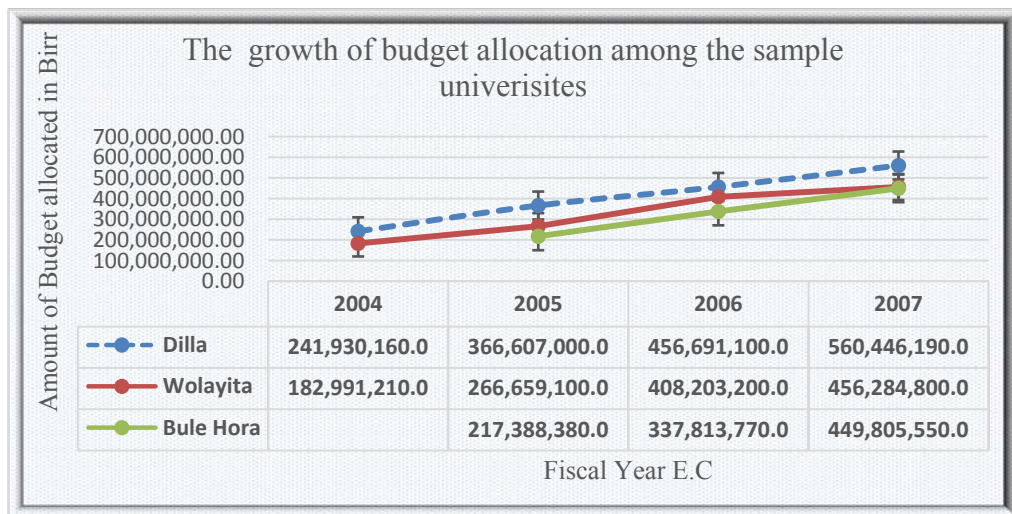


Figure 3: The Growth of Budget Allocation among the Sample Universities

Source: MoFECE, 2015

Dilla University in 2004 obtained 241.9 Ethiopian Birr, while the budget allocated to the Wolaita Sodo University was about 182.9 Ethiopian Birr. The figure showed that among the three universities, Dilla University, was the one that obtained the highest budget allocated by the federal government to universities. This should not be surprising as Dilla University was categorized under First Generation University with high intake capacity.

In 2007 E.C the budget allocated to Bule Hora and Wolaita Sodo universities was almost similar. This could be because of two reasons. The first reason is that project implementation of the Bule Hora University was continuously increased due to massive expansion of projects. On the other hand, project implementation in Wolaita Sodo remained stagnant. This could be because of delays in implementation of the projects due to various reasons. The second reason could be the fact that Bule Hora University is a new university with an opportunity to expand new projects (For the detail, see Figure 3).

4.1.1 Budget Utilization Practice in Public Universities

Respondents' perception on budget utilization and the related problems were assessed in the three universities. The table below reveals that about 42.7% of the respondents generally agree that their three universities had the tendencies of over utilization of their allocated budget, which is against the rules and regulations of financial administrations of the country. In the same way, about 114 (64%) of the respondents confirmed that there were problems of matching proposed activity plans with the available budget. Of the total 178 respondents included in the survey, some 95 respondents (53%) agreed that there was a tendency requesting budgets without proper planning in the sampled universities. Similarly, about 35% of the respondents replied that their respective universities in general lack reliable estimation in planning and requesting the budget for the proposed activities.

Respondents were also requested whether or not their university had experiences of preparing the budget based on the demand rising from the functional units of the university. The result showed that nearly about 40 % of the employees had a negative attitude that the approved budget in their university was not in line with the intended programs. This implies that the universities were not effectively implementing the principles of the program budget. According to the Ministry of Finance and Economic Cooperation of Ethiopia (MoFECE), a program budget preparation and allocation of the resources is a mandatory duty of all federal public government institutions. This result was triangulated by key informants' interview. The KIIs conducted with finance directors of the study universities also confirmed that the aforementioned problems had actually been prevailing in their university. According to the data obtained from few directors, the delays in projects and submitting budget requests without plan were found to be the main challenges of the university.

The data revealed that there was a mismatch between the university activity plans and the available budget allocated by MoFECE. The result vividly showed that the functional units such as departments, schools and directorates in universities often request their annual budget without considering the approved total university budget. This result is in line with Abdu (2014)'s suggestion that there is a problem of linking the work plan with expenditure budget preparation and the practical implementation. The secondary data obtained from the federal auditor general of Ethiopia also confirms the above responses of the respondents in the sampled university.

Table 1: Over Utilized and Underutilized Budget from 2004-2006 E.C by Selected Universities

Description	Budget Year	Name of Universities		
		Dilla University	Wolaita Sodo University	Bule Hora University
Over Utilized Budget	2004	-	22,225,409.00	-
	2005	15,889,248.00	16,973,966.85	-
	2006	19,422,282.30	3,550,917.75	-
Under Utilized Budget	2004	32,565,036.97	33,766,685.00	19,797,98.47
	2005	19,618,407.31	6,512,909.86	19,618,407.31
	2006	-	20,201,287.85	5,102,333.00

Source: Federal Auditor General of Ethiopia, 2015

Table 1 shows that Wolaita Sodo University continuously over utilized and then underutilized the allocated budget for the past three Ethiopian fiscal budget years, while Bule Hora University performed better in over utilized budget than the remaining two universities included in this study. The reason for lack of improper budget planning and utilization was assessed. The findings showed that Dilla University, Wolaita Sodo University and Bule Hora University had not adequately revised their initially proposed physical activity plan based on the approved and available budget. For instance, of the total respondents' about 81 respondents (45%) agreed that their universities lacked experiences of revising their initial plans based on the available university budget. The researcher further analyzed whether or not lack of adequate knowledge on preparing the plan and program budget was the cause of the above problems. The majority (56 %) of the respondents replied that the employees in the study universities lacked the necessary skill and knowledge of understanding the basic concepts of program budgeting. According to the employees' response, lack of adequate number of human resources in their universities was the second most important challenge faced by these universities. With regard to this idea, nearly 45% of the respondents disagreed.

4.2 Internal Factors Affecting Budget Utilization in Public Universities

In this section, the internal factors⁹ influencing the utilization of budget of the sampled universities were categorized into five parts: The organizational factors, structural factors, cultural factors, behavioral factors, and training and education related factors. The influence of each factor on budget management and utilization was briefly described as follows.

4.2.1 Organizational Factors Affecting Budget Utilization

This study attempted to analyze the effect of organizational factors affecting budget utilization in public universities. The results showed that among the organizational factors, absence of continuing and systematic evaluation of budget performance at different organizational structures, delay in approval of project proposal and the absence of full involvement of the line managers in planning and budgeting process were found to be the most significant factors which affect the budget utilization in public universities with mean values of 4.07, 3.93 and 3.84 respectively.

As it can be seen from Table 2, one could understand that the respondents, on average, agreed that lack of transparency and accountability affected utilization of budgets in public universities. The descriptive statistics revealed that the above statements have a mean value of 3.7 implying that lack of transparency and accountability were the major internal factors affecting budget utilization in the universities. Moreover, the respondents, on average, stated that the delay in approval of project proposal by universities affected the utilization of budgets in the universities. The value of the descriptive statistics (3.93) in the table indicates that the above statements affected the budget utilization in the sampled public universities. Secondary data obtained from the federal auditor general of Ethiopia supports the above idea of the respondents. According to the federal auditor general's report to the parliament in 2007 E.C., among the total budget not utilized and returned to treasury by the federal public organizations of Ethiopia at the end of 2013/2014 EFY, more than 1.5 billion¹⁰ Ethiopian Birr was capital budget and was allocated for the implementation of different projects. This shows that the delay in the projects due to different factors was one major internal factors that leads to the underutilization of the approved budget in the public universities of Ethiopia.

The respondents were further asked to give their opinion on whether or not the absence of the evaluation of budget performance at different levels in their universities affected budget utilization. In relation to this question, almost all of the respondents, i.e. about 146 respondents' (nearly 82%) agreed with this statement. This implies that absence of the periodic monitoring of budget performance in the sampled universities was highly affecting the budget utilization which had a significant mean value of 4.07. Experiences obtained from the three universities revealed that these universities conducted budget performance merely at the end of the budget year.

Arora (2010) describes that, among the main limitations of budget control, budgeting cannot take the place of management, but is only a tool of management. "The budget should be regarded not as a master, but as a servant." It is sometimes believed that the introduction of a budget program is alone sufficient to ensure its success. Execution of a budget would not occur automatically. It is necessary that the entire organization must participate enthusiastically in the program for the realization of the budgetary goals. The respondents' opinion also reflected lack of the top management commitment to

⁹ Internal factors are inner strengths and weaknesses that an organization exhibits. Internal factors can strongly affect how well a company meets its objectives, and they might be seen as strengths if they have a favorable impact on a business, but as weaknesses if they have a deleterious effect on the business.

¹⁰ It is available on report of Federal Auditor general of Ethiopia report to parliament about the progress of 2006 E.C budget of federal government organizations.

budget utilization. Of the total 178 respondents included in the survey, some 80 respondents (45%) agreed that lack of the top management commitment had affected budget utilization in the study universities. Similarly, the majority (74%) of the respondents agreed that lack of full involvement of the line managers in planning and budgeting process affected the budget utilization in their respective institutions. Of the total 178 respondents 75 (45%) employees agreed that the tendency of corruption and rent seeking¹¹ contributed a negative impact on the budget management and utilization in the universities, whereas about 29.2 % of them neither agreed nor disagreed with the above statement.

Table 2: Organizational Factors Affecting Budget Utilization

Variables		SDA	DA	N	AG	SA	Mean
Lack of transparency and accountability has affected utilization of budgets	N	8	19	41	61	49	3.70
	%	4.5	10.7	23.0	34.3	27.5	
Delay in approval of project proposal by universities has affected utilization of budgets	N	4	10	21	103	40	3.93
	%	2.2	5.6	11.8	57.9	22.5	
Absence of the evaluation of budget performance at different level affects budget utilization.	N	3	9	20	86	60	4.07
	%	1.7	5.1	11.2	48.3	33.7	
A lack of the top management commitment affects budget utilization	N	8	25	65	65	15	3.30
	%	4.5	14.0	36.5	36.5	8.4	
Absence of full involvement of the line managers in planning and budgeting process.	N	8	10	28	88	44	3.84
	%	4.5	5.6	15.7	49.4	24.7	
Tendency of corruption	N	16	35	52	44	31	3.22
	%	9.0	19.7	29.2	24.7	17.4	
Lack of ICT	N	15	46	40	48	29	3.17
	%	8.4	25.8	22.5	27.0	16.3	

Source: Primary Data Compiled From Questionnaires, 2016

NB: SDA-Strongly Disagree, DA-Disagree, N-Neutral, AG-Agree, SA-Strongly Agree

Information communication technology (ICT) was one of the most crucial instruments for effective and efficient utilization of the resources, but lack of ICT affected budget utilization in the sampled public universities. The respondents in the survey had, on average, shown a tendency of agreeing with the statements. The descriptive statistics for the above statement showed a mean value of 3.17 indicating that most respondents agreed that ICT affected the budget utilization in their respective institutions. However, its effect varied from one university to the other.

According to the data obtained from the respondents and KIIs, the effect was high with the new generation university like Bule Hora University whose infrastructure was under construction. Figure 4 shows that the role of ICT of Dilla University was less significant (with a mean value of 2.87) as compared to Wolaita Sodo and Bule Hora universities which had the mean values of 3.1 and 3.56 respectively.

¹¹Rent seeking refers to the act or process of exploiting the political process or manipulating the economic environment to increase one's revenue or profits. In economics and in public-choice theory, rent-seeking involves seeking to increase one's share of existing wealth without creating new wealth. Rent-seeking results in reduced economic efficiency through poor allocation of resources, reduced actual wealth creation, lost government revenue, increased income inequality, and (potentially) national decline Coolidge J. and Susan R. (1996).

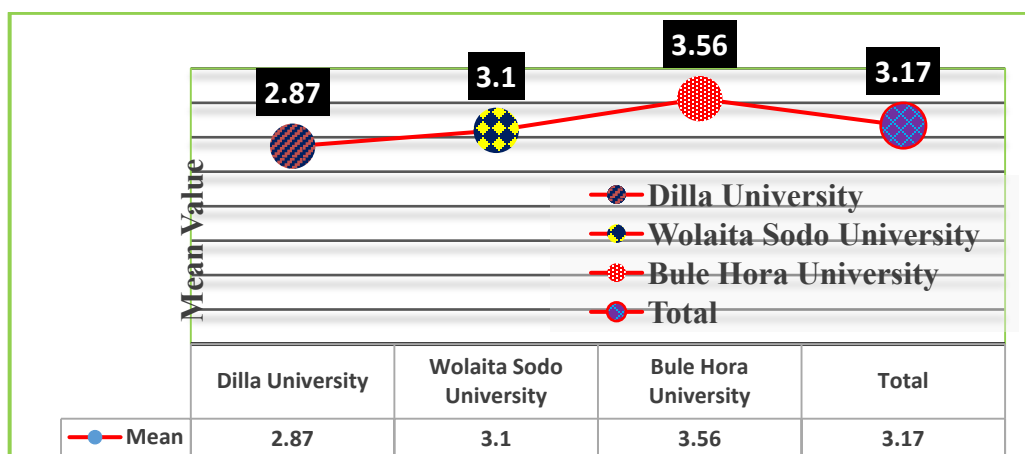


Figure 4: The Effect of ICT on Each Universities

Source: Primary Data Compiled from Questionnaires, 2016

4.2.2 Structural Factors Affecting Budget Utilization

Organizational structure induced factors such as lack of effective budget monitoring, lack of a decentralized budget administration system, absence of clear hierarchy in the administration of budgets, structural relationship between different department and lack of effective communication to all staff on the progress of the budget implementation are some of the main factors that affect public budget utilization in Ethiopia. The study tried to measure the construct of these factors and its influence on budget utilization of the public universities.

Table 3: Structural Factors Affect Budget Utilization

Variables		SDA	DA	N	AG	SA	Mean
Lack of effective budget monitoring	N	1	20	20	90	47	3.91
	%	.6	11.2	11.2	50.6	26.4	
Lack of decentralized budget administration system	N	1	12	23	59	83	4.19
	%	.6	6.7	12.9	33.1	46.6	
A lack of clear hierarchy in the administration of budgets affects the budget utilization	N	3	15	32	91	37	3.81
	%	1.7	8.4	18.0	51.1	20.8	
The need to involve the auditor general office in major projects affects the budget utilization	N	39	37	46	37	19	2.78
	%	21.9	20.8	25.8	20.8	10.7	
The structural relationship between different department affect budget utilization	N	4	27	53	65	29	3.49
	%	2.2	15.2	29.8	36.5	16.3	
A lack o effective communication to all staff on the progress of the budget implementation	N	-	20	24	80	54	3.94
	%	-	11.2	13.5	44.9	30.3	

Source: Researcher's computation using SPSS, 2016

As indicated in chapter two of this research, Wilson (2000) reported that the University of New Hampshire, after three years of researching the feasibility of a decentralized budgeting structure, implemented its own version of decentralized budgeting known as Responsibility Centre Management (RCM) in 2000. Table 3 shows that the respondents had on average agreed with the statement, i.e. the lack of effective budget monitoring, and absence of a decentralized budget administration system affected budget utilization in public universities. The descriptive statistics revealed that both of the above statements have a total mean value of 3.91 and 4.19 respectively.

This clearly indicates that the lack of effective budget monitoring and centralized budget administration systems strongly affected budget utilization in the universities. Moreover, the respondents had on average shown a tendency of agreeing with the statements, i.e. a lack of clear hierarchy in the administration of budgets, and the structural relationship between different departments affected budget utilization of their respective universities. The descriptive statistics indicate that both of the above statements have a mean of 3.81, and 3.49 and of the total respondents, 128(72%) and 94(52.8%) respondents completely agreed with the above statements respectively. This shows that both the above statements had a negative effect on budget utilization of the public universities.

The results also revealed that respondents on average stated their level of agreement with the statements, i.e. lack of effective communication to all staff on the progress of the budget implementation affected budget utilization of universities. The descriptive statistics for the above statements showed the mean value of 3.94. This implies that lack of effective communication between departments of administrative and academic wings of the study universities negatively affected their planning and budget utilization.

4.2.3 Cultural Factors Affecting Budget Utilization

Among the internal factors which affect budget utilization in public organizations, cultural factor related variables were also used for this research purpose. Solabomi and Opeyemi (2013) argued that organizational culture constitutes an important organizing influence on budgetary slack. Organizational culture was found to have a significant relationship with budgetary lack through the partial mediating influence of participation. According to their finding, organizations with a flexible organizational culture were found to exhibit high budgetary participation and high budgetary lack while organizations with control type of culture were found to exhibit lower participation and low budgetary slack. These factors include the accountability of employees toward budget plan and implementation, responsiveness to government directives, delivery of services fairly and impartially and lack of focus on achieving results and managing performance variables are briefly analyzed and discussed below.

Table 4: Cultural Factors Affecting Budget Utilization

Variables		SDA	DA	N	AG	SA	Mean
Employees being accountable for action	N	23	27	55	51	22	3.12
	%	12.9	15.2	30.9	28.7	12.4	
Responding to government directive	N	16	30	58	42	32	3.25
	%	9.0	16.9	32.6	23.6	18.0	
Delivery of services fairly and impartially	N	21	31	56	44	26	3.13
	%	11.8	17.4	31.5	24.7	14.6	
Lack of focus on achieving results and managing performance	N	12	25	47	67	27	3.40
	%	6.7	14.0	26.4	37.6	15.2	

Source: Researcher's Computation Using SPSS, 2016

The study tried to measure the construct of cultural factors and their influence on budget utilization of public universities. As such, the respondents were asked to give their level of agreement or disagreement with regard to the cultural factors on budget utilization of their respective universities. The responses of each respondent were then analyzed using descriptive statistics.

Table 4 shows that the respondents had on average agreed with the statement, employees being accountable for action, and responsiveness to a government directive affected budget utilization in

the public universities. The descriptive statistics revealed that for both of the above statements, out of total respondents, 73 (41%) and 74(42%) of them completely agreed with the above statement, whereas nearly 31% and 33% of the total respondents neither agreed nor disagreed with the above statements respectively. Moreover, the respondents had on average shown a tendency of agreeing with the statements, delivery of services fairly and impartially, and lack of focus on achieving results and managing performance affected budget utilization of their respective universities. The descriptive statistics indicates that both of the above statements have a mean of 3.13, and 3.40 and of the total respondents 70(39%) and 94(52.8%) respondents completely agreed with the above statements respectively. This shows that both the above statements have moderately a negative effect on budget utilization of the public universities.

4.2.4 Behavioural Factors Affecting Budget Utilization

Behavioral factors are also among the internal factors which affect budget plan and its utilization in public organizations. These factors include lack of accountability on the part of employees, inadequate knowledge of people toward program budget, failure to present information on budget progress to facilitate scrutiny by relevant government agencies and lack of clear performance indicators to measure the actual results are for the purpose of this study briefly discussed one by one. The study tried to measure the construct of behavioral factors and its influence on budget utilization of public universities. As such, the respondents were asked to give their level of agreement or disagreement with regard to the behavioral factors on budget utilization of their respective universities.

Table 5: Behavioral Factors Affecting Budget Utilization

Variables		SDA	DA	N	AG	SA	Mean
Inadequate knowledge of people toward program Budget	N	-	13	30	86	49	3.96
	%	-	7.3	16.9	48.3	27.5	
Failure to present information on budget progress to facilitate scrutiny by relevant government agencies	N	5	15	47	72	39	3.70
	%	2.8	8.4	26.4	40.4	21.9	
A lack of clear performance indicators to measure the actual results	N	5	29	42	69	33	3.54
	%	2.8	16.3	23.6	38.8	18.5	

Source: Researcher's Computation Using SPSS, 2016

Table 5 shows that the majority of the respondents agreed with the statement, i.e. inadequate knowledge of people toward program budget affects budget plan and utilization. The descriptive statistics revealed that the above statements, out of the total respondents, 135 (76%) of them completely agreed with the above statement, whereas about 7% of the total respondents disagreed with the above statements. This shows that inadequate knowledge of employees in the universities towards program budget significantly affected budget plan and utilization of public universities.

This result is consistent with Fenta and Abebe (2012) in that the implementation of program budgeting to a certain extent got confused. According to their conclusion (the confusions also arose from defining and establishing outputs and objectives) linking plan with budget, setting performance indicators and targets, defining unit cost for targets to arrive at total cost. Moreover, there exists a conceptual misunderstanding relating to the concept of output, recurrent activities, efficiency and effectiveness. Moreover, the respondents had on average shown a tendency of agreeing with the statements which indicate failure to present information on budget progress to facilitate scrutiny by relevant government agencies, and a lack of clear performance indicators to measure the actual results affect budget utilization of their respective universities. The descriptive statistics indicates that both of the above statements have a mean of 3.70, and 3.54 and of the total respondents 111(62%) and 102(57%) respondents completely agreed with the above statements

respectively. This shows that both the above statements have moderately a negative effect on budget utilization of the public universities.

2.2.5 Training and Education Related Factors Affect Budget Utilization

The last but not the least internal factors which was used for this research was training and education related variables. This study has tried to analyze the effect of training and education related factors affecting budget utilization in public universities. The results in Table 6 below show that among the training and education related factors, lack of adequate training on budget and plan, lack of specialization or skill on the part of the budget officers and lack of proper training to employees on the functionality and implementation of the budgets were found to be the most significant factors which affected the budget utilization in public universities with mean values of 3.85, 3.50 and 3.65 respectively.

Table 6: Training and Education Related Factors

Variables		SD	DA	N	AG	SA	Mean
Lack of adequate training on budget and plan	N	2	19	27	86	44	3.85
	%	1.1	10.7	15.2	48.3	24.7	
Lack of specialization or skill on the part of the budget officers	N	4	31	45	68	30	3.50
	%	2.2	17.4	25.3	38.2	16.9	
Lack of proper training to employees on the functioning and implementation of the budgets	N	2	16	57	71	32	3.65
	%	1.1	9.0	32.0	39.9	18.0	

Source: Researcher's Computation Using SPSS, 2016

As it can be seen from Table 6 above, the respondents have on average agreed that lack of adequate training on budget and plan have affected utilization of budgets in public universities. The descriptive statistics reveals that the above statements have a mean of 3.85 implying that lack of adequate training on budget and plan was also one of the major internal factors affecting budget utilization in the study public universities. This consequence was dependable on inadequate knowledge of people toward program budget discussed above. The results indicated lack of adequate training to employees leads to inadequate knowledge of people toward program budget in the study universities.

The respondents were further asked to comment on whether or not lack of proper training to employees on the functionality and implementation of the budgets affected budget utilization. In relation to this question, the majority of the respondents, i.e. about 103 respondent (58%), agreed with this statement. This implies that lack of proper training to employees on the functionality and implementation of the budgets in study universities was affecting the budget utilization and had a significant mean value of 3.65.

4.3 External Factors Affecting Budget Utilization in Public Universities

The external factors¹² influencing the universities budget utilization can be categorized into two parts: the major and minor factors. In this research, the major factors refer to the variables which have strong influence with high mean value as per the respondents' ratings. On the bases of the mean values of the respondents rating, lack of unplanned activities enforced by the federal government; delay in project construction which was associated with delays of procurement procedure; low financial and technical capacity of the contractors has adverse impacts on the budget utilization of the

¹² External factors are factors surrounding an organization that influence its activities and choices, and determine its opportunities and risks.

study universities. Because of their significant impacts the aforementioned major factors are described as follows.

As can be seen from Table 7, delay in project execution¹³ was the top most important factor affecting budget utilization with the highest mean value of 4.25. Top down influences of the unplanned activities from external government institutions like MoE were found to be the second most important factors affecting higher education budget utilization with the mean value of 4.08. According to the responses obtained from the finance department, these activities were often dropped for implementation after the total budget allocated for the fiscal year was approved by MoFECE, and hence affected budget utilization in public universities.

Table 7: Major External Factors Affecting Budget Utilization in Public Universities

Variables		SD	DA	N	AG	SA	Mean
Unplanned activities dropped from government affects budget utilization in public universities	N	4	25	18	81	50	3.83
	%	2.2	14.0	10.1	45.5	28.1	
Delay in implementation of project contractors by universities affects budget utilization	N	2	5	12	86	73	4.25
	%	1.1	2.8	6.7	48.3	41.0	
Capacity of contractors affects budget utilization	N	1	4	29	90	54	4.08
	%	.6	2.2	16.3	50.6	30.3	

Source: Researcher's Computation Using SPSS, 2016

Almost all respondents (89%) agreed that the delay in the project implementation by the contractors due to various reasons affected the budget utilization in their respective institutions. About 73 % of the responds agreed with the statement that unplanned activities dropped from government affected budget utilization in public universities. Similarly, of the total 178 respondents, 144 employees agreed that financial and technical capacities of the project contractors had a negative effect on the budget management and utilization in the sampled universities. This result was supported by the information obtained from the key informant interview (KIIs). Low capacity of the contractors to complete the intended projects with the given time was found to be the third major factor. According to the KIIS, inability of potential supplies to handover the materials as per the agreement made under a bid document at the end of annual fiscal year was reported as another major factor affecting the budget utilization.

5. Conclusion and Recommendations

5.1 Conclusion

This research was conducted to identify determinant factors affecting budget utilization in the three selected universities in Ethiopian: Bule Hora, Dilla and Wolaita Sodo Universities. Underutilization and over utilization of public budget in these and other public universities in Ethiopia was often considered by stakeholders as one of the major challenges of higher education in Ethiopia. This was a major motivation to carry out this study. Primary data were gathered from the head of finance departments, planning heads and other experts who had deep knowledge and practical experience on budget planning, implementation and administration. A questionnaire was distributed to resource persons whose activity was directly related finance, budget and planning departments. The data from the resource persons such as directors and school heads were also gathered through a

¹³The Project Execution and Control Phase is the part of the project and product lifecycle where the tasks that build the deliverables are executed. The Project Execution and Control Phase begins when the project plan is approved and the resources necessary for executing the starting task are assembled. Project execution should be in accordance with the approved project plan. Project execution and control consist of task execution, measuring project progress, reporting project status, and exercising management controls.

scheduled interview. The study demonstrated that the selected three universities were suffering from lack of experience in program budget preparation and implementation. The study indicated that various internal and external factors affected budget utilization in the universities. From this, it was concluded that most reasons for over utilization and underutilization of budget in public universities were mainly internal factors which resulted from the organizations themselves and could have been solved by the organization themselves.

It was also concluded that the causes for missuse of public budget were lack capacitated budget staff in terms of skill and knowledge in each respective budget offices, lack of knowledge in the use of information technology (ICT) by the managements and the experts at each level, inadequate human resources, lack of continuous monitoring and evaluation, lack of commitment of top management, among others. Among the external factors, unplanned activities enforced by the federal government, delay in project construction, which is associated with interruption of procurement procedure, low financial and technical capacity of the contractors have adverse impacts on the budget utilization of the study universities.

5.2 Recommendations

Based on the results obtained and conclusion drawn in the study, due attention should be given by university managers during budget plan and implementation to capacitating the employees through training and involving all concerned bodies in the budget planning and enactment. Implementation of projects was found to be limited and if the problem is curbed, then, the success of budget utilization would be promising. So, the potential of contractors (their technical and financial capacity) and their past performance should be evaluated before signing agreement, and there should be a continuous and timely follow up of the progress of the project along with a timely corrective action when problems are seen before the end a fiscal budget year.

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The Impact of Financial Reform Policy on the Development of the Financial Sector in Ethiopia: An ARDL Modeling Approach

*Workenb Eshatuu Sime**

Abstract

This study is geared towards the impact of financial reform of the civil service on the development of the financial sector in Ethiopia from 1973 to 2005. Specifically, it explored whether or not the financial reform policy exerted a different effect on the development of the financial sectors in the short run and long run; whether or not there were differences in various financial reform policies. Thus, the paper employs Persaran's (2001) bound testing to the ARDL modeling approach. The sources of the data were the World Bank data base, International Monterey Fund, National Bank of Ethiopia and Ministry of Finance and Economic Development of Ethiopia. The findings showed that in the long run more than 66 percent of financial reform policies had a positive and statistically significant impact on the development of the financial sectors. However, in the short run, it didn't have any impact on the development of the financial sectors. Out of all the financial reform policies, reform in banking supervision had the highest impact on the development of the financial sector. To enhance the privatization in the financial sector, it is recommended that the government should decrease the financial asset of government owned financial institutions. In addition, since the impact of the financial reform policy was positive and statistically significant, concerned bodies need to speed up the international financial reform strategy.

Key words: *Financial Reform policy, ARDL model, Financial Development*

1. Introduction

Currently, the common question for nearly all economists reads, "why do countries grow at different rates?" Some researchers try to list the main reasons for differences (in economic development of countries) such as the differences in factor production, institutional development, legal system effectiveness and international trade. Still different scholars identified different factors for the world economic differences. Recently, the roles of the financial sectors started to receive due attention. Financial development and economic growth have direct relationships. This can be proved in the financial system of developed countries much better than the developing ones (Mohsin and Abdelhak 2000). More developed financial systems facilitate the economic development of nations through: (i) provision of information before funding; (ii) monitoring and evaluation after funding; (iii) easing management of risks; (iv) encouraging saving and (v) facilitating trades (Juzhong et al 2009). Therefore, it would seem that policies to develop the financial sector would be expected to raise economic growth. The theoretical basis for the relationship between financial liberalization and financial development originates from the seminal work of McKinnon (1973) and Shaw (1973). Both McKinnon and Shaw argue that financial liberalization promotes financial development. This study, therefore, examined the nexus between financial liberalization and financial development in Ethiopia from 1973 to 2005.

The study has two main objectives: to identify the impact of financial sectors reform policy on the development of the financial sectors in Ethiopia both in the short run and the long run. This proved whether or not financial reform policy caused the development of the financial sectors as stated by

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McKinnon (1973) and Shaw (1973). The second one is to identify the promising financial reform policy in Ethiopia.

The study addressed the following questions: What is the impact of the financial sectors reform on the development of financial sectors in Ethiopia in the short run? What is the impact of financial sectors reform on the development of financial sectors in Ethiopia in the long run? Which financial reform policy is more effective in the country?

There are two extreme points of views on the impact of the financial reform policy on the development of the financial sectors. The first views imply that financial reform policy is an effective strategy for the booming of financial sectors. It is supported by McDonald and Schumacher (2007) and Andersen and trap (2003). Their view is that financial reform policy has a positive impact on the development of financial sectors consequently financial development accelerates the economic development of that country. The second view indicates that financial reform policy is the cause for financial crisis and it resulted in the down turn of the financial sectors in the country. Supported by Demirguc-Kunt and Detragiache (2000) and Mehrez and Kaufmann (2000) they argued that financial reform induces risk taking behavior and may cause banking crisis.

Having these different arguable issues, the study proved the following hypothesis: First, financial reform policy has a statistically insignificant impact on the development of the financial sectors in the short run. Second, financial reform policy has a positive and statistically significant impact on the development of financial sectors in the long run. This study is unique in terms of: first, in its analysis on -the short run and the long run impact of the financial reform policy on the development of the financial sectors; second, in its methodology which included the Autoregressive Distributive lag (ARDL) approach for analyzing the data.

The study is useful for the Ethiopian federal government in alarming policy designers of the country to focus on a full reform of financial sectors in the country. It has also importance for policy designers to explore more benefit from effective financial reform policy issues. Furthermore, the study is supposed to contribute for the financial liberalization literature by identifying and analyzing the time specific impacts of financial liberalization policy, i.e. the short run and the long run impacts.

As regards the structure of the paper, preceded by the first section of the introduction, The second section deals with the literature review; section three presents the data and model specification. Section four is about the empirical results followed by section five that deals with summary and policy recommendation.

2. Review of Related Literature

2.1. Financial Reform and Economic Development

Schumpeter (1912) and more recently McKinnon (1973) and Shaw (1973), were the first scholars in analyzing the theoretical relationship between financial development and financial reform policy as well as its impacts on the economic development. They recommended that government restrictions on the banking system hinder financial development and ultimately reduce growth. Similar conclusions were also reached by more recent studies in which services provided by financial intermediaries (such as information collection and analysis, risk sharing, liquidity provision etc.) were explicitly modeled. These models suggested that financial intermediation has a positive effect on economic growth.

In their paper of the theoretical basis for the relationship between financial reform and Financial Development, McKinnon (1973) and Shaw (1973) explain how financial development is directly related to financial reform policy. In their paper, they assume that investments can't take place unless it is preceded by the accumulation of financial capital. McKinnon's model stipulates that the higher real rate of interest, the more willing the investor to accumulate the financial capital. Thus, both McKinnon (1973) and Shaw (1973) emphasize the real interest rate as the principal determinant of financial capital in the financial system. As such, controls on interest rates keep the real rate of return on deposits artificially low, thereby discouraging the accumulation of financial capital and creating a negative impact on financial development in the process.

2.2. The Evolution of Financial Reform

After World War II, there were three main economic development models in the world: From 1940 to 1960/70 development through industrialization and accumulation of endogenous scientific, technology and production capabilities; from 1980 to 1990s Stabilization; liberalization and development through international trade and poverty reduction program, and From 2000 onwards, development through virtuous participation in global knowledge economy, depending on these general world economic models, all countries design different strategies in line with this model. African countries turned to financial reform in the 1990s, often in the context of stabilization and reform programs supported by World Bank and International Monetary Fund.

Menzie and Hiro (2006) in their studies on titled "What matters for Financial Development? Capital Controls, Institutions and Interactions," using a panel data encompassing 108 countries over the period 1980 to 2000 showed that financial liberalization had positive effects on the financial development when the institutional set up was better in the country. They also found out that rather than the financial specific legal institutions, the overall legal set up was the best for financial development as well as for pre-opening of the goods markets for a booming of the financial sectors (Menzie and Hiro 2006).

Thierry Tresselt and Enrica Detragiache in their paper, "Does the Financial Sector Reform Lead to Financial Development?", they investigated the impact of the financial sector reform on the financial development by using new records of financial sector reform in 91 countries during 1973-2005. Their study showed that financial development of one country depends on the level of legal system structure in the country. These scholars finalized their studies by concluding that the effectiveness of the financial liberalization policy was highly dependent on the political set up of that country (Thierry and Enrica 2008).

Ito (2005) analyzed the impact of the financial liberalization on the development of the financial sectors through two dimensions. The one was whether or not financial openness leads to financial development after controlling the level of legal/institutional development and the other was whether or not trade opening is a precondition for the financial opening in Asia. In the study, Ito (2005) used the panel data which included 87 less developed countries from 1980 to 2000. The study –stated that financial liberalization promotes financial development and, to this end, the institutional structures of the country matter. Similarly, the opening of the trade sectors was the pre-condition for the effectiveness of the financial reform. The study also showed that the lower the level of corruption, the higher the quality of laws and order facilitating the booming of the financial development in the country (Ito 2005).

Greenidge and Alvon (2007) in their paper entitled "The Impact of Financial Liberalization on the Financial Development: Evidence from the Caribbean," they examined the relation between financial liberalization and financial development in a selected group of Caribbean countries. In their

study, they focused on the single country estimation approach because the success of liberalization policies largely depends on the institutional structure of the countries, and thus, is likely to be country-specific. The main finding of their studies focused on the direct effects of financial liberalization on the financial development varied across the countries and appears to reflect the pace at which such policies were implemented. Barbados took a very gradual approach to both domestic and international financial liberalization and the results suggest that both dimensions of financial liberalization had a positive impact on the rate and equilibrium level of financial development. However, the study revealed that in Jamaica where the paces of both domestic and international financial liberalization were quite rapid, there appeared to be no significant effects of financial liberalization on financial development. In Trinidad and Tobago, domestic financial liberalization occurred at a pace faster than in Barbados but much slower than in Jamaica and here the impacts were positive. On the contrary, international financial liberalization in Trinidad and Tobago took place at a pace just as rapid as in Jamaica and no significant effects were uncovered (Greenidge and Alvon 2007).

There is scanty literature on the impact of financial liberalization and on financial development with respect to time. Financial liberalization has different impacts on the financial development in the short run and long run. In addition to this, all the studies reviewed do not identify the promising sectors from financial liberalization indicator. Generally, the reviewed literature does not address the following gaps: what is the immediate impact of the financial liberalization on the development of the financial sectors? What is the long run impact of the financial liberalization on the development of the financial sectors? Which financial reform policy is the most promising?

2.3. Financial institutions and Financial Reform in Ethiopia

Financial institutions are the most important engines of economic growth for any economy in the world. According to Lakew (2000), banks are the dominant financial institutions in Ethiopia. They account, on average, for 96 percent of the total gross financial assets. Non-banks account only for about 4 percent. Financial institutions currently operating in the Ethiopian financial system comprise the central bank, commercial banks, specialized banks, insurance companies, pension fund, saving and credit cooperatives and Microfinance Institutions. The most important functions of commercial banks in the area of financial intermediation are deposit mobilization and lending activities.

In Ethiopia, the need for banks, Micro Finance Institutions and insurance companies is crucial as there are no developed security markets. After the fall of the socialist government, the new pro-capitalist federal government introduced many financial liberalizations and restructuring measures to strengthen the financial sector by placing legal and regulatory frameworks. Due to changes in the policies, a number of private commercial banks, insurance companies and MFIs were established in the country sharing the former dominance of state owned financial institutions. The participation of private sectors in the economy has brought about competition in the financial sector of the country. In the future, the dominance of state owned financial institutions seems to cease though still the private banks look far chasing the public banks.

2.3.1. The Pre-Reform Financial Sector

The pre-reform period here refers to the period 1974 to 1991, which was known as the Derge regime. During this period, all private banks were nationalized. The National Bank of Ethiopia was at the apex of the banking structure and engaged in all the functions of central bank. As noted earlier, Commercial bank of Ethiopia, Agriculture Development Bank, Development Bank of Ethiopia and Housing and saving Bank were in operation. In addition to these banks, there were

also two other financial institutions: Ethiopian Insurance Corporation and the Pension and Social Security Authority. The commercial Bank of Ethiopia followed by the Development Bank of Ethiopia was the most important banks in the country both before and after reform. On average, the Commercial Bank of Ethiopia alone comprises more than 90% of the total deposit (while the share of the Developmental Bank of Ethiopia is 1.3%), and 71% of the total loans are advanced in which the Developmental Bank of Ethiopia has a share of 16% (Alemayehu 2006).

2.3.2. The Policy Regime in the Pre-Reform Period: Financial Sector and Ideology

In Ethiopian history, the period from 1974 to 1991 is known as the dictator regime in which every national plan was controlled by the central government of the country. Both financial and economic plans of the country were highly controlled by the central government. So, the National Bank of Ethiopia was established by proclamation number 1976 to facilitate the central controlling of the financial system in the country. According to proclamation 1976 article 6 was about the role of the National Bank of Ethiopia which was fostering the balanced and accelerated economic development in the country. In this period, the National Bank of Ethiopia was actively involved in direct controlling of all financial institutions by (a) fixing both deposit and lending interest rates; (b) directly controlling the foreign exchange and credit allocation which was done in a discriminatory manner, by favoring the public sector, and (c) by directly financing government deficit (National Bank of Ethiopia, 1998). Bank supervision/regulation has been largely limited to on and off inspection in a few branches. The Derg regime was also characterized by an economic policy largely informed by the ideology of socialism.

Furthermore, the Derg was in favor of socialism and controlled the foreign exchange earnings and credit allocation through the National Bank of Ethiopia. The National Bank of Ethiopia would allocate all the foreign exchange earnings to socialized sectors. Similarly, credit allocation was informed by the same ideological considerations. In consultation with the Ministry of Finance and the Planning Ministry, the National Bank of Ethiopia projected the financial planning of the economy. Based on some statistical survey, it would determine the credit need of different sectors by favoring the priority investments. In credit allocation, financial institutions used credit policy as a factor of strengthening and expanding the socialized sector and encouraging the socialization of others (Antonio 1988: 71-72). This favor of the socialized sector was shown by the fact that a good part of the bank resources were directed to the socialized sector (for instance, 68% of Agricultural Development Bank resources were allocated to state farms) and that the state farms and cooperatives were not required to have collateral when granted loans. As noted by Antonio (1988), this restrictive policy had resulted in excess liquidity in the banking sectors in the 1980 chiefly because of (a) the biased credit policy; (b) the collateral requirement on the private sector; (c) seasonal trends and the (then) existing economic condition as well as (d) The Commercial Bank of Ethiopia's inefficiency (Antonio 1988).

2.4. The Structure of the Financial System in Post-reform Period

After the new government controlled power, there were many financial and economic reforms that took place in Ethiopia. The financial reform was started in 1991. The strategy that the country followed in the financial liberalization was the gradualism strategy. This strategy is highly criticized by the World Bank and International Monetary Fund because of its sluggish nature. However, considering its immature financial system, adopting the gradualism strategy was the best choice for Ethiopia. The living standard of the society in the country was very low and its economic development was backward because of the civil war during the Derg regime.

In order to improve the living standard and condition of the society, the government designed different financial and economic reform. In the country, the structural reforms concentrated on lifting most domestic price controls, reducing import tariffs, and moving to a market-based system of foreign exchange allocation. Exchange-rate reform began in October 1992 with a devaluation of 140 per cent, i.e. from 2.07 Birr for a dollar (the rate at which it was fixed for nearly two decades) to 5 Birr for a dollar. The devaluation size was justified by the substantial premium on the parallel market, which was 238 per cent at one point. A foreign exchange auction system was introduced in 1993 (Aron 1998).

The financial and economic reform that Ethiopia implemented resulted in increasing the inflow of the financial aids in the support of the reconstruction and transitional program. Ethiopia was the first World Bank client in the sub Saharan Africa in 1998. From the 1993 to 1995 the reform and reconstruction was highly supported by the World Bank structural adjustment program and the International Monetary Fund that enhanced structural adjustment facility. In Ethiopia, enhanced structural adjustment program was launched in 1996, but it was stopped in 1997 because of the disagreement with the governments. The main reasons for their disagreement were the big share of the financial assets of the commercial bank of Ethiopia. The other was they required the government to open financial market for foreign financial institutions. Limitations on the operation of foreign exchange bureau were another source of disagreement (Stephen 2001).

2.5. The Outcome of Financial Reform

One of the major changes of the financial liberalization policy in Ethiopia is in the banking industry. The 1994 financial proclamation allowed Ethiopian private sectors to invest in the banking industry. This proclamation resulted in the dramatic changes in the banking sectors in the country. In 2010 the number of the private commercial bank was around 17 and there were three government owned banks. During the same fiscal year, 289 new bank branches were opened by Commercial Bank of Ethiopia raising the total branch network in the country to 970 from 681. As a result, the bank to people ratio declined from 117,474 people to 82,474 in 2010/11. Even if the banking system in the country was improved still the share of the government owned banking sectors was larger than the private banks (National Bank of Ethiopia, 2010/2011). Because of this proclamation, there were also radical changes in the sectors of insurances and microfinance institutions. In 2010/11 there were 14 new insurance companies in the country. The number of the branches was 221 in the same year. On the other hand, before 1991 there was no microfinance institution in Ethiopia. Nevertheless, a after financial reform policy was implemented, there were around 31 microfinance institutions in Ethiopia. Their total capital increased by 24 per cent to Birr 2.9 billion and their assets rose by 27.6 percent to Birr 10.2 billion mirroring their ever growing rise in the economy.

In Ethiopia, still the banking industry was highly controlled by the state owned banking sectors. However, during the implementation, private bank was more effective and efficient than the government owned banking sectors (Alemayehu 2007). As in many developing countries, the financial institutions in Ethiopia provide very limited services. The banking sector faces a number of problems that hindered its proper functioning. Liquidity problems are widely seen and make the private commercial banks unable to finance big projects. As a result, this creates an imbalance between the demand for loanable funds and their supply (Wondaferahu 2010).

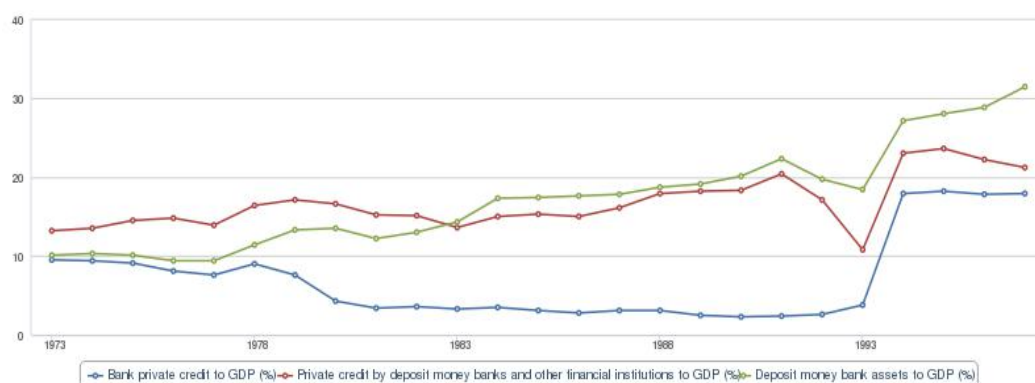


Figure 1: Trend of the Three Financial Development Indicators before the Financial Reform Implemented

In Figure 1, on average, until the financial reform took over in the country all three economic development indicators did not increase significantly. Specially, the percentage of the private credit of the bank to the GDP continuously decreased through time until financial reform took over in Ethiopia.

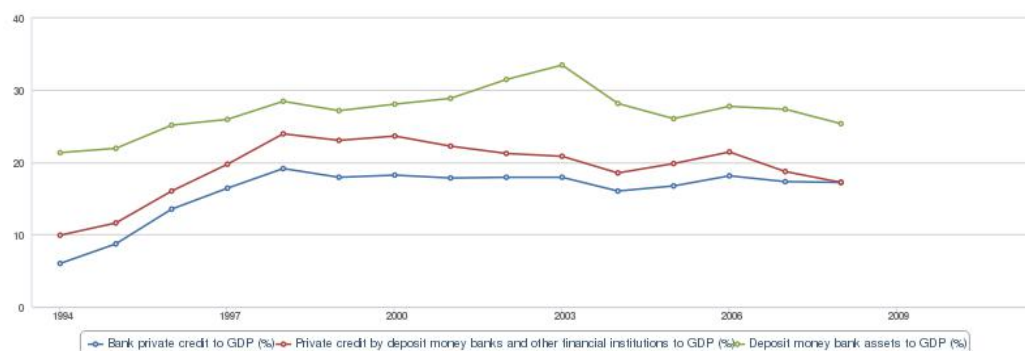


Figure 2: Trend of Financial Development Indicators after Financial Reform

Figure 2 shows the financial development indicators after financial reforms took place in Ethiopia. Since the starting date of financial reform policy, all financial development indicators continuously were growing.

Table 1: Branches of the Commercial Bank before Financial Liberalization

Year	Branches	Year	Branches	Year	Branches
1975	2	1983	4	1991	0
1976	2	1984	4	Total	63
1977	5	1985	3		
1978	6	1986	2		
1979	6	1987	6		
1980	11	1988	1		
1981	3	1989	3		
1982	5	1990	0		

Sources: Commercial Bank of Ethiopia Statistical Survey

As we can see from Table 1, the total number of branches of commercial Bank of Ethiopia was around 63 before the financial liberalization. This had effects on the accessibility of financial services in the country. Before the financial liberalization, there was no private bank. This made the Commercial Bank of Ethiopia have the monopoly on banks in the country. The story was changed after 1992. In the country, there were around 18 new private banks in the year 2014. The total branches of Commercial Bank were more than 970 (National Bank of Ethiopia 2010).

Financial development is the institutional set up that allows the efficient intermediation and effective financial markets. As the financial institutions in the country are stronger, it offers effective risk diversification and capital allocations. In addition, -it mobilizes huge saving capacity as well as funding for big projects. Financial development can be measured by a number of factors including the depth, size, access and soundness of financial system. It can be measured by examining the performance and activities of the financial markets, banks, bond markets and financial institutions. In general, as the financial development of the country is higher, it can provide efficient and effective financial services.

Tony and Alemayehu (2002) on their paper titled “Ethiopia’s New Financial Sector and Its Regulation,” explained what Ethiopia can learn from transitional experiences elsewhere. They explained diverse directionality of the development in the market oriented economic development. The study concluded that there was no one true path to market economy (Tony and Alemayehu 2002).

Ebisa (2012) on his paper of “The Effects of the Post 1991 Era Financial Sector Deregulations in Ethiopia: An inspirational Guide for Agribusiness found out the impact of financial reform on - financial institutions. The financial liberalization policy in Ethiopia resulted in the investment in the banking sectors by Ethiopians, the development of the insurance companies and establishment of the Micro Finance institutions. He concluded that for development of the economy of the country, the financial institutions of the country should invest in modern way in the agricultural sectors (Ebisa 2012).

Kozo, Barbara and Robert (2007) indicate that the nature of financial system in the country in which there is no foreign participation, evidence of a non-competitive market structure and strong capital controls. They also compare and contrast that the Ethiopia’s state owned and private banks noting that state owned banks were comparatively inefficient relative to private banks. In their research they found out that the financial liberalization has significant benefits that it may induce. In pursuing liberalization, the stakeholders’ concerns need to be acknowledged and addressed with reference especially to improvements of financial regulations and oversight. They concluded that the financial liberalization is not a panacea for Ethiopia’s broader economic problems. Nonetheless, it may serve to ameliorate these problems by improving the efficiency of the banking system and providing the basis for greater financial intermediation and economic growth (Kozo, Barbara and Robert 2007).

Stephen (2001) in a study on “Financial Reform in a Devolved African Country: Lessons from Ethiopia” found out that financial reform is not simply a slogan or a concept. He found out that reform is a multidimensional process that cannot be solved by introducing a single solution, be it double entry accounting, output/outcome budgeting or medium-term expenditure frameworks. He mentioned the basic requirement for the effective implementation of financial reforms needed - political commitment, administrative capacity and significant financial and human resources. It also took a long time for effective implementation. Stephen (2001) also found out the objective of financial development in Ethiopia and mentioned that the objective of Ethiopia’s financial reform should not be to win the international reform sweepstakes but to build a sound financial system

through a coherent, appropriate and feasible reform. The researcher concluded his research by highly recommending the importance of financial reform through and by sharing the Goran Hyden Penned idea that there were no shortcuts to progress in Africa (Hyden 1983).

All of the reviewed researches had some common weakness. First all the studies used a simple methodology in which it is difficult to know the short run and the long run impact of financial liberalization on the development of financial sectors. Second, all focused on outcomes of pre and post financial liberalization. Comparing only the outcomes of pre and post liberalization is not important for the policy designer to effectively design practical and achievable policy in the financial liberalization area. In general, based on the points above, the following main research gaps were identified. First, identifying the most potential area in financial liberalization in the Ethiopian context is most important for policy designers. Second, analyzing the short run and the long run impact of the financial liberalization is important to know direct impact of financial liberalization for the development of the financial sectors.

3. The Methods

3.1 Data Description

The population of this study consisted of selected financial Sector in Ethiopia. The study was drawn on data on the financial reforms policy conducted from 1973 up to 2005. The main sources of the data were Ministry of Finance and Economic Development, National Bank of Ethiopia, the World Bank Database for the Financial Development Indicators and data base of International Monetary Fund.

In this study, the dependent variable was the depth of financial development which was measured in terms of three financial development indicators. Deposit money bank assets (**DMBAG**) in GDP (%), Bank private credit in GDP (%) (**BPCG**) and private credit by deposit money banks and other financial institutions (**PCDMBFG**) in GDP (%). The independent variables were credit controls and excessively high reserve requirements, interest rate controls, entry barriers, State ownership in the banking sectors, capital account restriction, supervision of the banking sectors and security market policy.

3.2 Model Specification

To examine the effect of financial reform policy on financial development, the study was based on the bound testing approach for co integration within the framework of Autoregressive Distributed Lag (ARDL) Pesaran (2001). The model specifies the Financial Depth as a function of financial reform policy:

$$(\text{Findepth})_t = F(\text{Fin. Reform}, \text{gdp}, \text{inf.})_t \text{-----1}$$

Fin depth = financial depth, Fin. Reform= financial reform GDPG= annual growth rate of GDP and inf. = annual inflation rate. By recalling the basic form of an ARDL regression model:

$$\begin{aligned} (\text{Findepth})_t = & \beta_0 + \beta_1(\text{Findepth})_{t-1} + \dots + \beta_k(\text{Findepth})_{t-k} + \gamma_0(\text{fin. reform})_t + \gamma_1(\text{fin. reform})_{t-1} + \\ & \dots + \gamma_i(\text{fin. reform})_{t-i} + \delta_0(\text{gdp})_t + \delta_1(\text{gdp})_{t-1} + \dots + \delta_i(\text{gdp})_{t-i} + \mu_0(\text{inf.})_t + \mu_1(\text{inf.})_{t-1} + \\ & \dots + \mu_i(\text{inf.})_{t-i} + V_t \text{-----2} \end{aligned}$$

$\mu, \gamma, \delta, \beta$ = Coefficients to be estimated and v_t = Error term assumed to be white noise. There are several reasons for the use of ARDL model for bound test. *First* this model is more appropriate for small sample size (Pesaran and Tang 2001). *Second* unit root test is not mandatory. Third, bound

testing could be implemented regardless of whether the underlying variables are I (0), I (1). But in case of I (2), ARDL technique crashes and it yields spurious results.

With respect to Equation (2) it is assumed that there is a long-run relationship among the financial development and financial reform policy. As the direction of long-run relationship among the variables is unknown, a prior, the following unrestricted error correction model (UECM) can be regressed for determination of long-run relationship:

$$\Delta(\text{findepth})_t = \alpha + \sum_{i=1}^N \beta_i \Delta(\text{findepth})_{t-i} + \sum_{i=0}^N \gamma_i \Delta(\text{Fin.reform})_{t-i} + \sum_{i=0}^N \delta_i \Delta(\text{gdp})_{t-i} + \sum_{i=0}^N \mu_i \Delta(\text{Inf.})_{t-i} + \psi_1(\text{findepth})_{t-1} + \psi_2(\text{Fin.reform})_{t-1} + \psi_3(\text{gdp})_{t-1} + \psi_4(\text{inf.})_{t-1} + v_t \quad 3$$

Where ‘ Δ ’ is first difference operator, ψ_i = Coefficients to be estimated and v_t = Error term assumed to be white noise, ‘ i ’ is the number of lags, ‘ n ’ is the optimal lags length. The F-test is used for validating of long-run relationship. The null hypothesis for no long-run relationship amongst the variables in equation (3) is

$$(H_0: \psi_1 = \psi_2 = \psi_3 = \psi_4 = 0)$$

Against the alternative hypothesis

$$(H_1: \psi_1 \neq \psi_2 \neq \psi_3 \neq \psi_4 \neq 0).$$

Two critical values [I (0) and I (1)] were taken from the Pesaran (2001) table. The decision for rejection or acceptance of null hypothesis depending whether, the calculated F value is greater than Pesaran critical value or not. If it is greater than the upper critical value, the null hypothesis would be rejected. On the other hand, it would be accepted if it is less than the lower critical value. The result is inconclusive if it is between the upper and lower critical value (Younguck and Muhammed 2012). To find the maximum number of lags for all variables, $(n+1)^r$ number of regressions was estimated. Where ‘ n ’ is the maximum number of lags and ‘ r ’ is the number of variables in the equation. For annual data, the maximum lag selected is 2 following the Pesaran 1997. The optimal model can be selected using Akaike Information Criteria (AIC). Once we prove the existence of the long run relationships, the long-run model can be estimated as follows.

$$(\text{Findepth})_t = \Omega_0 + \Omega_1(\text{Fin.reform})_t + \Omega_2(\text{gdp})_t + \Omega_3(\text{Inf.})_t + V_t \quad 4$$

The short run model used to prove the diagnostic test and stability of the model. The error correction of co integration representation of the series can be specified as follow:

$$\Delta(\text{findepth})_t = \rho_0 + \sum_{i=1}^N \Pi_i \Delta(\text{findepth})_{t-i} + \sum_{i=0}^N \Theta_i \Delta(\text{Fin.reform})_{t-i} + \sum_{i=0}^N \Omega_i \Delta(\text{gdp})_{t-i} + \sum_{i=0}^N \Psi_i \Delta(\text{inf.})_{t-i} + \lambda \text{ECT}_{t-1} + V_t \quad 5$$

Where Π_i , Θ_i , Ω_i , Ψ_i , and Φ_i are coefficients of short-run dynamic parameters and λ captures the speed of adjustment and tells us how much of the adjustment to equilibrium takes place each period.

4. Empirical Results

4.1. Unit Root Tests

Even though the ARDL approach for co integration testing does not require the pre-testing of the variables for the unit root, it is imperative that this test was conducted to ensure that the series were not integrated of the order higher than one. The result for the Augmented Dickey-Fuller (ADF) is presented in Table 2 and as shown in this table all of the variables except privatization were stationery. These implies that the ARDL approach of co integration testing technique can be applied

as it is confirmed that the complex nature of dependent and independent variables by having I (0) and I (1) from the table four can be compromised by ARDL model.

Table 2: Unit Root Tests

No	Variables	ADF tests statistics		Criteria	Conclusion
		Level	First differences		
1	BPCG	-1.002433	-2.296502**	None	I(1)
2	DMBAG	-3.880658**	-	Intercept and trend	I(0)
3	PCDMBFG	-3.645956**	-	Intercept and trend	I(0)
4	Reform in credit control	-0.398174	-4.414533*	Intercepts	I(1)
5	Reform in interest rate control	-0.493435	-3.872983*	Intercepts	I(1)
6	Reform in entry barriers	-5.249229*	-	Intercepts	I(0)
7	Reform in banking supervision	-0.596285	-3.872983*	Intercepts	I(1)
8	Reform in capital account restriction	-0.402961	-4.416153*	Intercepts	I(1)
9	Reform in Security markets	0.330448	-4.874567*	Intercepts	I(1)
10	Gdpg	-5.416806*	-	Intercepts	I(0)
11	Inf.	-3.597927*	-	Intercepts	I(0)

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively.

4.2. Existence of the Long Run Relationship

In the ARDL analysis the first step is to determine the existence of the long run relationships among dependent and independent variables.

Table 3: F-Tests to Test for the Existence of the Long Run Relationship

Model	Specification	Computed F statistics value	Level of significance	Lower critical value (Pesaran critical value)	Upper critical value(Pesaran critical value)
Model one (BPCG)	Intercept	3.72	10%	1.899	3.047
			5%	2.163	3.309
			1%	2.76	3.987
Model two (DMBAG)	Intercept	5.918	10%	1.899	3.047
			5%	2.163	3.309
			1%	2.76	3.987
Model three (PCDMBFG)	Intercept	4.89	10%	1.899	3.047
			5%	2.163	3.309
			1%	2.76	3.987

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively.

The computed F-statistics and the critical values computed by Pesaran et al (2001) are shown in the Table 3. The Table proved the existence of the long run relationship among dependent and independent variables. In model one, the calculated critical value is greater the Pesaran critical value at five percent significance level. This shows that null hypothesis is rejected at five percent significance level. Therefore, Bank Private Credit to GDP has the long run relationship with the financial reform variables. In models two and three, the calculated critical value is greater than the Pesaran critical value at one percent significance level. Therefore, the null hypothesis is rejected and proves the existence of the long run relationship between Deposit Money Bank Asset to the

GDP and Private Credit by Deposit Money Bank and other Financial Institutions to the GDP with financial reform indicators.

Once the existence of the long run relationship was proved, the structural stability was checked by estimating the CUSUM test. As shown in the following three figures, the two red lines are the boundary for the stability of the model. The green line is the structural stability line. In all three CUSUM test result, the stability line didn't cut the red line. Therefore, all are structurally stable.

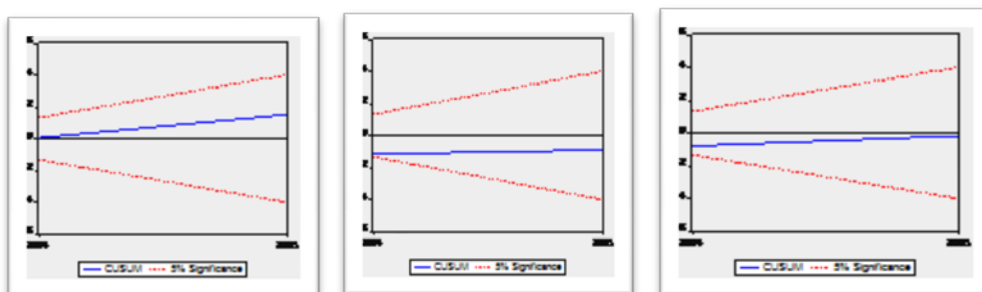


Figure 3: CUSUM Test for Model 1; CUSUM Test for Model 2 and CUSUM Test for Model 3

4.3. The Long Run Estimate

4.3.1. The Long Run Impact on Bank Private Credits to the GDP Ratio

The following table shows the long run impact of financial reform indicators on the development of Bank *private credits to GDP* ratio (%).

Table 4: The Long Run Impact of Explanatory Variable on BPCG

Model 1 (dependent variable (BPCG)	Variable	Coefficient	Std Error	R-squared	Adjusted R-square
	C	4.13***	0.65	0.89	0.86
	Bankingsuperv	11.62***	1.78		
	Creditcontrols	-0.41	0.94		
	Entrybarriers	1.84***	0.59		
	Intlcapital	-0.09	1.27		
	Gdp	0.02	0.07		
	Inf	0.04	0.03		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively

As shown in Table 4, reform of banking supervision and removal of entry barriers in financial sector are the two major variables that have a significant impact. In Ethiopia, all financial sector particularly the banking sector is supervised by the National Bank of Ethiopia. This helps for effective and efficient decision making in the banking sectors, which helps the expansion of bank private credit to the GDP ratio. As indicated in Table 4, one level improvement in the banking supervision would increase the development of bank private credit to the GDP ratio by 11.62 percent. Furthermore, the proclamation that allowed citizens of the country to participate in the financial sector had a big impact on the growth of bank private credit at the GDP level. One level improvement on the restriction of entry in the banking industry would enhance the development of bank private credit for the GDP by 1.84 percent. This has a strong implication for the government to remove the restriction of investing in financial industry. Furthermore, it highly increased the

accessibility of the financial sector. On the other hand, reform in credit controls, capital account restriction and GDP growth rate and inflation growth rate have insignificant impact on the expansion of bank private credit for the GDP.

4.3.2. The Long Run Impact of Financial Reform Variable on Deposit Money Bank assets to the GDP

Table 5 shows the long run impact of the financial reform policy on the development of deposit money bank assets for the GDP which is one of the indicators for the development of financial industry. As indicated in Table 5, reform in credit control and entry barriers have a significant impact on the development of deposit money bank assets for the GDP. Reform on credit control and entry barrier have significance at one and five present significance level, respectively. One level increment in reform of credit control increases the development of deposit money bank assets for the GDP by 5.27 percent. However, one level increment of reform in entry barriers in financial sectors decreases the deposit money bank assets to the GDP by 2.08 percent. Deposit money bank assets for the GDP measure the level of banks' deposit in relation to the national GDP.

Table 5: The Long Run Impact of Financial Reform Policy on DMBAG

Model 2 dependent variable (DMBAG)	Variable	Coefficient	Std Error	R-squared	Adjusted R-square
	C	15.99***	0.99	0.83	0.77
	Bankingsuperv	2.87	0.42		
	Creditcontrols	5.27***	1.42		
	Entrybarriers	-2.08**	0.96		
	Intlcapital1	1.75	3.37		
	Intravontrol	3.90	3.19		
	Securymarket	-1.49	2.41		
	Gdpg	-0.02	0.11		
	Ing	-0.03	0.06		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten present significance level respectively

This variable was directly affected by the introduction of new financial sectors like insurance, microfinance and credit and saving institutions as customers transfer bank deposit to these financial sectors. Therefore, reform in entry barriers decreases the development of deposit money bank assets at the GDP level.

4.3.3. The Long Run Impact of Financial Reform policy on Private Credit by Deposit Money Banks and other Financial Institutions to the GDP

Table 6 shows the long run impact of financial reform policy on the development of private credit by deposit money banks and other financial institutions for the GDP.

As can be inferred from Table 6, banking supervision, capital account restriction and interest rate control have significant impact on the development of private credit by deposit money banks and other financial institutions to GDP. Out of which reform in banking supervision and interest rate control have positive and statistically significant impact for private credit by deposit money banks and other financial institutions for the GDP. One level increment in reform of banking supervision enhances the development of private credit by deposit money banks and other financial institutions for the GDP by 5.01 percent. On the other hand one level increment in reform in interest rate control improves the development of this dependent variable by 4.62 percent. On the contrary,

reform in capital account restriction has a negative impact on the development of the private credit by deposit money bank and other financial institutions for GDP level. This happened because capital outflow directly affects the probability for private sector to get credit from existing financial institutions.

Table 6: The Long Run Impact of Financial Reform Policy on Private Credit by Deposit Money Banks and other Financial Institutions for the GDP

Model 3 DV (PCDMBFG)	Variable	Coefficient	Std Error R- squared value	R- squared	Adjusted R-square
	C	15.32***	0.63	0.74	0.66
	Bankingsuperv	5.01**	2.21		
	Creditcontrols	-1.45	0.90		
	Entrybarriers	-0.78	0.61		
	Intlcapitall	-3.94*	2.13		
	Intraventrol	4.62**	1.96		
	Securitymarket	1.74	1.53		
	GDPG	-0.04	0.07		
	ING	0.07	0.03		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively, DV stands for dependent variable

Generally, more than 66 percent of financial reform policies implemented in Ethiopia will have positive and significant impact on development of financial sectors in the long run. Therefore, for the government to maximize the boom of financial sector at a maximum level, it is better to speed up the implementation of both domestic and international financial reform policy.

4.4. The Short Run Estimate

In the short run model, the value of Error Correction Term (ECT) measures the speed of adjustments towards the long run equilibrium. Its magnitude shows the probability of the disequilibrium from the previous year's shock converged back to the long run equilibrium in the current year. Specifically, its value should be negative, less than one in absolute value and it must be statistically significant.

4.4.1. The Short Run Impact of Financial Reform Indicator on Development of Bank Private Credit to the GDP

Table 7 shows the short run impact of the financial reform policy on the development of bank private credit for the GDP.

As noted in Table 7 in the short run, reform in banking supervision and entry barriers had positive and significant impact on the development of *Bank Private Credit to the GDP*. One level improvement in banking supervision enhances the development of bank private credit to the GDP by 4.62 percent in the short run. Similarly, reforms on the restriction of entry barriers to the financial sector improve the development of bank private credit to the GDP by 0.56 percent. The level of disequilibrium would be adjusted towards the long run equilibrium by 22 percent.

Table 7: The Short Run Impact of Financial Reform Policy on Development of Bank Private Credit for the GDP

Model 1 (BPCG DV)	Variable	Coefficient	Strd. Error	R- squared	Adjusted R- square
	C	0.01	0.21	0.64	0.51
	D(BPCG)	0.34	0.14		
	D(BANKINGSUPERV)	4.62**	1.22		
	D(ENTRYBARRIERS)	0.56***	0.71		
	D(INTLCAPITAL(-1))	-0.09	1.10		
	D(INTRATEVONTROL)	1.80	1.54		
	D(SECURITMARKET)	-0.45	0.94		
	D(GDPG(-1))	-0.03	0.02		
	D(ECT(-1))	-0.22***	0.10		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively;
DV-dependent Variable

4.4.2. The Short Run Impact of Financial Reform Indicator on Deposit Money Bank Assets to the GDP

Table 8 shows the short run impact of financial liberalization indicators on deposit money bank assets for the GDP.

Table 8: The Short Run Impact of Financial Reform Indicators on the Development of Deposit Money Bank Assets for the GDP

Model 1 short run model	Variable	Coefficient	Std Error R- squared value	R- squared	Adjusted R- square
	C	0.59	0.36	0.45	0.31
	D(DMBAG(-1))	0.25	0.22		
	D(bankingsuperv(-1))	-0.88	2.02		
	D(Creditcontrols(-1))	-0.79	1.26		
	D(entrybarriers(-1))	0.79	0.64		
	D(intlcapital(-1))	0.50	1.67		
	D(intratevontrol(-1))	-2.65	1.96		
	D(securitymarket)	0.77	0.98		
	D(ECT(-1))	-0.27*	0.13		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively

As Table 8 shows, all financial reform indicators did not have any significant impact on the development of deposit money bank assets the GDP. This shows the dynamicity of financial reform indicators in the short run. Nonetheless, the value of error correction term (ECT) shows the model convergent towards the long run equilibrium. In the long run 27 percent of disequilibrium will be corrected.

4.4.3. The Short Run Impact of Financial Reform Indicator on Private Credit by Deposit Money Banks and Other Financial Institutions to the GDP

Table 9 shows the short run impact of financial reform policy on the development of private credit by deposit money banks and other financial institutions for the GDP.

Table 9: The Short Run Impact of Explanatory Variable on PCDMBFG

Model 1 PCDMBFG	Variable	Coefficient	Std Error	R- squared	Adjusted R-square
	C	0.12	0.29	0.69	0.54
	D(PCDMBFG(-1))	0.85***	0.17		
	D(BANKINGSUPERV(-1))	-5.48	3.30		
	D(CREDITCONTROLS(-1))	1.42	1.22		
	D(ENTRYBARRIERS(-1))	0.56	0.47		
	D(INTLCAPITAL(-1))	-1.77	1.96		
	D(INTRATEVONTROL(-1))	-3.04*	1.65		
	D(SECURITMARKET)	3.48	2.71		
	D(GDPG(-1))	-0.11**	0.03		
	D(ING(-1))	-0.05**	0.02		
	ECT(-1)	-0.74***	0.17		

Source: Author Estimation

Note: ***, ** and * represent one, five and ten percent significance level respectively

As Table 9 indicates, in the short run, the first difference of private credit by deposit money banks and other financial institutions for the GDP, reform in interest rate control, GDP growth rate and inflation growth rate have a significant impact on the development of private credit by deposit money banks and other financial institutions to GDP. Only the first difference of private credit by the deposit money banks and other financial institutions for the GDP had positive and significant impact on the development of financial sectors. However, reform on interest rate control did not have positive impact on the development of financial sectors. In addition to this, the country's GDP growth rate had a negative impact on the development of the financial sectors.

Generally, in the short run, most of the financial reform policy did not have any significant impact on the development of the financial sectors. This shows the dynamicity of the financial sector in the short run. Out of all financial reform policies implemented in the country, reform in the banking sector with supervision has a greatest impact on the development of the financial sectors in the study.

5. Conclusions and Recommendations

5.1 Conclusions

The purpose of this study was to analyze the impact of the financial reform policy on financial sector development in Ethiopia as well as identify the most effective financial reform policy. To that end, the study was drawn on the Autoregressive Distributive lag (ARDL) approaches to analyzing the data. The results of the study indicated that out of all financial reform policies implemented in the country reform, in banking supervision, entry barriers, credit control and interest rate control had positive and significant impacts on the development of financial sectors in the long run. This implies that more than 66 percent of the financial reform policies implemented in the country have positive and significant impact on the development of financial sectors. However, in the short runs only reform in banking supervision and entry barriers showed positive and significant impact on the development of the financial sectors. The study also revealed that reform in banking supervision was the most promising financial reform policy. In the short run, the value of ECT for all models is negative, less than one in absolute value and statistically significant. It has shown that all short run models are convergent towards the long run equilibrium.

5.2 Recommendations

Reform policy for financial privatization is nearly a singular matrix. This is caused by a large share of financial assets owned by the government owned financial institutions. To increase the share of privatization in the financial assets, the government of Ethiopia should decrease the government owned banks' financial assets and give attention to the private banks.

As the impact of financial reform is positive and significant for the development of the financial sector, it is indispensable for the government to speed up both domestic and international financial reform. Furthermore, to learn and share experience, skill and technology, it is necessary for the government to allow foreign investors to invest in the financial sector in the form of joint venture or merger.

Since reform in banking supervision is the most promising issue, it is recommendable for the government to fully implement it across the country.

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Shifting of Priority of Knowledge and Its Implications for Academic Profession at Addis Ababa University

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Abstract

The study examined the consequences of shifting of priority of knowledge for academic profession at Addis Ababa University. It offers a comparative account of two faculties: Addis Ababa Institute of Technology (AAiT) and College of Social Science (CSS). Relying on Rational Choice Institutionalism (RCI) and Institutional Sociology of Professions (ISP), and employing mixed-method research, the findings of the study indicated that the shifting of priority of knowledge has the effect of shaping academics' preference aligned with micro-level institutional set-ups such as the need for increased remuneration. In contrast, professional and normative rules that constitute macro-level institutional set-ups tend to be less important. Inter-faculty comparison shows that though academics at the AAiT tend to consider micro-level institutional measures more important than the academics at the CSS, a result of t-test (-1.701 and sig.0.094) showed that the difference between the faculties is not statistically significant. The implications are that micro-level institutional set-ups tend to shape professional identities, and thereby, on individual basis, amplifying economic rationality of the academics and making collective identity less visible. In conclusion, the shifting of priority of knowledge finds a better explanation in rational choice institutionalism as compared to institutional sociology of professions implying that strengthening governance arrangements at micro-level institutional set-ups would work in addressing economic needs, which are largely short-term. In order to provide for a more sustainable arrangement for academic governance that help slow and reverse the dissolution of the collectivity and enhance academic professionalism, measures that reconstitute professional norms and values should be emphasized.

Key terms: *Higher education reform, shifting of priority of knowledge, academic profession, Addis Ababa University*

1. Introduction

Higher education reforms in the post-1991 Ethiopia brought about a paradigm shift in the functions of universities. The function of the university shifted from a cultural function of knowledge creation to a production function of human resource development (Amare 2007).

Macro-economic policies are the sources of the paradigm shift. Even if the roots of the shifts may be traced back to earlier national strategies for poverty reduction such as the Plan for Accelerated Development to End Poverty (PASDEP), the change finds a better explanation in the Growth and Transformation Plan (GTP), which laid down strategies that a growing economy may demand. It is further consolidated by the 2010 national Science, Technology and Innovation (STI) policy of Ethiopia. Projection is made to grow to a middle income country by 2020/2025. Certainly, the link between higher education and economic growth has become an agenda. The conviction is that *tertiary education can help economies keep up or catch up with more technologically advanced societies* (Bloom et al 2006).

The implication of macro-economic policies for higher education of Ethiopia is that universities are increasingly entrusted with the responsibility for producing human power that should be aligned with the demand across the country. This emphasis on human resource development identifies itself

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closely with science and technology as a priority area of knowledge. The paradigm shift has thus espoused a change of priority of knowledge in favor of science and technology and in a sharp contrast with the humanities and social sciences. The shift finds a formal and legitimate basis in various regulatory instruments. Notable ones are Higher Education Proclamation No. 650/2009 which replaced Higher Education Proclamation No. 351/2003, and a quota-based admission policy of “70:30 University-Intake-ratios”, which serves as a policy instrument to implement the new priority of knowledge in higher education. The STI¹ Policy affirms the same change under its human resource development strategy section. It is argued that these reformatory instruments which have institutionalized the shifting of priority of knowledge in higher education correspond to a shifting of priority of academics’ role, preference, governance, and professionalism in the respective disciplines of the science and technology and the humanities and social sciences.

A similar trend may be the case elsewhere. Sweeping changes in socio-economic and political landscapes that inform policy changes is increasingly breeding changes in academics’ work, preferences, governance, and their professionalism (UNESCO 2007). Changes in academics’ work would trigger a need for understanding changes in academics’ condition thereby making the academics one of the intriguing subjects of research in higher education.

In its publication of a book entitled *Key Challenges to the Academic Profession*, UNESCO (2007) emphasized the need for a serious analysis of the status of the academic profession and its challenges in the 21st Century knowledge society which espouses the knowledge economy. Arguments and evidences converge in attesting that the academia is emerging as “a domain in transition which is characterized by tensions” largely driven by the expansion of students, and in the context of globalization which demands innovative responses from its most powerful institutions such as universities. Furthermore, it is highlighted that whereas academic freedom and collegial relationships are upheld as not only strong but also nearly taken for granted values of the academy and universities, the changing contexts of knowledge production put these values under overriding pressures, subsequently endangering the survival of the core identity of academics and universities (Kogan and Teichler 2007; Becher and Trowler 2001).

Another changing trend that may add complexity to academics’ work is a shift from elite higher education to mass higher education, which has adverse implication for substantive growth of disciplines. According to Clark (1996), substantive growth is knowledge-led and generated largely by research. In contrast, mass higher education presupposes growth in faculty, facilities, and system size and it is principally grounded in increases in student numbers. Mass higher education is “reactive growth” as it is “student-demand-led” generated by student enrollment. It has implications for academics. *Faculty are intensely tuned to substantive growth, while system officials and university administrators are obliged to give high priority to coping with student expansion and to governmental and popular interest in increased access* (p. 424).

In Ethiopia, as it is highlighted earlier, dramatic changes in higher education over the last two decades involved not only expansion and growth in size which entail mass higher education (Assefa 2008) but also unprecedented directional changes which have swept the system. On the one hand, reforms reversed past trends in the quantitative structure of, for example, student enrollment. On the other hand, changes in the quantitative structure of student enrollment displays priority of one discipline over the other, which then raises the question of recognition, among others. Prior to reforms, the humanities and social sciences admitted more number of students than the science and technology. In 2001/2002 academic year, a combined enrollment for the social science and commerce was 43%. It showed a growth trend of an increase from a 25% enrollment in the 1992/1993 academic year. During the same period, enrollment for the science and technology was 17%. It showed a declining trend in that it dropped from a 30% enrollment in the 1992/1993

academic year (World Bank 1998a; MoE 2002a, 2003). In a decade, there came a reversal in the system wherein admission rate for science and technology was peaked at 74% in the 2012/2013 academic year, which was about 335% growth, whereas admission rate for the humanities and social science dropped to 26%, which was nearly 40% decline.

Despite increased recognition, the responsibility to train a greater number of students in science and technology, particularly engineering, means that the staff are entrusted with increased workload. This is happening in a situation where the institutions are not well prepared for accommodating the change. The exiting staffs are largely juniors; and there is only a short supply of academics in the labor market, both in quantity and quality. Not only availability is problematic but also the university is not in a position to offer attractive remuneration to hire, develop and retain quality academics.

On the other hand, the reforms present challenges to recognition of disciplines in the social science, which has had adverse implications for the works of academics at the CSS. Any potential or actual downplaying of academics' work in the CSS has the potential and actual effect of disengaging the existing staff, demeaning the benefits they may derive from their job, and curbing opportunities for future growth of the disciplines and professionalism thereof. Reforms have already threatened some disciplines, and the departments of, for example, philosophy and history are already getting shut down.

It suggests that academics respond to policy change in a way that they perceive what is in it for them, and how they may go along with the system. It is argued that different actors, notably students, academics, and the university as an institution, are affected differently in the implementation of the reform policies, and therefore, they need to be governed accordingly. The researcher is convinced by the argument that the ways in which academics are governed determines the quality of professionalized services they offer and the meeting of the objectives of higher education (Burau and Andersen 2014). In this particular research, therefore, the researcher is concerned with examining how policy change would influence the expectations, preferences and orientations of academics about their governance. It seeks to understand how the shifting of priority of knowledge affect what the academics prefer to be their most desired form or means of governance, that is, what governance arrangement the academics prefer and prioritize and how that is related to their professionalism.

The purpose of this study is to examine the consequences of shifting of priority of knowledge for academic profession taking Addis Ababa University as a case. It offers a comparative account of two faculties: Addis Ababa Institute of Technology (AAiT) and College of Social Science (CSS). Accordingly, the following specific questions are addressed: (a) How does shifting of priority of knowledge affect micro-level institutional set-ups, which shape academics mainly as individual professionals? (b) How does shifting of priority of knowledge affect macro-level institutional set-ups, which shape academics mainly as a collective profession? And (c) What is the variation between faculties-AAiT and CSS?

2. Review of Related Literature

2.1 The Concept of Profession and Professionals

The concept of "profession" has long been controversial (Burau and Andersen 2014; Quddus 2007; Evetts 2003; Freidson 1994). The case is more so when it comes to the teaching profession, especially in the context of developing countries (Quddus 2001). Writers like Schein (1974), Langford (1978), and Hoyle (1980) offer criteria for defining the concept. Hoyle (1980) defines a profession as an occupational group equipped with a high degree of skills and a systematized

knowledge. Socket (1987) defines the concept in terms of the roles and the goals intended in it. For this writer, a profession will have a particular stake in public policy making, and guided by a distinct code of ethics that targets the interests of the clients it may serve. Table 1 describes five traditional schools of thought of the 'profession.

Table 1: Schools of Thought on Profession and Essential Elements

Schools	Definition of profession	Essential elements of profession
Traits school	A profession is an occupational group with particular features or traits.	A list of 'attributes' e.g. (a) professional skill and competence; (b) the provision of training and education; (c) organization; (d) altruism etc.
Functionalist school	A profession is a mean[s] to control practitioner-client relationships and 'functional relevance' of professionals' activities.	The functional relevance for the society i.e altruism; a high degree of generalized and systematic knowledge, and professional-user relationship.
Structuralist School	A profession is an institutionalized form of control, where the content of work and the professional-user relation are less important.	The structure (e.g. professional association) is the key for control over the market, issuing license to practitioners, set up a code of ethics. Professionalism is a matter of collective choices and asset for collective mobility.
Monopoly School	Professions are those occupations succeeded in seeking the state ['s] recognition and delegation of power, which give the profession a high degree of autonomy.	The state recognition and delegation of power give the profession a high degree of autonomy, dominance, and secure and privileged place in the economy. Professionalism is a matter of collective choices and asset for collective mobility.
Cultural School	A profession consists of a group of individual practitioners, who are protected by their specific professionalism from the structured, rigid employment in the capitalism.	The professionalism of an individual practitioner is not the function of state that protects market for professionals and it is the metaphor for vertical mobility and has the consequences for status and power for individual practitioner. Professionalism is a matter of individual choices and corporate action only taken for granted to protect or extend them.

Source: Adopted from Quddus 2007b

Generally, people in occupational groups can be understood as individual professionals and as members of collective profession. In identifying a collective profession from individual professionals, Friedson (1994), Abbott (1988), Hoyle (1987), and Socket (1985) share views on the essentials that may make up a professional and a profession. Accordingly a professional is someone who has a specialized skill and a higher level of knowledge obtained through a recognized training that spans over a standardized years of education; the professional is certified through bestowal of degrees and diplomas; the certified skills and knowledge should lead to a full-time occupational engagement as the main source of livelihood for the practitioner; the practitioner should be able to exercise a certain degree of autonomy while delivering services for clients; and the practitioner is governed by a clearly defined set of ethical codes of conduct that prescribes behaviors, ascribes entitlements, and rewards and sanctions for inappropriate actions and inactions.

For Burau and Andersen (2014), professionals are rational-individual actors who tend to pursue utility maximization by virtue of their recognized knowledge and skills. For the authors, a professional is different from a profession. They conceive of a professional as an individual and a

profession as a collective. The two are, however, inseparable. The professional is a member of a profession.

2.2 Professionalization of the Academics

According to Carlgren (1996), at least two interrelated issues would arise when we talk about teachers as professionals. One is professionalism, which refers to teachers' professional knowledge and quality of teachers' work, and the other is professionalization, which refers to the process of making the teaching occupation a profession. Combined elements that define professions and professionals constitute professionalism (Quddus 2007; Bond 1996). Professionalism is a system. It is the system in which professionals and professions operate and they are governed. As a term conceived of '-ism', 'professional-ism' denotes a typical way of thinking, acting, behaving and doing things (See Cambridge Advanced Learner's Dictionary). Professionalization denotes a process of producing professionals and professions. In other words, professionalization is the process through which an occupation becomes a profession (Carlgren 1996 cited in Quddus 2001).

Viewed from an 'actors-model' of profession, professionalization depends on contexts, and the state plays much of the roles in the professionalization of an occupational group. This is more so in developing countries wherein democratic institutions are weak and professionalization is largely politically-oriented (Quddus 2001). Public institutions exist at the will of government, and their existence also influences the decisions of the government. Friedson (1994) identifies three actors (training institutes, professional organizations and the state) that determine the form, success and/or failure of what he calls the 'ideal-type-professionalism' whereas Burrage et al (1990) add one more actor, that is the user or students in the teaching profession. For these authors, the state is both a regulator of professional life and an instrument of professional advancement. It involves in every aspect of the existence of a profession, including the determination of its organization, resources, education, licensing, determining inter-professions relations, and the marketization of their services (Quddus 2006).

Professions and professionals themselves also shape governing regimes. As Burau and Anderson (2014) observe, whereas rules made and standards set by the government govern professionals and professions, they would also govern themselves through, markedly, professional codes of conduct and by virtue of their knowledge. Thus politics, economics and knowledge are interwoven in a complex set of relationship in the governance of the academic profession (Halvorsen 2010a, 2010b, 2007; Halvorsen and Nyhagen 2007).

2.3 Governing the Academic profession: Theories of Professions and Professionals

Burau and Andersen (2014) suggest that a combination of the *rational choice institutionalism* (RCI) and the *institutionalist sociology of the professions* (ISP) can be used as a theoretical framework in the study of professions. They argue that how professionals are governed determine the quality of professionalized services such as teaching (p.264). But a "duality of actions in professional fields" co-exists in the form of individual professional actors and the professions as collective actors (p.265).

The theories mutually contribute to explaining the behavior of professionals and professions, and how they are governed at micro and macro-levels. The authors recognize several factors that would compel the use of the RCI and the ISP theories in the study of professions. Most importantly, they argue, the role of expertise in contemporary societies is changing due to various public sector reforms, which also changed their governance.

The authors identify two major factors, both of which are associated with the New Public Management (NPM) reforms. The NPM reforms tailored a changing role of expertise in contemporary societies. Firstly, the increasing infusion of market values into the public sector has

transformed professional identities from the more traditional collective-normative occupations to individual-rational actors. This means that there is such a trend of moving away from the ‘profession’ to the ‘professional’ status, ushering in a redefinition of professional actors. The authors observe that:

In the past, the individual professional was primarily a part of a profession, following the professional norms of the occupation; this type of professional tended to be less visible as an individual. Presently, professionals emerge center stage and increasingly make important economic decisions. Nevertheless, professionals are still very much part of a profession (p. 270).

Secondly, there is a challenge to professional autonomy as a result of the NPM measures such as intensified competition to meet standards and measures of performance. Imposed discipline tends to empower other actors over professionalized services, which may stand to the detriment of the powers of professionals. Hence, in order to capture a more complete understanding of occupational groups and their governance at micro and macro levels, the authors argue for the use of a triangulated version of RCI and ISP.

2.3.1 Rational Choice Institutionalism (RCI)

The rational choice institutional approach to public administration tries to understand public employee behavior based on microeconomic assumptions (p.265). The underlying assumptions are rooted in ‘methodological individualism’ and micro-economic expectations. It assumes that:

[...] behavior reflects the choices made by individuals as they, constrained by institutions, try to maximize their benefits and minimize their costs. [...] the main focus is on how micro-level institutions impact on individual behavior and outcomes (Miller 2000b: 535). [...] studies of employee behavior also reflect the approach’s microeconomic legacy (p. 272).

The RCI draws on a utilitarian approach to explaining individual behaviors vis-à-vis economic interests. It considers individuals as utility maximizing persons whereby, essentially, employees get committed to their work in expectations of material gains. From the perspective of RCI, therefore, micro-level institutions such as remuneration schemes are key determinants of how professionals may be governed.

However, Burau and Andersen contend that RCI is not a strict or “canonical” rational choice theory that assumes persons as purely cost-benefit calculators, utility-maximizing beings or purely economic-rational-individuals. In addition, RCI considers professional traits that may be achieved collectively (e.g. expert knowledge, specialized education, code of ethics etc.). RCI recognizes macro-level institutional set-ups as equally important as the economic-rationality or utility maximizing behavior of individual actors. This approach is thus at a stark contrast with the ‘methodological individualistic’ rational choice approach, which does not include socially instituted patterns of behavior. Yet, RCI sticks to the assumption of rational choice theory. Also, it proposes sanctions for noncompliance in the interest to maintain a profession’s professional status at least in the long run. Generally, RCI expects professional actors to act as individual professionals, incentivized by personal gain, but constrained by sanctioned intra-occupational norm (p. 275).

2.3.2 Institutional Sociology of Professions (ISP)

The institutional sociology of professions adopts an institutional approach to analyzing professions and their dynamics (p.265). Its assumptions offer an explanatory power for understanding ‘collective actors’ and ‘macro-level institutions’. It takes into account contextual

factors, for which it is so termed. The focus on collective-actors and macro-institutions allows for ample analyses of the governance of professions, but not governance of professionals (p.271). ISP presupposes a strong link between professional actors and the social organization of power.

The expectation of the institutionalist sociology of professions is that professional actors act collectively as professions and that the activities of professions take shape through specific, institutionally conditioned struggles for power (p. 276).

Both regulative and normative institutions impact on how professions are governed. In other words, power positions and professional values and norms determine the governance of professions. Specifically, institutions at the macro-level shape how professions are governed. In summary:

[RCI] expects professional actors to act as individual professionals and for their behavior to depend on incentives and norms sanctioned by other professionals. [ISP] expects professional actors to act as collective professions and for the profession's activities to be contingent on the interplay among actors who have a stake in governance or as contingent on the specific organization of work (p. 278).

The theories have different assumptions about professional actors and professions. Taken together, they offer a more complete understanding of the professions. The two perspectives emerge as each other's' blind corners; ... they offer different yet potentially complementary insights. The RCI analyzes primarily micro-level institutions and individual professionals whereas the focus of the ISP is on macro-level institutions and collective actors. Importantly, however, the two approaches lend themselves to theoretical triangulation (p. 278).

3. The Methods

3.1 Mixed-Method-Research and Pragmatist Worldview

The study employs mixed-method-research. It answers 'how' and 'what' questions. The research problem traces its origin to consequences as contrasted to antecedent conditions of reforms. Accordingly, as Creswell (2013) suggests, it is conceived from the perspective of the pragmatist world view, which favors mixed-method-research.

Mixed method research is [...] a new movement, or discourse, or research paradigm [...] that has arisen in response to the currents of quantitative research and qualitative research (Johnson et al 2007:113). The research mixes qualitative concepts transformed into quantified data and qualitative narrations. The mixing occurs during research design, design of instruments, data collection, data analysis, and presentation of results.

3.2 Level of Analysis

Analysis takes place at organization level. Faculty or college or institute is considered the organization within the university system. The terms 'faculty', 'college' and 'institute' are considered equivalent. As per the FDRE Higher Education Proclamation No. 650/2009, the term "college" represents an academic unit that operates above the level of single-discipline or departmental unit and below the university, offers degrees in more than one but interrelated disciplines as a field of study. In practice, however, some colleges are found to constitute one or more institutes. However, this research employs the term 'faculty' as the organizational level of analysis.

3.3 Data Types, Sources, and Instruments

The research relies on qualitative and quantitative data. Data were obtained from primary and secondary sources. Interview data constituted the qualitative data. Information gathered through

questionnaire constituted the quantitative data. A total of five interviews were conducted. Four of them were conducted with informants at Addis Ababa University. Two interview data were obtained from the faculties, one from the CSS and the other from the AAiT. Both of the interviewees at the faculties were academic staffs who were also office holders. Using a snowball sampling, two other informants were identified from senior academic researchers. One interview was conducted with an official at the Ministry of Education (MoE).

3.4 Sampling Methods and Procedures of Quantitative Data Collection

Faculty as the level of analysis was purposively selected. Academic staff is a sampling unit. Lists of the names of the academic staff in two faculties were used as sampling frames. This means that two sampling frames, one from CSS and the other from AAiT, were used as strata. Accordingly, a list of names of 145 academic staff in the CSS and a list of names of 402 academic staff from AAiT constituted the sampling frames. Random sampling was applied to determine each sample unit. Thus a stratified random sampling was employed as a sampling method. Homogeneity was assumed among the participants under each faculty.

3.5 Sample size and response rate

A sample size of 55 participants out of 547 academic staff was determined at 10% theoretical minimum for representation. However, in order to increase the probability of response rate, an arbitrary size of 15% (82) questionnaires were administered. A similar procedure was used to determine the sample size in each faculty. Accordingly, 22 samples and 60 samples were drawn from CSS and AAiT, respectively.

A total of 66 filled in questionnaires were returned out of 82 distributed questionnaires.

- Distributed = 82 questionnaires
- Returned = 66 (48 from AAiT and 18 from CSS)
- Response rate = 80.5% (a fairly low dropouts is assumed to have increased external validity).
- The data analysis was based on a sample size of 66 (12%).

3.6 Method of Data Analysis and Presentation

The analysis and presentation of data involves the combination of qualitative and quantitative methods. Quantitative data analysis was done on the basis of quantitative information obtained through five-point-scale attitudinal measure (Likert's attitudinal scale) questions, which provides a ranked ordinal data. Statistical tools were applied in describing the data and measuring variations. The ranks of the ordinal data were distributed evenly from '1' to '5' on the likert-scale. Relying on this even distribution, a parametric test, that is, the difference between 'mean' of two sets of scores, is employed in place of a nonparametric test, the difference between medians of two sets of scores (Agresti 2007). However, the use of 'mean' required a 'rank transformation procedure' whereby a parametric procedure is applied to the ranks of the data instead of the data themselves.

Transformation is done by replacing the data with their ranks, and then applying the parametric t-test to the ranks (Conover and Iman 1981:124). The use of mean was prioritized over the use of median to measure variations in the evenly ordered scores, making it possible to do computation by using numbers assigned to the ranks on the likert-scale, and applying the t-test as a statistical measure of variation (Agresti 2007; Macfie and Nufrio 2006). Throughout, qualitative discussion follows from the quantitative analysis. The results below have been presented in the form of tables and narrations.

4. Results and Discussions

4.1 Results

As it is observable from Table 1 below, the majority of the academics who participated in the research are male, aged between 35 and 64, married, hold master's degree, lecturers, worked for ten (or less) years, and Ethiopians with an average salary of 8,864 ETB or about 420USD.

4.1.1 Characteristics of Research Participants

Table 2: Characteristics of Research Participants

Attribute		Faculty				Total		Majority
		CSS		AAiT		Within attribute		
		Count	%	Count	%	Count	%	
Sex	Male	17	94.4	44	87.5	59	89.4	Male
	Female	1	5.6	6	12.5	7	10.6	
Age	18-35	5	27.8	25	52.1	30	45.5	35-64
	36-64	12	66.7	23	47.9	35	53	
	> 64	1	5.6	0	0.0	1	1.5	
Marital status	Single	5	27.8	22	45.8	27	40.9	Married
	Married	13	72.2	25	52.1	38	57.6	
	Divorced	0	0.0	1	2.1	1	1.5	
	Widowed	0	0.0	0	0.0	0	0.0	
Education	PhD	13	72.2	16	33.4	29	46	Master's
	Master's	5	27.8	32	66.6	37	64	
Acad. rank	Professor	15	83.3	16	33.4	31	47	Lecturer
	Lecturer	3	16.7	32	66.6	35	53	
Experience	< 5yrs	0	0.0	12	25	12	18.2	5-10yrs
	5 -10yrs	11	61.1	25	52.1	38	54.5	
	> 10yrs	7	39.9	11	22.9	18	27.3	
Nationality	Ethiopian	17	94.4	48	100	65	98.5	Ethiopian
	Expatriate	1	5.6	0	0.0	1	1.5	
Ave. salary	Ethiopians	ETB 9,098		ETB 8,710		ETB 8,816		ETB 8,864

Source: Own Survey, 2014

4.1.2 Consequences of the Shifting of Priority of Knowledge for Micro-Level Institutions

The descriptive statistics in Table 3 compares results for micro-level and macro-level institutions across faculties. The obtained mean value (36.33) of the preference of participants at the CSS for micro-level institutions is above the expected mean (30) by a value of 6.33, but it is below the maximum expected mean (50) by a value of 13.67.

Table 3: Comparison of Micro-Level and Macro-Level Institutions Across Faculties

Faculty		Institutions	
		Micro-institutions	Macro-institutions
College of Social science (CSS)	Mean	36.33	26.278
	N	18	18
	Std. Deviation	5.258	8.1371
Addis Ababa Institute of Technology (AAiT)	Mean	38.81	19.375
	N	48	48
	Std. Deviation	5.278	6.1631
Total	Mean	38.14	21.258
	N	66	66
	Std. Deviation	5.349	7.3742

Source: Own Survey, 2014

The obtained mean value (38.81) of the preference of participants at the AAiT for micro-level institutions is above the expected mean (30) by a value of 8.81, but it is below the maximum expected mean (50) by a value of 11.19. Although the result is far below the maximum expected value, it is above the mean value for participants at the CSS, implying that there is a greater tendency of preference for micro-level institutions at the AAiT than at the CSS.

4.1.3 Consequences of the shifting of priority of knowledge for macro-level institutions

As it is observed from Table 3, the obtained mean value (26.278) of the preference of participants for macro-level institutions at the CSS is slightly below the expected mean (27) by a value of 0.722. It is very close to the mean value which is described as “undecided”, implying an indifferent position of preference for the macro-level institutional setups. The obtained mean value (19.375) of the preference of participants for macro-level institutions at the AAiT is below the expected mean (27) by a value of 7.625. Even if both mean values for participants at the CSS and at the AAiT are below the expected mean value, the relative preferences of participants at the AAiT is considerably low.

4.1.4 Variation between Faculties

- *Variation between Faculties in their Preference for Micro-Level Institutions*

Table 4 below displays the result of *Independent Samples Test* for micro-level institutions, consisting of the statistics that are critical to evaluating the significance of variation between faculties.

Table 4: t-test Result of Variation of Preference for Micro-Level Institutions

Independent Samples Test									
Micro-level Institutions	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	T	Df.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	.351	.556	-1.701	64	.094	-2.479	1.457	-5.390	.432
Equal variances not assumed			-1.704	30.689	.098	-2.479	1.455	-5.447	.489

Source: Own Survey, 2014

Levene's Test for Equality of Variances indicated that the significance value (.556) is greater than the confidence interval (0.05). It suggests *Equal variances assumed* for the groups (considering CSS as group 1 and AAiT as group 2). Thus looking at the first row, the t-test value (-1.701 and sig.0.094) showed that the difference between the CSS and the AAiT is not significant. Thus, the observation shows that although participants in both faculties tend to show preference for micro-level institutions, they did not differ considerably.

- *Variation between Faculties in their Preference for Macro-Level Institutions*

Table 5 below presents the result of *Independent Samples Test* for macro-level institutions, consisting of the statistics that are critical to evaluating the significance of variation between faculties.

Table 5: t-test Result of Variation of Preference for Macro-Level Institutions

Independent Samples Test										
		Levene's Test for Equality of Variance				t-test for Equality of Means				
		F	Sig.	T	df.	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Macro-institutions	Equal variances assumed	8.959	.004	3.703	64	.000	6.9028	1.8640	3.1791	10.6265
	Equal variances not assumed			3.265	24.688	.003	6.9028	2.1142	2.5457	11.2598

Source: Own Survey, 2014

Under the *Levene's Test for Equality of Variances*, the significance value (.004) is less than the confidence interval (0.05). It suggests *Equal variances not assumed* for the groups (considering CSS as group 1 and AAiT as group 2). Thus, the t-test value (3.265) showed a significant difference at sig. (.003) between the CSS and the AAiT. This observation shows that participants at the CSS and at the AAiT varied significantly in their preference for macro-level institutions.

4.2 Discussion

The findings indicate that academics tend to prefer micro-level institutional arrangements as compared to micro-level institutional set-ups. They prioritize increased remuneration and a better reward system; and even seek employment opportunity outside the university. This is especially true for academics at the AAiT.

Qualitative evidences show that there are cases where academics take full employments in the industry while still maintaining their position in the university. In some cases, academics flee the country but the method applied in this research could not enable to establish a causal relationship with the shifting of priority of knowledge. It was reported that some academic staff sent abroad for further study failed to return where, again, establishing a causal relationship with the shifting of priority of knowledge is found to be difficult.

The finding is more consistent with *Rational Choice Institutionalism* than with *Institutionalist Sociology of Professions*. It conveys the message that academics are turning more rational economic actors than they have become sanctioned by intra-professional norms. They tend to become more individualistic as contrasted to giving allegiance to a collective academic profession as members. In other words, the shifting of priority of knowledge has the tendency of shaping academics' preference whereby they prioritize economic gains over professional norms and values.

It seems that academics' interest, behavior, and their work tend to favor the rules and norms of the market. It is in line with the argument held by Burau and Andersen (2014) in that the new priority

of knowledge tend to bring about the same challenges presented by the new public management [NPM](p.264). A growing tendency of individual academics as rational economic actors entails the infusion of market values into the university system and its governance. Individual academics manage to make important economic decisions independent of the academic profession means that they are emerging center stage as individual decision-makers than as a part of the academic profession which is governed by professional values and norms (Blicklie, 1994).

The result shows that the consequences of the shifting of priority of knowledge for governance arrangements varied only slightly from faculty to faculty. Whereas the variation between faculties in terms of macro-level institutions is considerable, faculties vary only slightly in terms of micro-level institutions. An analysis of indicators of both micro and macro-level institutional set-ups shows a growing importance of measures that have economic values whereby academics engage in, mostly, meeting economic needs and dealing with economic challenges. Academics avoided financial measures a means of sanctioning behaviors. When compared with, for example, a loss of pride, dignity, and other measures that challenge professional integrity, academics desperately want to avoid fine or financial punishment.

Explanations offered for the growing tendency of academics' preference for micro-level institutions are attributed to introduction of new and increased demands in the work environment. It is especially the case at the AAiT where administrative overlapping, increase in student number, decline in resource base, and increased workload led to a condition where academics emerge less interested in a specialized education and expert knowledge. Under such conditions, as Henkel (2005) maintains, discipline-based goals, practices, and values tend to change in disorientation thereby changing professional identities in bewilderment. It has consequences for educational outcomes. The market-focused orientation of the regime in the creation of specialty programs and program expansion entrenches the condition of general education suggesting that a gradually failing specialization makes the desire for producing qualified professionals such as engineers a myth than a reality.

Seen from the perspective of the social sciences, a closure of a discipline appears to be an extreme case. It means that academics indulge in worrying about their tenure security and not about their professionalization. In disciplines whose prospect of survival is relatively higher, for example, political science and international relations, sociology, social work, and psychology, the imposed marketability-criterion sets limits to, among others, program expansion, specialization, research themes, and a deteriorating quality of graduates ultimately downplaying academics' job itself, and further disorients their preference, complicates governance arrangements, and endangers academic professionalism.

The result also appears to be consistent with the notion that the need to conform to performance standards and imposed disciplines constrain the academics thereby challenging their professional autonomy (Burau and Andersen 2014: 270).

The finding does not seem to be fit into any one of the five traditional schools of thought of profession. However, it partially reflects certain elements in the *cultural school*, wherein professionalism of an individual practitioner is conceived as a matter of individual choices and not the function of state. An apparent contradiction is that the very rational of the shifting of priority of knowledge is grounded in the need to align education with societal demands and functional relevance for the society, which generally presupposes the assumptions in the *functionalist school* of thought. Partly, the finding reveals a growing preference for, among others, a more generalized knowledge and a shift away from specialization but that the essentially individualistic tendency of

academics dissociates their preference from the core assumptions of functionalists who attempt to understand society in its social organization and the attendant power interrelationships.

The challenge may be that as the academics gradually shift away from their specialty areas and dwell on pursuing a more generalist approach to teaching, research, and service, the potential for innovative engagements may get stalled. Whereas specialty knowledge presupposes substantive growth, general education forestalls mass higher education. As Clark (1996) argues:

[...] substantive growth and mass higher education are frequently in conflict, and that an understanding of universities as primarily places of inquiry points to the widespread existence of, and growing value of, inquiry-based teaching and learning. The knowledge base of higher education offers interesting possibilities in a fast-changing world of reconciling research specialization with the growing need for a population of problem-solvers (p.419).

Generally, it can be argued that the academics, as a whole, are one of the most disorganized “community” of the university system. They do not have a decisive representative body, and their bargaining power is weak. Academics lack trust in such offices as ‘Academic Staff Affairs’ which is established in the university to deal with the affairs of the academic staffs. In addition, academics seldom communicated their complaints through formal channels. They largely communicated their concern through informal channels, i.e, among others, ordinary “gossip” or hearsay tended to become a medium of communication for university professors.

It seems that the factors and actors in the professionalization of academics transcend the scope of the shifting of priority of knowledge as a single strand of the multifarious reform measures being taken in the higher education sub-system of Ethiopia. In this regard, one should go beyond asking a question as to why, for example, the academics get so disorganized. Given the energy with which the government is implementing the shifting of priority of knowledge, more plausible questions could be geared towards how the impediments to collective identities and professionalism of academics may be resolved; how it is possible for the shifting of priority of knowledge to get coupled with professionalism of the academics; and how such professionalization effort could be approached through governance arrangements at micro and macro levels.

5. Conclusions and Recommendations

5.1 Conclusions

As the observation of the case of Addis Ababa University indicates, the shifting of priority of knowledge in higher education presupposes a changing preference of the academics whereby they tend to prioritize micro-level institutions over macro-level institutions. Even if the two are not necessarily at odds, the tendency of academics to emerge at the center stage as individual actors with an increasing economic rationality downplays the importance of collective values and norms of the academic profession.

As Quddus (2007) maintains, the growing traits of individualism in academics overshadows the role and function of the academic profession as a collective entity thereby undermining professional codes of ethics which are the building blocks of integrity in a context where autonomy is cherished in exchange for trust. The situation lends itself to dissolving professionalism as a function of collective choice and as an asset for collective mobility. A continuing challenge may be that an overwhelming tendency of the academics to run after economic gains, and in a disregard for collectively promoted and sanctioned behaviors, may make them further disorganized,

disintegrated, powerless, and irresponsible, leading up to, as Burau and Andersen maintain (2014), ungoverned.

Whereas the findings of the research suggest that Rational Choice Institutionalism offers a stronger explanatory power, the fact that the micro-level and the macro-level institutional arrangements have always co-existed lends itself to a space for the Institutional Sociology of Professions. However, the degree to which the micro-level and the macro-level institutional set-ups may converge or diverge for a better governance arrangement and the persistence of the academic profession was not ascertained.

5.2 Recommendations

In line with the conclusions above, the following recommendations have been made to researchers and other concerned bodies.

- There is a tendency to negate the perspective of the academics in previous studies of higher education especially when compared to students and university management. Academics are among key actors in the university system, and, thus, future researches should seriously take into account the perspectives of the academics especially their professionalism;
- In this research, the use of Rational Choice Institutionalism and Institutional Sociology of Professions has helped situate the changing preferences of academics only to a certain length. Thus, depending on contexts and research questions, future researches on the academic profession should look for alternative theories such as organization theories, actor-based model of professionalization, etc.;
- For a fuller and better understanding of the changing conditions of the academic profession in Ethiopia, comparative studies of universities should be considered;
- The changing condition of the academic profession is attributable to several factors and actors at various levels. Thus, future researches should consider more rigorous scientific methods to distinguish the influences of various policies and reforms. Likewise, awareness of the influence of the global environment should be accounted;
- Future researches should make serious cautions while dealing with new reform policies about complex problems. A lesson from the present research is that researching a subject that is under-researched is an extremely challenging exercise and researchers need to make adequate preparations before embarking on it.

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An Assessment of the Role of Civic and Ethical Education in Changing Learners' Civic Knowledge, Attitude and Skill in Selected High Schools of South Wollo Zone

Yilkal Ayalew and Tefera Amare**

Abstract

The major goal of civic and ethical education in Ethiopia is to create obligatory demand, social sense of interdependence and recognition of political responsibility amongst citizens. This paper deals with the presumed learning outcomes in Civic and Ethical Education, and the actual prevailing scenario regarding students' civic knowledge, attitude and skills vis-à-vis the national standards set by the Ministry of Education. The study was conducted based on qualitative and quantitative methods accompanied by sequential explanatory approach. Data were collected from students, teachers, school archives, parents, and concerned officials. The study revealed that students' civic skill and attitude was not parallel with their civic knowledge and was below the minimum national benchmarks. Failure to identify and employ appropriate teaching methods and lack of special assessment techniques to check whether or not students meet civic disposition and skill requirements were found to be the most prominent factors for the disproportionate achievement in the learning outcomes. It is recommended that an urgent rectification of the challenges identified is indispensable for the implementation of the blueprint, and making sure that civic teachers are professional and committed to realizing the goals of the curriculum apart from providing incentives for the teachers are worth considering.

Keywords: *Civic and Ethical Education, civic knowledge, civic skill, civic disposition assessment techniques, learning approaches*

1. Introduction

A democratic system is based on the consent of people. It is a vital instrument for the prevalence of good governance and protection of basic rights and freedoms of the people, and to establish a democratic system, active participation of citizens is crucial. Moreover, the civic knowledge of youths ought to be developed. Civic education has an irreplaceable role in equipping all, especially young citizens, with civic knowledge, skill and disposition. The need to deliver civic education is associated with democratic values and principles which are not inherently attributed to humans but they are acquired through formal or non-formal education.

The history of civic education is as old as the introduction of modern education in Ethiopia. During the imperial period, it was offered as a course entitled *Moral Education* in line with the teachings of Orthodoxy - and the advocacy of divine right of kings (MoE 2008). Following the 1974 revolution, the government introduced the subject titled *Political Education* which was entirely promoting Marxist-Leninist ideology (Ibid).

In 1991 the military regime ended and the Transitional Government of Ethiopia was established. Following the political transformation, in 1993 the new curriculum on civic education had been promulgated with a New Education and Training Policy. Initially, the subject was known as Civic Education, and then, it was renamed as Civic and Ethical Education after a curricular reform took

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place in 2000 (Yamada 2011). The very rationale of the new curriculum was to support and entrench the newly established democratic system (MoE 2007). It is argued that a democratic system has been built effectively when there is active, informed citizens' participation. Accordingly, Civic and Ethical Education has irreplaceable roles in producing citizens equipped with values of good governance and democratic thinking and who are active participants in the political, social and economic activities of the country; citizens who acquire civic virtue and are capable of discharging responsibilities; citizens possessing scientific knowledge to combat backward traditions (Ibid).

In achieving these objectives, the government reformed Civic and Ethical Education (here after CEE) three times (i.e. in 2000 2005 and 2010). Besides, in 2007 a blueprint was prepared for the subject to set national standards in each grade level. This is to ensure nationwide uniformity in the delivery of instruction and students performance. However, no significant investigation has been conducted in the performance of teaching CEE in meeting such standards set in each grade level.

As education is a purposive human activity, any curriculum is designed with the intention to achieve certain goals which clearly have something to do with people's persistent demand for socio-economic and political development, and good living condition in general. Accordingly, regardless of differences in approach and methodology, programs in an educational system should be designed in a way to promote common advantages and social welfare. The rationale for designing and implementing curriculum for CEE at all levels of education in Ethiopia confirms the aforementioned narrations. The subject matter is being delivered to students ranging from fifth to twelve grades thereby making its base the most prominent social values. Chapter layouts and the logical sequence of topics are similar across grade levels regardless of the difference in terms of scope. In higher education as well, students in different areas of study are taking it as a common course with wider perspectives. Above all, teaching CEE presupposes learners' attitudinal change and mental development in the theoretical knowledge they need to be acquainted with. Consistently, making learners aware of shared social values and act accordingly, enabling them to effectively monitor and influence public policy and shaping students to develop the mentality to be concerned with social issues are among the tips that the government is striving to achieve in teaching a subject matter through curricula (MoE 2007).

Despite such ambitious suppositions, however, the achievement in teaching civics and ethics was below expectations of stakeholders. The subject matter is being delivered with a new mode and arrangement especially after the year 2004. Outcomes, however, have not been satisfying as school municipals and individual teachers are experiencing misbehaving students with varying circumstances and magnitude. This situation has continued to be a point of informal dialogues among teachers in particular and the society in general. Although researches have been done in related topics in Ethiopia, (Daneal et al 2009), none of them did come up with the assessment of the role of civics and ethical education in changing learners' civic knowledge, disposition and skill vis-a-vis the national standards. This study was, thus, intended towards assessing the role of CEE in shaping students' personality through equipping civic knowledge, attitude and skill.

The main objective of this study was to examine the role of CEE in equipping students with desirable civic knowledge, civic disposition and civic skill in case of two selected public schools in south Wollo Zone. Thus, the study had the following specific objectives: (1) to examine whether or not the civic knowledge, civic disposition and civic skill of students meet the national standards set by the MoE; (2) assess whether or not they are proportionally equipped with the civic knowledge, civic disposition and civic skill; (3) critically evaluate the conformity of the actual lesson delivery vis-à-vis the method set in the guiding blue print which is assumed to be an appropriate approach to

teaching and assessing the subject matter; (4) analyze the major challenges that holdback students' ethical development.

2. Review of Related Literatures

Societies have always been in search of ways in which their young citizens are prepared for citizenship and in how they learn to take part in societal life. Today that interest might better be described as a growing concern, particularly in democratic societies. The level of understanding and acceptance of the rights and responsibilities among the totality of citizens in a state is determined by the maintenance and improvement of constitutional democracy (Margaret 1998). Although the trend to make such thoughts, part of the formal curriculum has a long history, it got much greater attention now than ever before. The prominent subject matter in this regard is civic and ethical education. The learning outcomes of the subject matter include the knowledge, values and skills needed by the citizens to be effective and active citizens. An effective active citizen is a person who understands the obligation and undertakes the responsibility to improve community conditions, build healthier communities and address social problems. (Jonathan 2013:3).

2.1. Components of CEE

As noted above, civic and ethical education has three interrelated components that a student has to acquire all in a balanced manner. These are civic knowledge, disposition and skills. Civic knowledge is concerned with the content or what citizens ought to know about the subject matter. It is about the fundamental understanding of the structure of government and the process in which a government passes laws and makes policy (Mark 2002). Recent research indicates that levels of political knowledge highly affect the acceptance of democratic principles and attitudes toward specific issues, and political participation.

Civic dispositions are those character traits, or dispositions which are engrained in the mind of citizens. Schools should promote pro-social values such as tolerance, open mindedness, truthfulness, responsibility, diligence, self-control and cooperation. (Stanford Center of Adolescence 2014:17) They contribute to the political efficacy of the individual, the healthy functioning of the political system, a sense of dignity and worth, and the common good were identified in a document by MOE (2002). Dispositions or traits of private and public character might be described as an independent member of a society and encompass adhering voluntarily to self-imposed standards of behavior rather than requiring the imposition of external controls, accepting responsibility for the consequences of one's actions and fulfilling the moral and legal obligations of membership in a democratic society (Ibid).

Civic skills are part of a larger set of ideas about what is believed to be necessary for citizens to be engaged in public life. The notion that in addition to knowledge, some type of skills are required in order to effectively participate in public life makes intuitive sense. Civic skills are essential for informed, effective, and responsible citizenship and are sometimes called critical thinking skills (Hardi 2011).

2.2. Methodological and Assessment Techniques in CEE

Methodological approaches are the heart of any educational program that is supposed to achieve its goals. Civic education programs tend to rely on a broad range of methods to teach democratic orientations and behaviors, including lectures, discussion groups, fora and panels, dramatizations, role-plays, community organizing, materials distribution, and avenues of the mass media. Again some methods, principally more active methods, such as dramatizations and role-plays are far more successful than other methods in terms of encouraging change. A method also needs to be tailored

to goals and objectives. If the goal is to encourage a lasting change in democratic behavior, then more active methods are necessary. If, however, the goal is simply to convey information about a particular event, such as an election, then other methods such as lectures and mass media may play an important, even critical role (DEC 2002:10).

Kokom (2009:266) revealed that contextual teaching is the most effective method for teaching civic education because it is natural for students. It means that it motivates students to act naturally as a human being and is appropriate to the way one's brain functions. It also stimulates one's brain to construct knowledge patterns through interrelationship and reality context of students' lives. Kokom (2009) further argues that contextual learning in civic education teaches life principles of citizens. Students are respected as an individual being, social being and a citizen. As a consequence of that position and nature, students have interdependence, differentiation and self regulating matter. Those three matters are the principle of contextual learning.

Cooperating and self-regulating have the most important contribution to civic competence. The complex learning tasks such as problem solving, critical thinking and contextual learning actually increased when cooperative strategies were used. A cooperative learning method uses the students' ability to interact. A number of researches showed that in cooperative learning or a classroom setting, students learnt more from peer-to-peer as peer tutor. Therefore, the effective communication skills were developed in this learning model, apart from critical thinking skills, courtesy and respect of difference (Kahne 2003).

The aim of assessment is primarily to educate and improve students' performance, not merely audit it (Andrew et al 2001:4). When teachers' classroom assessments become an integral part of the instructional process and a central ingredient in their efforts to help students learn, the benefits of assessment for both students and teachers would be boundless. Efforts have been made to provide professional development to teachers in the area of assessment.

Policymakers who are interested in civic learning need advice about how to include civics in assessment systems. To help policymakers and educators consider these assessment options, practitioners have developed a matrix that explains the pros and cons of specific options of new multiple-choice tests or surveys, new short-answer or essay tests, performance evaluations (for instance, using a mock trial to evaluate a student or class) and portfolio evaluations (a student, class, or school assembles a dossier). Each of these methods can be used to evaluate one or more different things, i.e. Students' knowledge, skills, dispositions and school "climate," including the degree to which the school provides the proven practices of the "Guardian of Democracy (The Civic Mission of Schools Report 2014).

3. The Methods

The subjective nature of inquiry to investigate the role of CEE in the overall civic knowledge, skill and disposition development requires applying responsive epistemological assumption. The researcher bases the inquiry on the assumption of pragmatic knowledge that gives emphasis to collecting diverse types of data and best provides understanding of a research problem. Because in this assumption individual researchers have a freedom to choose the methods, techniques, and procedures of research that best meets their needs and purposes (Creswell 2007:22-23)

In this study, a mixed method of qualitative and quantitative approach was used to study the research problem. The study was based on open-ended interviews to collect detailed views from participants. On the other hand, quantitative design was used to investigate the civic knowledge, skill and attitude of students based on minimum standards of their grade level. Using both

qualitative and quantitative designs is essential to bridge a potential vacuum created in using one of them independently. Hence by triangulating the data types, data sources as well as sampling techniques, the researchers conducted the data collection, analysis and interpretation tasks. Moreover, a sequential exploratory strategy was employed to enable the researcher to investigate whether the standards of CEE were met or not by using quantitative data to supplement the interpretation of qualitative findings with more evidence. This was characterized by an initial phase of qualitative data collocation and analysis. Therefore, priority was given to the qualitative aspect of the study.

In this study, both primary and secondary data sources were used. The primary data were sources were personal narrations of students, teachers and concerned officials, school archival sources, reports of civic clubs, schools, Woreda offices were collected using multiple techniques of data collection. The secondary data sources were books, articles, policy documents, training materials and manuals, periodicals as well as online documents.

To address the research objectives, various methods were employed. These are interview, questionnaire with Likert scale, FGD, non-participant observation and document analysis. Data were also collected through a cross-sectional classroom survey of civic knowledge, skill and behavioral character of students in two preparatory high schools. The questionnaire was designed based on the integration of national standards and objectives of text books. The size of the study population was 2638. The sample determination suggested by Morgan (1970), for 2600 population is 335 and 2800 338. Hence, the first is the nearest appropriate sample size of this research population. i.e. the sample size is 335.(Morgan 1970) Simple random sampling was used for selecting informants, i.e. students, for filling in the questionnaire. On the other hand, cluster random sampling was used for selecting participants in a total of 5 FGDs. The study was focused on two purposively selected high schools of south wollo zone.

According to Creswell (2009), a qualitative data analysis was conducted concurrently with gathering data, along with data interpretation and writing the research report. (Creswell 2009) Besides, the researchers used the following steps: data reduction, data display and conclusion drawing and verification. SPSS was also used for descriptive statistics. This activity was accompanied by triangulation of a thematic analysis on the quantitative data with the qualitative one. The data gathered from the interviews were first transcribed and thoroughly read bit by bit. Then, thematic categories with codes of the data were identified before the research report was written.

4. Results and Discussions

4.1. The Status of Civic Knowledge, Skill and Disposition of Students in the Two High Schools

There is no more important task than the development of informed, active, competent and ethical citizenry. Civic development has three dimensions congruent with components of CEE that are important to educate young citizens. The first dimension, *knowledge*, comprises the facts and ideas of democracy, citizenship, the Ethiopian government system, and global concerns that students need to know to be informed participants in civic life.

The second dimension, *attitudes/dispositions*, includes the democratic ideals, and devotion to those ideals that motivate civic commitment. The third dimension, *skills*, includes the ability to navigate the rules and processes of citizenship and governance in the society. To build such civic development among citizens, the subject matter is being delivered in schools with designed curriculum from primary to tertiary levels by setting a policy and implementation blue print. In the following section, the status of students in meeting the standards set by the MoE in relation to civic

knowledge, civic attitude/disposition and civic skills with critical evaluation of the practical activities in the two sampled secondary schools is presented.

4.1.1. Civic Knowledge of Students in the Two High Schools

Civic knowledge is about the content or what citizens ought to know about civic life, politics and government, political systems, constitutional systems and roles of citizens in public life (William 2001:217). Considering the existing realities, CEE has played pivotal roles in enhancing the students' civic knowledge. According to the assessment made on the school's achievers' performance, students had better achievements in CEE than other subjects. For instance, in 2013/14 academic year, the average academic result of students in national entrance examinations for CEE in Hayk secondary and preparatory school was 51 percent for grade 12. Likewise, similar academic result was registered in Hotie secondary and preparatory school where 57.8 percent was achieved by grade 12 students. This scenario was also supported by the empirical data gathered through questionnaire. The ten items of the questionnaire were adopted from the standards set by the MoE and in line with the objectives of the text books of grade 10th and 12th. According to the result, 80 to 90 percent of the students had met the standards of civic knowledge. They were able to know most of the listed standard indicators of civic knowledge with respect to their grade level. This case could also be an additional justification for the better achievement of the students' academic result in national examinations as discussed above. The effect of various awareness indicators on students' outcomes revealed that the awareness of basic civic concepts was positively related to their civic knowledge as measured by basic parameters stated in the national standard.

A significant number responded differently with a few but very crucial points regarding civic knowledge. For instance, about 78.7 percent of the respondents of Haik and 50 percent of the students of Hotie failed to know an item of civic knowledge presented on the checklist about the five principles of the FDRE constitution. In addition, 31.5 and 28.1 percent of students of Haik and Hotie respectively replied as if they were not familiar with the issue of diversity. In fact, the five principles of FDRE constitution are not available in the text books. However, considering the nature of those articles of the constitution, they could be given by entrenching in each unit or topic since they are the foundations of the political and civic life.

In conclusion, it could be stated that the awareness of basic civic concepts was positively related to their civic knowledge (as measured by their awareness of the basic concepts stated in the national standards). CEE actually has met its minimum standards pertaining to equipping the students with civic knowledge. However, there could not be certainty to argue that students had achieved all the goals stated under civic knowledge, because the results on the school's archive showed that the achievement was within the range of 50 to 60 percent.

4.1.2. Civic Disposition of Students in the Two High Schools

The second pillar of CEE is civic attitude or civic disposition. It signifies civic disposition (attitudes) and encompasses the ability of students to behave according to the standards or characters of good citizens. It involves those character traits or dispositions which are engrained in the mind of citizens. Schools should promote pro-social values such as tolerance, open mindedness, truthfulness, responsibility, diligence, self-control and cooperation (SCA 2014:17).

This pillar of learning is essential to work on the attitude of students. In the two high schools 53-55 percent of the students were able to meet the components of civic attitudes. However, 12th grade of Hotie students scored below 50 percent. On the other hand, it still 45 to 47 percent of students were placed in medium or did not meet the standards of civic disposition (attitude). This significant number was also supported by the informants covered through interview and FGD. Almost all

teachers, students as well as Woreda (i.e. a district smaller than a zone/sub-city) and zonal experts and focal persons agreed that students did not develop their civic dispositions vis-avis their civic knowledge. Diligence, resolving conflicts through compromise and honesty are civic virtues in which most students scored low grades.

In order to discharge one's responsibility in the community, citizens need to develop positive outlook and concern for the community. Altruistic qualities are required to help the poor and vulnerable ones in the community and adherence to democratic values and constructive political process students' civic disposition has to be meaningfully developed. However, the data showed unsatisfactory performance, in this regard. There are many reasons for this scenario as suggested by informants as well as scholars as indicated in the next sessions. Civic knowledge is the basis for the development of civic disposition, This does not mean that this view is always true under all circumstances. Civic dispositions(attitudes) are not developed by teaching young people only the facts of CEE. Rather, it requires equipping them with civic character by encouraging active commitment about democratic values (Ibid:15).

4.1.3. Civic Skill of Students in the Two High Schools

Civic skill and engagement implies the extent to which students utilize and realize their civic knowledge in the school and actively participate in contributing it to the society (Bruce 2010). It is the capacity to participate effectively in the political as well as social systems. Civic skill and engagement encompasses communication skills, democratic deliberation, critical analysis of public issues, election simulations, conflict handling skill, skill of handling diversity, skill of articulation, critical thinking and other alternative engagements (Syvertsen et al 2007).

Measurements undertaken in the study were created to assess the extent to which students build and utilize their civic skill and engagement in the school and surrounding local community at large. It was revealed that the status of students in civic skill was below the standard, even less than that of civic dispositions.

Civic skill is the state of exercising one's own rights and discharging responsibilities as a citizen (Margaret 1998). It is the most crucial but inseparable component of CEE and encourages students to be equipped with participatory skills. Students' engagement in civic issues implies practical implementation of what they know in their civic class and it has an irreplaceable impact on the students' personality as well on the successful accomplishment of the goals of CEE as a whole. In this study, many (54 - 55%) of the respondents had low performance compared to not only their own civic knowledge but also the prescribed standards and objectives. Hence, unlike conditions in the sphere of civic knowledge, students' civic skill and engagement is below the standard. Except grade 10 students of Haik secondary school, others had unsatisfactory performance.

Moreover, there are manifestations of civic skills that strikingly not performed. For instance, students are expected to internalize the classroom instruction by observing and visiting public institutions and reporting to the class (MoE 2007). Regarding this point, in the two schools, from 63.6 to 78.8 percent of students replied as they were not engaged in this activity. Many (94%) of the teachers interviewed in both schools admitted that they did not motivate and give such tasks to the students. Another area of civic skill that was not achieved by the students is taking part in debates held in a classroom as well as at a school level. This basically plays pivotal roles in teaching how to handle controversial issues and how to hear opinions of others with an open mind, weigh diverse opinions and ideas and find out away forward. Therefore, schools should work to prepare students for such performances. In addition to this, asked whether or not the respondents agreed with the ideas which read, *"I am actively participating in civic club and other clubs of the*

school”, “I am active in taking out civic concepts of the school compound and created awareness among the community”, “I have actively participated in cleaning, environmental protection and helping the poor in the community,” most of the students (ranges from 58.8-81.8% in each grade level and school) stated that they disagree with all of the ideas. This fact was supported by the the data gathered through the interview and focus group discussion.

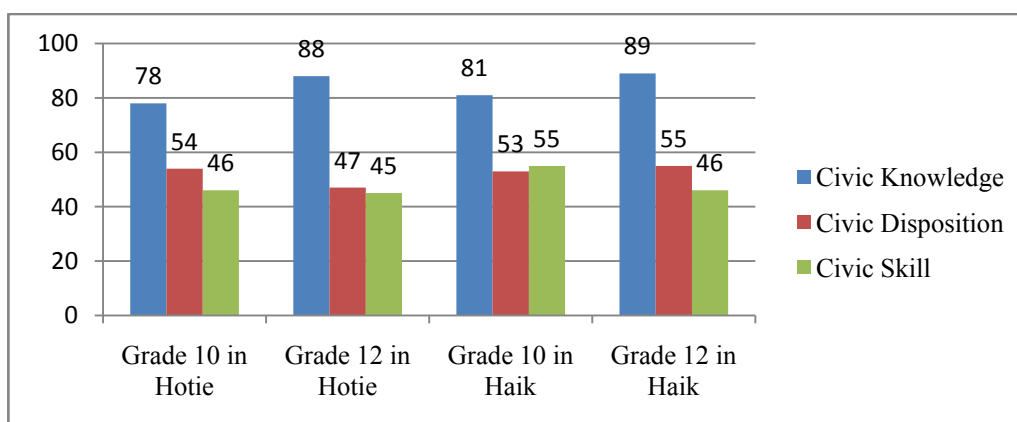


Figure 1: Civic Knowledge, Civic Disposition and Civic Skill of Students

As summarized in Figure 1, the place of civic knowledge, civic disposition and civic skill of students could be clearly identified. It was revealed that there was a disproportionate achievement of students in the three components of CEE. In both schools and grade levels students were not good enough in civic disposition and civic skill which are the very determinant factors of active and responsible citizenry. The fact that the absences of coordinated effort that could motivate the students to develop the expected knowledge, attitude and skills led to this significant gap between knowledge on the one hand and attitude and skill on the other hand. In this regard, schools today limit their efforts almost exclusively to teaching civic knowledge, especially the kinds of knowledge that can easily be measured by standardized achievement tests. To achieve other essential components, much strong commitment is needed from every stakeholder at every level. Various teaching approaches and assessment techniques should be conducted in the classroom during instruction. Therefore, schools should take a broad view of CEE and prepare their students to acquire constructive civic skills and values as well as necessary civic knowledge. On the other hand, necessary feedback and supervision need to be conducted by the woreda and state offices.

Moreover, the three components of CEE cannot be grasped through formal education only. Attitude and skill are highly shaped by the values, norms and traditions entrenched in the society. Students get confused and frustrated when they observe realities very inconsistent with what they learn in the school and eventually swallowed by the wrong traditions and practices. One can understand from their questions in the class revolving around “why this happen if the principle says like this?” Therefore, values of CEE need to be internalized by the society. Hence, searching for other ways and acting in strict discipline is important to achieve the goal of CEE. Among other ways, mainstreaming CEE among concerned educational sector authorities, parents, media, parliamentary debates, seminars, workshops, discussions with the elderly could be helpful for progress.

4.2. Problems Pertaining to the Implementation of CEE Program

4.2.1. Methodological Problems

Among other factors, the use of traditional method in teaching CEE takes a lion share of students’ low performance in the two pillars of CEE, civic disposition and civic skill. CEE means helping students develop responsible ways of thinking, believing and acting (Boyer 1990). All these can

hardly be achieved through the traditional teacher centered approach. Data gathered through observation of the class instruction indicated that teachers used lecture method with little assistance of active learning, question and answer. Another point from classroom observation revealed a significant inconsistency between the text book approach and the teachers' delivery of instruction. The text books were prepared with case studies and questions for discussion for students in 2010. However, teachers referred to other sources and previous text books to prepare short notes for the students. The main reason was lack of interest and commitment to update oneself on the changing realities among teachers. CEE students should be active not passive. Maintaining the status quo of traditional teaching approach is not helpful to equip students with civic disposition and civic skills. (Boyer 1990) states that "one should no more expect students to become good at the skill of citizenship merely by being told about them than one would expect someone to become a good football player merely by reading books about football". Hence, one should not expect students to have attitudes and skills without motivating them to internalize, reflect and practice through active participation.

According to the survey conducted by the MoE in 2007, there was a problem with the mode of instruction in teaching CEE (MoE 2008). The mode of instruction was a process that made students passive and become dominated by the teacher (Ibid). Accordingly, the blue print of CEE urges concerned bodies to put high emphasis on the process of teaching learning especially on the mode of delivery of instruction. The document stipulates that schools should use predominantly active learning approach while delivering CEE in such a way that the teacher pinpoints the main points of the topic and depending on circumstances raising issues related to the topic and let the students to discuss and debate in peers or groups (Ibid).

Sadly, this is not the case today after the promulgation of the blue print. As was seen in the first section of this paper, students were not engaged in debates and this has been supported by the data (from students and teachers) gathered through interview and discussion. Debate could be conducted simultaneously with group discussions by dividing the students into two despite the fact that the two are distinct and independent ways of active learning approach. The subject matter (contents) of Civic and Ethical Education for the secondary school program touches many issues and themes that are relevant and applicable to be learnt through debates. Using debate as an approach of teaching CEE is crucial to develop students' argumentative skills, communicative skills, confidence, and knowledge of the subject matter (Abida 2012). Here, the willingness, skill and commitment of the subject teacher determine the implementation of this approach. One of the primary roles of the teacher is that he/she needs to select the theme of the agenda on the basis of the consent of students. Some of the informants among teachers answered that they often used discussion method in delivering instruction. Despite the fact that the blue print as well as scholarly researches recommended that students need to be interactive with one another during instruction and the crucial tool is discussion in various techniques. Because this method helps learners share their personal views and experiences among themselves and helps to build up a spirit of cooperation and mutual understanding among the students coming from different socio-economic and cultural background (Ibid). In addition to this, it enables students to know-each other and improve positive relationship among them. Each student would be beneficiary out of such diversity of ideas, views and experiences, listening, mutual respect and compromise which are manifestations of civic dispositions. Regarding civic skill throughout discussion time, members develop skill of speech, rules of discussion and cooperative learning.

Another active learning approach provided by the blue print of CEE to be implemented in teaching CEE in schools is giving topics discussed in advance individually or in groups to write and present in the class (MoE 2008). This approach enables students to learn by themselves and be responsible

for their learning. The blue print also promulgated that CEE should not be confined only to similar approaches even within a single period. It directs students to learn with cases related to the topic thereby allowing them to reach conclusions. As a matter of fact, the new text book has contained ample amount of case studies in each topic. Those case studies are included to promote students' attitude and skill. Despite this, it was overlooked by the teachers and the students themselves. CEE is also best thought through a field visit to enable students to internalize what they learn in the school (through observing the surrounding institutions). The blue print recommended this method of teaching as students need to visit nearby public institutions like courts, councils, executive bodies, institutions working on human rights and democracy. In their responses to the questionnaire items, many (65% to 93% of the respondents) disagreed with the idea that reads, "I observed different governmental institutions and relate with my classroom learning". This response was supported by data gathered through interview with the teachers as they admitted that they did not encourage students to have field visits.

4.2.2. Problems related to Assessment Techniques

Assessment techniques play significant roles in checking whether or not the learners have met the intended learning outcomes. To that end, continuous assessment methods of summative and formative assessment arrangements can be used in CEE. While the former provides a summary of attainment and achievements through tests, and final examinations held at the end of a unit, end of semester or end of program, the latter is widely used to measure the continuous progress of the learner (MOE 2008).

Assessment techniques have irreplaceable impacts on the effective accomplishment of civic knowledge, disposition and skill of the students. In the sampled high schools, written examinations are the sole assessment techniques used by CEE teachers. From the data collected through observation, it was revealed that continuous assessment had been implemented encompassing quiz, assignment, test and exercise book performance which accounted for 40 marks and eventually final examination was considered out of 60 percent. In most cases, quizzes and tests could help to assess the intellectual competences (civic knowledge) of the learners. However, written examinations are not effective assessment approaches to check the skills and attitudes of students. Attitudes and skills can be assessed mostly when students are at work or performance. Considering the limitation of written classroom examination in checking students' civic disposition and civic skill, it is mandatory to introduce some kind of additional assessment procedures. This is to enable teachers to assess attitude and skill performance of their students. There are various kinds of assessment techniques designed to check students' performance manifested through conduct and action. In this regard, MoE in its blue print provides some techniques as a benchmark to be applied by schools in general and teachers in particular. The status of utilization and subsequent importance of each assessment techniques in the two high schools are discussed below.

The one assessment technique provided by the blue print is *Performance Assessment Technique*. As the name indicates, it helps teachers to measure attitude and skill of students by looking into their performance. It could be implemented by using one of the two specific techniques. The first is using *check list*. This tool enables to assess different task reports of students vis-a-vis the standards enumerated on the check list. This assessment technique requires giving task to the students and let them to report to the class. Hence, there would be an opportunity for the teachers to observe the performance and qualitative elements of attitude of the students and giving marks based on the standards on the check list. The second tool of assessment technique under performance assessment is *rating scale*. This tool enables to measure how students enhance their knowledge from their cooperative learning activities, in a peer and a group work, and how much they apply such knowledge in their discussion, presentation and activities inside and outside the class room.

The other assessment technique provided by the blue print to be implemented as a bench mark is *portfolio assessment* technique. This technique involves preparing portfolio for each student; assemble the reports of students throughout the academic year or semester thereby measuring the progress of students' performance in relation to skill and attitude.

In practical scenario, the above techniques are neither implemented in teaching CEE nor institutionalized in the category of assessment techniques in the two sampled high schools. It is obvious that in federal systems, the federal government has set minimum national standards regarding education and states that their schools are expected to perform more than the minimum standards. Here, they have also an opportunity to expand the horizons of such standards for better quality education. However, this is not the case in practical situations. Let alone expanding the horizons of the national standards, there is no attempt to evaluate the performance of students in attitude and skill.

CEE teachers were asked about this problem and replied that they agreed on additional assessment techniques needed to check the two pillars of CEE, i.e. civic disposition and civic skill. The problem emanates from, according to them, lack of authorized assessment technique on civic skill and civic disposition. This reason seemed to be valid since the assessment techniques need to be authorized and mainstreamed by the school administration. The same question was also asked for the two school administrations. The answer was not different from the teachers. The school principals replied that they had no discretion power to change the status quo and induce and follow a new assessment procedure at school level. Rather, they need an authorized assessment procedure of CEE from the regional state educational bureau.

The claims are correct if one sees from the point of authoritative hierarchy. However, the reasons are not convincing if one sees from the point of adhering to the overall personality of students. It could be argued that the schools can innovate such tools and procedures by their initiatives without expecting some kind of directive from above. This task is also possible since it is promulgated by the blue print of the MoE as initiations of practice. In fact, it might be frustrating to take such kind of risk of assessing students in such techniques that would contribute to the final judgment of the students' failure or promotion without the accreditation of the concerned authority. Nevertheless, it could be used as a pilot test for the effectiveness of those assessment techniques to convince the stakeholders for official implementation of the systems. The above argument has been supported by Civic and Ethical Education Office in the State Educational Bureau. The officer assured in an interview that the bureau needs only at least one school which is committed to being a model in this regard, and its unreserved support would be given. Hence school administrations should be sensitive and committed to changing the additional and special assessment techniques into practice.

One of the most important points is the interdependence and interrelation of both participatory teaching approaches and assessment techniques. It has been discussed above that there is less or no implementation of participatory teaching approach in CEE classes in the two sampled high schools. This took the lion's share for the deterioration of students' performance of civic disposition and civic skills. This problem, in one way another, affects the tendencies of using additional assessment techniques to evaluate skills and attitudes. Because utilizing different active learning approaches enables teachers to use those assessment techniques simultaneously to check the progress of students' attitude and skill performance. Hence, the more one uses student centered approach, the more the application of those assessment techniques.

4.2.3. Other Factors Thwarting Effective Implementation of CEE

- **Perceptions and Misperceptions**

There is ample evidence that supports the argument that CEE is unlucky subject in the Ethiopian academia. One of the most visible grounds is that the subject is under pressure and subjected mainly to the political interests of the incumbent political party, EPRDF, without interests of the opposition and the public opinions at large. On the one hand, the subject has been considered as an instrument of indoctrination of the incumbent political party to elongate its rule and the teachers of CEE are perceived as cadres of such mission. As a result, they give no attention to it. On the other hand, the political elites of the ruling party do not trust the teachers by frustrating as if they may use the subject to promote ideas of the opposition and negative attitudes towards ‘constitutional order’. These are manifested through their interest and preach to make CEE teachers become members of EPRDF. These two perceptions and, or misperceptions fueled each other and posed complicated challenge to the effective implementation of the subject. Another attitudinal problem comes from the students and teachers themselves. Most (85.71%) of the students who participated in the FGD did not consider CEE as subject with an equal weight to other subjects. Justifications are highly associated with the absence of new topics across the grades of general education. This attitude emanates from the assumption that the content of CEE is similar across all grade levels of general education. As a result, students assume that nothing new would be added in learning CEE. To the question “why students show less motivation for CEE?” responses of most (85.71%) of the students confirmed that there are no new factual material except repetition of eleven values one after the other. However, the students’ argument seems to overlook the importance of civic disposition/attitude/ and civic skill that should be built up progressively in all age levels. Looking at the subject matter only from knowledge point of view is not only the problem of students. Rather, teachers and the school administration also share such perceptions.

On the other hand, the absence of sense of ownership for the subject matter manifested through most teachers is a chronic attitudinal challenge. This emanated from two reasons. The first is the scarcity of teachers who graduated in CEE. Considering the interdisciplinary nature of the subject and the newly stipulated curriculum, it has been offered by teachers who graduated in other fields of study, i.e. usually graduates of history, political science, geography and others. These teachers have no sense of ownership to be committed in the delivery of instruction. Even though new graduates of CEE are joining schools recently, the gap is not still narrowed. For instance, until the time of data collection for this study in Haik preparatory school, there was only one teacher who graduated in CEE. The second reason is related to the aforementioned political perception and misperception towards the subject matter. Since many other teachers and the public considered the subject as an instrument of indoctrination of the incumbent political party, the teachers did not have interest in demonstrating their commitment to the teaching of the subject.

- **Lack of special attention to the subject matter**

School administration is the heart of the teaching learning process in a school. Even though teachers are the main actors in the overall classroom activity and shoulder responsibility, they need leadership and structural support and direction from the school administration. In both sampled schools in this study, researchers did not find some kind of mechanism which guides the teachers to utilize methods and techniques that are necessary conditions for the attainment of CEE goals. Despite the fact that CEE is one of the six programs in the Quality Education Package, it got not only less attention but also less reputation, in some cases. For instance, in 2012/13 academic year one of the three credit hours of CEE had been taken and given to ICT subject in Hayk secondary school. This action signifies violation of nationally determined standard and undermining the

subject matter. Here, one can conclude that lack of special attention as well as supervision and support relegated the subject to an insignificant level set by the school administration.

- **Lack of Incentives**

Another factor pertaining to the challenge of effective implementation of CEE instruction is lack of motivation in the teachers themselves. Implementing appropriate and necessary teaching methods and assessment techniques is highly demanding. It poses additional burden to the teacher and is not the case with most other subject teachers. “Why do I suffer if I am not motivated by some incentives” was the response of almost all informant teachers during discussion and interview. As a result, lack of incentives for making CEE a priority in the school teachers distanced themselves from their once central civic mandate. This issue is critical and needs special decision by concerned authorities and the claims of teachers is logical. To get promising change from the subject, the teachers need to work more than their normal mandate. For this demanding task, they need to get incentives.

5. Conclusion and Recommendations

5.1. Conclusion

Civic and Ethical Education means helping students to develop responsible ways of thinking, believing and acting and signifies the three components of CEE (civic knowledge, civic disposition and civic skill). These three pillars need to be proportionally achieved by the learners. It is apparent that in the Ethiopian educational curriculum, CEE has been given due attention at policy level. The subject holds a responsibility of producing informed, competent citizens to engage in civic and political matters and be responsible and ethical citizenry. With this intention, CEE has been included in the quality education package as one of the six change programs of school improvement. Hence the subject is very indispensable to everyone.

Nevertheless, taking into account the implementation of the subject matter, it has faced many problems. The main purpose of this study was to critically assess the role of CEE in enhancing students’ civic knowledge, civic disposition and civic skill. Regarding the performance of civic knowledge, students were found to be in good performance, i.e. having above 60 percent. Both grade levels in both schools have concomitant results in their awareness of the basic concepts stated in the national standards and text book objectives. Civic education must provide students with a core of basic knowledge regarding social issues and institutions to give their understanding of democratic perspectives. Regarding the development of civic disposition, it fluctuated across both grade levels and schools. The data from FGD and interview and the questionnaire showed students did not develop their civic disposition as compared to their civic knowledge. Among others, diligence, resolving conflicts through compromise and honesty are civic virtues in which most students had low performance. It has been noticed that teaching CEE without equipping students with civic dispositions means producing superficial generations who do not internalize what they know.

Civic skill is the third pillar of CEE which indicates the ability to take part in the political as well as social systems through education for citizenship. It means helping students to make connection between what they learn and how they live; to assess the extent to which students build and utilize their civic skill and engagement in the school and surrounding local community at large. The study also revealed that the status of students in civic skill was below the standard even less than civic dispositions. More than 65 percent of students replied that they were not engaged in the activities of debate, field work, presentation and the like. Teachers interviewed in both schools admitted that they did not motivate and give such tasks to the students. Rather, textbook reading and assignments were by far, the most common methods of instruction in civics classrooms. Other activities such as

writing papers and working in group projects were less prevalent. While students are in school, they are members of an institution and they should understand how it works and participate in the school itself in decisions that affect their lives. In general, it has been revealed that there is unbalanced distribution of achievement of students in the three components of CEE. In both schools and grade levels, students were not good enough in civic disposition and civic skill which are the determinant factors of active and responsible citizen. The fact that the absence of coordinated effort that motivates students to develop the expected knowledge, attitude and skills leads to this significant gap between knowledge on the one hand, and attitude and skill on the other hand.

Investigating factors affecting the existing fact and problems with the performance of attitude and skill of students, were the other concern of the study. Among the factors revealed, the failure to use active learning teaching approach and the absence special assessment techniques which enable to check whether or not students meet civic disposition and skills had the lion's share for the problem. Students were not motivated to engage in debates, field visit, group discussion, case studies and other related activities which are vital for the development of attitude and skill. Moreover, role plays, group discussions, panel discussions, symposiums, and debates can be used to assess skills of problem solving, decision making, leadership, analysis and social interactions. On the other hand, both schools in this study did not assess attitudes and skills of students. This is because of lack of special attention, commitment and some authorized assessment techniques from the State Education Bureau. Considering the interrelation and interdependence of teaching methods and assessment techniques, the failure on one could affect the other. Hence, one can say that assessment techniques of measuring skill and attitude are totally non-existent.

5.2. Recommendations

Considering the goals of CEE and its irreplaceable importance in shaping students' personality, the limitations and challenges need an immediate rectification to balance the performance of students' civic disposition and civic knowledge. To this end, the following are recommendations made in line with the conclusions above:

- The State Educational Bureau needs to prepare specific practical guidelines for the implementation of the blue print.
- The State Educational Bureau, the Zonal and Woreda Educational offices should give due attention to the implementation of CEE beyond sticking to the reports which are not usually acceptable.
- The State Educational Bureau should prepare an authorized assessment technique implemented by all schools in the regional state.
- The State Educational Bureau should prepare incentives for CEE teachers for their additional burden.
- Each school administration should support CEE regarding participatory approaches and techniques for assessing skills and attitudes.
- Teachers should be committed in their jobs to balance students' civic disposition and skill with their civic knowledge.

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Classroom Assessment and Evaluation Techniques in Civil Service and Adama Science and Technology Universities in Ethiopia

*Desalegn Sherkabu Abadama**

Abstract

This paper presents practices and challenges of classroom evaluation in the Ethiopian Civil Service University (ECSU) and Adama Science and Technology University (ASTU) with their 370 and 172 sample students and instructors respectively. While the universities and faculties and/or departments were chosen using purposive bases of relative similitude, the sixteen academic leaders and the 13 exam booklets were sampled on accessibility basis. The students and instructors were chosen using simple random technique. Data were collected using two sets of questionnaire for the former two sets of respondents and FGD and interviewees were arranged with the other two groups of respondents. The researcher designed a five point Likert scale with 49 items under 11 categories for student respondents, and a five point Likert scale with 61 items under 6 major categories for instructor respondents. Sample exam booklets were closely studied qualitatively. The quantitative data were processed using SPSS. The study depicted a moderately high rate of standard-about 65.2-80% on the five point scale filled by students. It also revealed ($r=0.47$), a moderately positive relationship pointing out an indirect substantiation that the trend is in its normal course. Students rated ethical standards low which verifies the qualitative evidence to the sagging quality of the assessment, contrary to the quantitative data. A qualitative matrix analyses strategy was followed by extended narration. Accordingly, the assessment and evaluation practices demonstrated both positive achievements and deficiencies. Finally, a few noteworthy recommendations were made including a call for firm follow-up of the process and further in-depth applied researches by future insider-teacher researchers for unwavering improvement of the practice.

Key Words: *assessment, evaluation, testing, higher education institutions*

1. Introduction

There is almost every reason for studying the assessment and evaluation practices of Higher Education Institutions (HEIs) as one of the major activities to be accomplished. There has been a growing frustration that workplace-competences of graduates are getting lower and lower (Mehrens & Irwin 1991, 2000). There are also growing concerns from such stake holders as the MOE, instructors and students about problems of cheating at examinations and plagiarism. In addition, issues of high concern are irregularities in student grades while it is also known there are always high achievers, averages and low achievers in every group of students. A bird's eye view of previous semesters' grade reports elsewhere for some courses; however, depicted that all being "A" and above grades; all grades less or equal to "C⁺", etc. which were hard to swallow.

The assessment and evaluation practice of any educational institution should not be left unattended. Thus, what the practice looks like, how much the teaching learning process and the assessment and evaluation process influencing each other need be studied closely to pin point some ways forward out of their present stature. To this end, the researcher set the following four basic questions. (i) How much the nature of the assessment and evaluation in the HEI's under study is up to standard? (ii) How much is the practice contributing to the success of the teaching-learning

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process?” (iii) What does the ethics look like? (iv) How can the existing practice be further improved?

This paper aims at investigating the challenges that higher HEIs in Ethiopia today have in assessing and evaluating their students, and finding out the problems that the students have in relation to the evaluation.

This study is supposed to have both theoretical and practical importance. The theoretical importance is that the findings of the study might draw the attention of the instructors themselves and/or other researchers to conduct further in-depth action research in the area to bring about immense changes in the quality of the educational programs. The practical advantage of this study for students, teachers and educators is that the study would reveal the extent of the challenges with evaluation practices so that corrective measures are taken step by step and each stakeholder contributes to and hence benefits from the improvement he/she aspires to have.

The study would have been better reliable had more HIE’s participated in it. Nevertheless, the writer has limited the study to two HEI’s for the sake of feasibility with respect to time and resources. Assessment and evaluation is a challenge to all the conventional, distance, and evening educational programs. Nevertheless, the findings of this study were directly attributed to evaluating the assessment and/or evaluation practice of mainly the conventional programs in the two HEI’s though this may have implications to all other HEI’s in Ethiopia. The data from the HEI’s were brought to comparison even though classroom teacher made tests do have their own problem of subjectivity. The universities might somehow differ from each other in such matters as the nature of students they admitted in terms of their age and job experience. Besides, the students’ examination booklets and their parallel answer-keys were found very disorganized, and hence, the researcher refrained from insisting on getting this issue at least for the present study with the intention of leaving that part of the study to be carried out by the instructors of the particular departments. Therefore, the present study was not meant to address the details about the actual exam and test items such as item analyses and item difficulty levels.

This study followed the following theory-driven conceptual framework based on the works of Ornstein (1995). According to this model, the fulfillment of the conditions listed in the column to the left would automatically lead to the fulfillment of the outcomes listed in the column to the right.

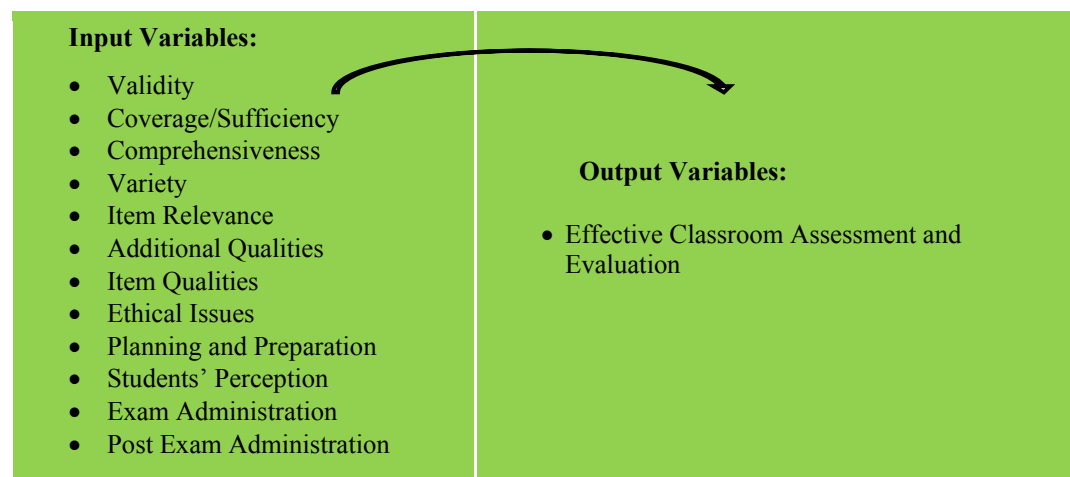


Figure 1: Conceptual Framework

Source: Adapted from Ornstein (1995)

2. Review of Related Literature

2.1 Assessment, Measurement, Testing and Evaluation

Assessment, measurement, testing and evaluation are seemingly very much interrelated terms. Assessment and evaluation can be explained as having same purpose but to take place at different stages of a given measurement of educational process as depicted below.

Assessment is a process by which information is obtained relative to some known objective or goal. Assessment and evaluation measure whether or not learning and/or learning objectives are being met. One could look at assessment and evaluation as the journey (assessment) versus the snapshot (evaluation). Assessment requires the gathering of evidence of student performance over a period of time to measure learning and understanding. Evidence of learning could take the form of dialogue, journals, written work, portfolios, tests along with many other learning tasks. Evaluation on the other hand occurs when a mark is assigned after the completion of a task, test, quiz, lesson or learning activity. A mark on a spelling test will determine if the child can spell the given words and would be seen as an evaluation. Assessment would be a review of journal entries, written work, presentation, research papers, essays, story writing, tests, exams etc. and will demonstrate a sense of more permanent learning and clearer picture of a student's ability (Kizlik2012).

Evaluation is a process in which one puts value or assigns worth to something. It is about judgment or a qualitative description of a measurement derived from a test. This mere fact of including value judgment makes evaluation, perhaps, the most complex and least understood of all these closely interlinked terms. In evaluation, one requires not only the grade of the student but also the situation or context, which can be the standard and the group etc., with which a student scored a grade. For example, to score an “A” for a student in a group of low achievers might not even equate him/her with a “B” scorer in a group of high achievers and vice versa.

Evaluation in education can be formal or informal. The first is when it is thorough and precise, whereas the latter is when it is impressionistic or based on hunches. Continuous assessment can take a mix of these two. Quizzes and tests as well as group discussions are among the most popular ones. Quizzes refer to brief informal examinations, while tests are formal tools usually requiring paper-and-pencil type fixed pre-announcement or pre-arrangement.

There are a number of other alternative methods of evaluation to pencil-and-paper tests. Some among others include: *group evaluation activities; class discussion and recitations; notebooks and note taking; reports, themes, and research papers; discussions and debates; peer evaluation, student journals; and student portfolios.*

To conclude, while evaluation refers to the process of delineating, obtaining, and providing useful information for judging decision alternatives, some prefer the term assessment to this process, while others emphasize the aforementioned distinctions.

Measurement in its broadest context refers to the use of some standard instruments to determine how big, tall, heavy, voluminous, hot, cold, fast, or straight something actually is. Measurement in education likewise refers to the process in which the mental attributes of the student including the IQ of a person, his/her attitudes or preferences, etc. are determined in numerical values. The usefulness of the information one obtains from measurement depends on the accuracy of the instruments one uses, and one's skill at using them. This is why educators are always concerned about test and/or examination reliability and/or validity. This concern in turn leads oneself to making use of different tests and to be tested by different test makers.

A test stands for a special form of assessment. Tests are assessments made under contrived circumstances especially so that they may be administered. In other words, all tests are assessments, but all assessments are not tests. One tests at the end of a lesson or a unit. One can assess progress at the end of a school year through examinations, and one assesses verbal and quantitative skills through such instruments (types of test) as the SAT and GRE. Either implicit or explicit, assessment is most usefully connected to a goal or an objective for which the assessment is designed. A test/exam or assessment yields information relative to an objective or a goal. In that sense, one tests or assesses to find out whether or not an objective or a goal has been met.

Overall, one measures distance, assesses learning, and evaluates results in terms of some set of criteria. These terms are certainly connected, but it is useful to think of them as separate but connected ideas and processes.

2.2 The Purpose of Educational Assessment, Measurement, Testing and Evaluation

Measurement and evaluation help students in communicating teachers' goals, increasing motivation, encouraging good study habits, and providing feedback that identifies strength and awareness (Mehrens & Lehmann 1991). Ward and Mildred (1999) confirm the same explaining the purpose of grade reports being for instructional uses (formative evaluation), guidance uses (for determining future of the students education based on their specific strengths and weaknesses), administrative uses (pass and/or fail, and other similar decisions like which advanced program to pursue, or if admitted to further education or not), motivation (that is to say, as extrinsic motivator. With regard to this, Guskey (1985) suggested an alternative to use grades as negative reinforcers. In other words, the author stresses that rather than attempting to punish students with a low mark, teachers can better motivate students by regarding their work as incomplete and requiring additional effort. However, should this piece of advice satisfy higher education students in every circumstance, needs to be open to further investigation (Guskey in Mehrens & Lehmann 1991).

A much related topic worth discussing along with the aforementioned purposes of assessment and evaluation in general is Performance Assessment. According to Ornstein (1995), other than essay writing (which is a good example of performance assessment), most other tests (both standardized and teacher-made) have relied on short-answer responses to knowledge-based questions which assess skills that have been broken down into discrete parts. In this connection, critics contend that by encouraging teachers for years to breakdown learning into "factoid" and then to test those "factoids" the result was to deemphasize teaching or assessment aimed at high-order thinking (Herman, Pamela& Lynn 1992; Neil 1992). The basic considerations of performance assessment have been given by Ornstein as indicated below.

...The idea behind performance assessment is that is students are supposed to conduct a scientific experiment, then have them to do it and assess them while doing it. If they are to learn a foreign language, then have them read and speak it. If students are to demonstrate how much they have learned in a course, then have them submit a portfolio of their "best work."... A student responsible for a performance test should present an actual demonstration involving an entire range of learning experience. Moreover, that demonstration should be in a performance context, dealing with the process and operation not simply the name or definition of a fact or concept, and there should be an intended outcome toward which the student plans, organizes, and works from start to finish (Ornstein 1995).

Nevertheless, performance assessment, with all its merits mentioned earlier is not without demerits. Some among its weak sides include:

- It is time consuming for the teacher to assess the performance of students in real situations, since testing usually must be done on an individual or one-to-one basis.

- An answer-key or objective grading system cannot be used, as with traditional short-answer questions.
- Students perform differently on different tasks or forms of the same tasks, and thus they would perform differently even when assigned the same task.
- Consistent assessment criteria are hard to develop in a performance assessment situation, and the students' scores or results are not easy to compare. With no "right" or "wrong" answer, unless teachers are very careful, it is very likely that teachers make unfair judgments.

Elements of performance assessment have been discussed for a long time under different labels such as *competency-based education*, *task analyses*, *exit testing*, or *outcome-based education*. For Spady (1992) while much of the theory of mastery learning involves performance standards, the difference is that the mastery involves content, whereas the new emphasis is on demonstration process. Rather than dealing with knowledge or recall of information, there is more emphasis on application and some culminating performance in an authentic situation. Finally, as the trend toward performance assessment has been continuously growing over the last several decades, it seems important for teachers to become knowledgeable in this area of testing. In order to use the approach of performance tests, students need to be assessed based on several tasks to get an accurate assessment. Therefore, teachers might need to change their way of teaching: moving from specific time *blocks to flexible scheduling*, *from focusing on how well students do the first time to how well they eventually do*, and *from less individual learning to more cooperative learning* (Spady 1992 & Ornstein 1995).

In brief, evaluation helps teachers by providing knowledge concerning the students' entry behavior; referring and clarifying realistic goals for each student; determining the degree to which objectives have been met and determining, evaluating and refining the teachers' instructional techniques. When the type of the evaluation is summative, one can have two distinct bases of decision: norm-referencing or criterion referencing. The former is used to interpret a score of an individual by comparing it with those of other individuals. The latter is used to interpret a person's performance by comparing it with some pre-specified behavioral domains or criteria. The details of these two decision bases have been discussed below in the sub-section titled *Grading*.

2.3 Guidelines for Constructing Quality Classroom Tests

The two most common criteria for choosing tests are test validity and reliability. Test validity refers to the extent to which a test has served the purpose it was supposed to serve. Test validity can take the form of content, curricular, construct, criterion or predictive.

According to Ornstein (1995), of all the forms of validity, content validity is perhaps the most important one. Test content validity refers to the extent to which the test measures what it is intended to measure. When constructing a test for a particular subject, one must ask whether or not the test items adequately reflect the specific content of that subject. If test items can be answered on the basis of basic intelligence, general knowledge or test 'wiseness', the content of a course or knowledge of a subject is not being tested adequately. The test lacks content validity. Finally, it is well understood that there is no easy way to determine content validity aside from expert opinion. For example, in the present study, content validity can be checked by checking whether or not there is sufficient test items coverage against the courses' general and specific objectives for the portion being tested.

Test reliability refers to the quality of the test to yield similar results when it is repeated over a short period of time or when a different form is used. A reliable test can be viewed as consistent, dependable, and stable.

Test reliability can be expressed numerically—in terms of coefficient of correlation. A reliability coefficient is often the statistics of choice to test consistency among different administrations. A coefficient of .80 or higher indicates high reliability, .40 to .79 fair reliability, and less than .40 low reliability. A respective coefficient of correlation of 1.00 and -1.00 represents complete/perfect positive or perfect negative relationships.

There are three basic methods for determining test reliability: Test Re-test, Parallel forms reliability and Inter-rater. A Test Re-test Reliability method is to give same test to same subjects at different times with its major limitations of maturity effect and memory effect. Parallel forms reliability—refers to the use of different sets of parallel /equal/ pre and post tests given to subjects. Inter-rater reliability (split-half) refers to the assurance of similarity among observations of human behaviors. All the three methods have their own weaknesses, however.

Nevertheless, they usually serve the purpose in describing test result relationships of students. For example, the present study can assume that if the tests and examinations are reliable enough, there should be positive correlation among students' results in subjects of their preference areas. For example, a student who scores high in Mathematics may also score high in physics and vice versa. Likewise, given that ECEE and EGSECE are tests with good predictive validity, there should be positive correlation of students' results of either of the aforementioned two tests and college CGPA of the students.

Test coverage /sufficiency refers to how large should test items should be. It answers the question, “can the classroom teacher check the knowledge aspects that students have difficult in mastering them point by point?” An instructor who sets sufficiently large number of questions that are representative samples would normally achieve better result. No clear figure has been identified, in this regard, but the general principle seems that test items must be as large as representativeness (i.e. they must be large in number) and as small as manageability (i.e. the test items must not be too much to the extent of bringing any **serious** problem to the implementation by any one or more of the stake holders.

Test comprehensiveness refers to whether or not the test addresses the topic across all the three knowledge domains-/KSA/. The traditional paper and pencil test mainly aims at testing lower knowledge domains. Thus, across knowledge domains especially, the last two knowledge domains remain less treated. Of course, these in some instances, might be considered as the “forgotten knowledge domains.”

A good test has to be set in such a way that test items are fairly distributed to the three knowledge domains namely, KSA- knowledge, skill and attitude domains.

Test relevance asserts that teaching and assessment and/or evaluation have to be one - the immediate reflection of each other. In other words, the classroom teacher leaves no portion untested, and he/she does not test what the students were not thought.

Another important criterion for a good test is that it must take into account the language, and other cultural elements of the learner. In so far as the test interested to measure the academic achievement of the learners objectively, there should as much as possible be no other variables that negatively affect the same. In this connection, for example, the English language medium of instruction in sample secondary and tertiary education system of our country can be taken as an intervening research variable in students' classroom test achievements. However, instructors can have a good deal of control over this variable so long as they are committed to using a simple and clear language.

Test variety refers to the need for making use of different test types and test items. Not all teachers, like any person, are good at every skill. Some are good at oral presentations of contents, while others are better successful in written tests. Some have an exceptional performance in analyzing concepts, while others prefer to produce something, instead. Hence, instructors have to avoid a hollow-effect syndrome in the course of assessing and/or evaluating students. A professional teacher is normally believed to write better test items when his/her memory of the classroom instruction experience with the students is afresh. In addition to this, instructors can as time goes prepare what is called item bank of their own. Test and examination items that are put in item banks are those which are found to be with best discrimination power (DP) on the one hand, and proper level of difficulty (LD) on the other hand. Committed teachers at least theoretically speaking keep item cards whereby the card records the question item, the LD and the DP of it catalogued to just draw from whenever the need arises.

Classifications of teacher made tests can be made based on different criteria. For example, Ornstein in his book titled “Strategies for Effective Teaching,” states that tests can be of **Short-Answer** or **Essay** type, each of which has its own merits and demerits.

*...Most Classroom tests fall into two categories: short-answer test (multiple choice, matching, completion, and true-false), sometimes called free response tests. **Short-answer tests** require the student to supply a specific and brief answer, usually one or two words; essay tests require the student to organize and express an answer in his or her own words and do not restrict the student to a list of responses....**An essay test** usually consists of a few questions, each requiring a lengthy answer. A short answer test consists of many questions, each taking little time to answer. Content sampling and reliability are likely to be superior in short-answer tests. Essay tests provide an opportunity for high-level thinking, including analysis, synthesis, and evaluation. Most short-answer items emphasize low level thinking, including analyses or memorization, not advanced cognitive operations.... The quality (reliability, validity, usability) of an objective test depends primarily on the skill of the test constructor, whereas the quality of the essay test depends mainly on the skill of the person grading the test. Short-answer tests take longer to prepare, but are easier to grade. Essay tests may be easier to prepare, but are difficult to grade. Short-answer items tend to be explicit, with only one correct answer. Essays permit the student to be individualistic and subjective; the answer is open to interpretation, and there is more than one right answer. Short-answer tests are susceptible to guessing and cheating; essay tests are susceptible to bluffing (writing “around the answer”). (Ornstein 1995)*

The choice between these two types of tests is not easy and classroom teachers need take into account at least the following six factors: purpose of the test, time, numbers of students to be tested, facilities, age of students, and the teacher’s skills. Writing good tests requires a skill of appropriate planning so that the instructional objectives, curriculum content, and instructional materials are related in some meaningful fashion. The following 19 points by Mehrins and Lehman include a checklist that a teacher should consider when preparing classroom tests.

What is the purpose of the test; why am I giving it? What skills, knowledge, attitudes, and so on, do I want to measure? Have I clearly defined my instructional objectives in terms of student behavior? Have I prepared a table of specification? Do the test items match the objectives? What kind of test (item format) do I want to use, why? How long should the test be? How difficult should the test be? What should be the discrimination level of my test items? How long should the test be? How difficult should the test be? What should be the discrimination level of my test items? How will I arrange items within each item formats? How will I arrange the items within each item formats? What do I need to do to prepare students for taking the test? How

are the pupils to record their answers to objective items, on separate answer sheets, on the test booklet? How is the objective portion to be scored, hand or machine? How is the essay portion to be graded? For objective items, should guessing instructions be given, should a correction for guessing be applied? How are the test scores to be tabulated? How are scores (grades, or level of competency) to be assigned? How are the test results to be reported? (Mehrens and Lehmann, 1991)

Test classification by stimulus materials depends on the nature of the course verbal picture, tools etc.; open-book versus closed –book examinations.

Classification by purpose: Criterion-referenced versus norm-referenced; achievement versus performance; and formative versus summative tests can be mentioned here. The following are **suggestions** compiled from different writers (Anonymous).

Planning teacher made tests

Good tests do not just happen. They require adequate and extensive planning so that the instructional objectives, the teaching strategy to be employed, the textual material, and the evaluating procedure are related in some meaningful fashion. Inadequate planning is, however, one of the most common errors teachers commit in preparing teacher-made tests.

Developing test specification

This is different from table of specification. It refers to answering such questions as *why do I test and what is the best way to do what I want to do.*

Table of specification

What is to be tested?

- Content and objectives in a matrix.
- Item difficulty
- When to test- Frequency is referred to here.

General considerations in writing test items:

- Carefully define your instructional objectives;
- Prepare table of specification, keep it before you, and continually refer to it as you write test items.
- Formulate well-defined questions.
- Avoid excessive verbiage
- The test items should be based on information that the examinee should know (or be able to deduce from the context) without having to consult a reference source.
- Use the most appropriate stimulus;
- Try to avoid race and sex bias
- Write each test item on a separate card
- Prepare more items than you will actually need;
- Write and key the test item as soon as possible after the material has been taught
- Prepare the items well in advance to permit review and editing.
- Avoid specific determiners;
- Be careful when rewarding a faulty item.
- Insert some novelty in your test
- Avoid textbook or stereotyped language
- Obtaining the correct answer to one test item should not be based on having correctly answered a prior item.

What it takes to be a good item writer? To be a good item writer, one should be proficient in six areas.

- Know the subject matter
- Know and understand the students being tested
- Be skilled in verbal expression
- Be thoroughly familiar with various item formats

- Be persevering
- Be creative

The final selection of ideas to be developed into test items is dependent on:

- Purpose of the test;
- The test blue print;
- Importance of specific material covered in the class
- The items' ability to discriminate between those students who do and those students who do not know the material.

Suggestions for Writing Short-Answer Tests: Short-answer items include multiple choice, matching, completion, and true-false. The test questions or items often involve the recall of information, exemplified by knowledge of facts, terms, or rules, but they can also involve higher-order cognitive abilities, (Multiple-choice items are easier to devise for testing advanced cognitive abilities; the other short-answer types are more difficult.) The following 14 by *Ornstein* include suggestions to be considered when preparing and writing short-answer test.

... Writers of short-answer test/test items should (1) measure all the important objectives and outcomes; reflect the approximate emphasis given the various objectives and content of the subject or course. (2) not focus on unimportant content (3) be clearly phrased (4) avoid trick or trivial test items (5) separate the knowledgeable students. (6) not be included just to add length to the test (7) not be interrelated. (8) be grammatically correct. (9) be appropriate to the students' level, (10) not be racially, ethnically, or sexually biased. (11) have a definite correct answer, (12) be appropriate in number to the abilities of the student group as well as to the time available for testing; (13) consider the physical conditions under which the test is administered-heat, ventilation, lighting, noise, and other physical conditions. (14) not to be the only basis for evaluating the students' classroom performance or for deriving a grade for a subject... (Ornstein 1995)

Guidelines for Writing Multiple Choice Questions: The basic form of the **multiple-choice test** item is a stem or lead, which defines the problem, to be completed by one of a number of alternatives or choices. There should be only one correct response, and the other alternatives should be plausible but incorrect. For this reason, the incorrect *alternatives* are sometimes referred to as "distracters." In most cases, three to four alternatives are given along with the correct item. The effect of guessing in multiple choice test item is reduced, but not totally eliminated, by increasing the number of alternatives. For example, in a 25-item with a four-alternative multiple choice test, the probability of obtaining a score of at least 70 percent by chance alone is 1 in 1,000 (Payne 1992 as cited in Mehrins and Lehman 1995). However, the major limitation of the multiple choice format is that the detractors are often difficult to construct, particularly as the number of choices increase to five. In any case, the following 14 by Mehrins and Lehman include among suggestions for writing multiple choice items.

... Writers of multiple choice test/test items should (1) state the central problem in the stem. (2) preferably forward direct question in the stem. (3) include in the stem any words that might otherwise be repeated in the alternative responses. (4) avoid negative statements in the stem and alternatives (5) use numbers to label stems and letters to label alternatives. (6) avoid absolute terms ("Always," "never," "none") especially in the alternatives; (7) avoid using items directly from the text or work book, (8) arrange alternatives in some logical order (9) put alternatives in parallel in content, form, length and grammar. (10) put correct responses in random order. (11) make alternatives mutually exclusive. (12) make alternatives plausible to less knowledgeable students. (13) make the answers objectively correct, (14). use the alternatives "All of the above" and "None of the above", only sparsely (Mehrins & Lehman, 1995)

Guidelines for Writing Matching Questions: In a matching test, there are usually two columns of items. For each item in one column, the student is required to select a correct (or matching) item. The items may be names, terms, places, phrases, quotations, statements, or events. The basis for choosing must be carefully explained in the *directions*. One problem with matching tests according to Ornstein (1995) is finding homogeneous test and response items that are significant in terms of objectives and learning outcomes. Another problem is that matching questions often require recall rather than comprehension and more sophisticated levels of thinking. Higher levels of cognition may be called for in matching questions that involve analogies, cause and effect, complex relationships, and theories, but such items are hard to construct. In any case, the following 10 by Mehrins and Lehman include among suggestions for writing matching test items.

... Writers of matching tests/test items should (1) use directions which briefly and clearly indicate the basis for matching (2) appear on a single page. (3) make the wording of items in column A shorter than those in column B (4) make Column A contain no more than 5 or 6 items (5) contain more alternatives in column B (6) number code, Column A items and letter code Column B items. (7) present Column B items should in a logical order (8) make Items in both columns similar in terms of content, (9) avoid Negative statements in either column (10) Many multiple-choice questions can be converted to matching test; therefore, many of the suggestions are applicable to both...(Ornstein1995)

Guidelines for Writing Completion Questions: In the completion test, sentences are presented from which certain words have been omitted. The student is to fill in the blank to complete the meaning. This type of short-answer question, sometimes called a fill-in or fill-in-the-blank question is suitable for measuring a wide variety of content. Although it usually tests recall information, it can also demand thought and ability to understand relationships and make inferences. Completion tests unlike the other short-answer test types provide little opportunity for guessing. Its major problem is that the answers are not always entirely objective, so the scoring of the teacher is time-consuming and grading outcomes may vary with the grader. The following 10 by Ornstein include among suggestions for writing Completion test items.

Writers of completion-test/test items should (1) inform students all the details about the direction. (2) avoid use of questions that are copied from the textbook or workbook. (3) use clearly worded Fill-in items (4) place the completion part near the end of the item. (5) make the completion item simpler and clearer by writing it as a question than as a statement. (6) only have one possible correct answer, (7) assign equal credit to each and every one of them in case of more than one answer, (8) not use a Fill-in based on trivial or trick data. (9) not use a correct response which is be part of a particular grammatical form, common expression, or well-known saying. (10) not use more than two blank spaces. (11) use a required completion with a specific term (person, place, object, and concept), (12) When combining multiple-choice and completion formats, use homogeneous alternative responses in form, length, and grammar ... (Ornstein1995)

Guidelines for Writing True-False Questions: The **true-false question** is the most controversial of all types of short-answer questions that are used in education. Despite the number of advantages it has, critics assert that true-false items have almost no value, since they encourage, and even reward, guessing, and measure memorization rather than understanding. Others also note that true-false questions tend to elicit the response set of *acquiescence*-that is, the response of people who say yes (or "true") when in doubt. The following 12 by Ornstein include among suggestions for writing true-false questions.

Writers of true-false tests/test items should (1) test an important concept or piece of information, not just a specific date or name. (2) be completely true or false (3) be clear only to a knowledgeable person. (4) avoid specific determiners and absolute statements ("never," "only," "none," "always"), ...especially in statements you want to be considered true. (5) avoid qualifying statements and words that involve judgment and interpretation ("few," "most," "usually"). ...especially in statements you want to be considered false. (6) avoid negative statements and double negatives (7) avoid verbatim textbook and workbook statements, (8) use the same form and length for true and false statements. (9) present a similar number of true and false items. (10) use simple grammatical structure. 11) be clear and concise. (12) place the idea being tested at the end of the statement... (Ornstein 1995)

In sum, the different types of short-answer tests have advantages and disadvantages and/or limitations. In due course, some teachers *prefer* certain types of test items and avoid others. However, while each has features that make it useful for specific testing situations, the different types can be used together to add variety for the test taker and to test different types and levels of knowledge.

Besides while multiple-choice questions are most difficult and time consuming items to construct; they can be used more readily to test higher levels of learning than the other short-answer test items. On the other hand, while matching questions are also difficult and time-consuming to write, they are interesting for students and can be used for variety. Completion questions are open to interpretation and scoring, but they can be used also to test higher levels of learning. Lastly, true-false *questions* tend to focus on trivial (requiring test writer to take much care for avoiding guessing in some way), but they are easy to construct and score, and enable the teacher cover a large portion.

Guidelines for Writing Essay Questions: According to Tuckman (1991), the essay is considered to be the most authentic type of testing for, among others, college students, and is, perhaps, the best one for "measuring higher mental process." Ornstein (1995) strengthens the same to say to learn how a student thinks, attacks a problem, writes, and utilizes *cognitive* resources, i.e. something beyond the short-answer test such as essay test is needed- especially this is a must where there is no specific right answer. Scholars of testing identified three types of essay test items.

Type 1 essay questions: These first types of essay questions are those groups of questions which use words such as "Why," "How," and "What *consequences*." According to Tuckman (1991), *Type 1 essay questions* call for command of essential knowledge and concepts and require students to integrate the subject matter, analyze data, make inferences, and show cause-effect relations.

Type 2 essay questions: The second groups of essay type questions are those for which scholars such as Peterson (1993) and Hunkins (1995) urge the use of words such as "discuss," "examine," and "explain," claiming that this *Type 2 essay questions* wording gives the student less freedom in responding, but provides an opportunity to learn how the *student* thinks. Although more restricted than the first type, this type of question may still lead to divergent responses by some students. Type 2 essay test item is useful when the purpose of the test is to see how well the student can select, reject, and organize data from several sources.

Type 3 essay questions: The third groups of scholars, for example, Gronlund (1993), advocate more structure or precision through the use of words such as "identify," "compare," and "contrast." These are also known *Type 3 essay questions*.

The major disadvantages of essay questions are the considerable time to read and evaluate answers and the subjectivity of scoring. The length and complexity of the answer, as well as the standards for responding, according to Ornstein (1995), can lead to reliability problems in scoring. Accordingly, some studies report that independent grading of the same essay by several teachers

results in appraisals *ranging* from excellent to failing. According to Arasian (1991), another study even showed that the same teacher grading the same essay at different times gave the essay significantly different grades.

One way to increase the reliability of an essay test according to Tuckman (1993) and Ornstein (1995) is to increase the number of *questions* and restrict the length of the answers. The more specific and restricted the question, the less ambiguous it is to the teacher and the less affected by interpretation or subjectivity in scoring. According to the latter testing scholar, the essay answer is affected by the student's ability to organize written responses. Many students can comprehend and deal with abstract data, but have problems writing or *showing* that they understand the material in an essay examination. Students may freeze and write only short responses, write in disjointed fashion, or express only low-level knowledge. One way of helping to alleviate this problem is to discuss in detail how to write an essay question rather than being limited to the teaching of spellings and grammar. On the other hand, there are students who write well, but have not learned the course content. Teachers should not be misled by the students' writing ability concealing their lack of specific knowledge.

Many teachers take advantage of what short—answer questions and essay questions have to offer by writing tests consisting of both, perhaps 40 to 60 percent short-answer and the remainder, essay. In colleges, there is a tendency to require students to answer more essay questions since it is believed they should have the ability to formulate acceptable answers. The following 14 by Ornstein are **suggestions for writing essay questions**.

Writers of Essay tests/test items should (1) Make directions specific (2) word each question as simply and clearly as possible. (3) prepare enough questions to cover the material (4) allow sufficient time (5) ask questions that require considerable thought. (6) give students a choice of questions, say, two out of three (7) determine in advance how much weight (8) ask questions that have an answer that is generally accepted (9) ask more than one essay questions (10) provide sample questions (11) explain your scoring technique to students before the test. (12) be consistent in your scoring techniques for all students. (13) grade one question at a time, rather than one test paper at a time (14) Write comments on the test paper for the student... (Ornstein 1995).

2.4 Additional Qualities of Good Classroom Tests

Rules for Discouraging Test-Taking Skills: According to Tuckman (1993), a professor of educational research at Florida State University, since one does not want to reward test-taking skills as a substitute for acquiring knowledge through hard work such as coming to class *and* studying, these are the clues that students should not be given in the tests that one sets.

...Test writers should (1) not include any obviously wrong answer choice. (2) not write one item that actually contains the answer to another item on the same test. (3) not make the right answer choice longer, more complex, or in any way visibly different from the wrong answer choices (4) Do not follow a pattern in choosing what choice, a, b, c, d, or e, will be the correct choice. (5) Make all the answer choices grammatically consistent with the question... (Tuckman 1993 as cited in Ornstein 1995)

Tuckman (1993) further depicts penalty for guessing would help to prevent students benefit improperly from guessing. For example, TEST SCORE = (NUMBER RIGHT) - $\frac{1}{4}$ (NUMBER WRONG)

2.5 Exam Administration and Post Exam Administration Activities

It is recommended that teachers announce tests well in advance. Accordingly, teachers need to discuss what would be covered, how it would be evaluated, and how much it would count toward a

final grade. Teachers need to be also considerate in scheduling tests. For example, it would be unwise to schedule a test on the same day as or the day before a big game, big celebration or student activity, on Friday afternoon (where students have intentions of weekends and/or moving to different social commitments), or before a major holiday such as the Easter or Christmas vacation.

Conditions other than students' knowledge can affect students' performance in tests. Among others, test-taking skill is worth mentioning. Important as it is, it is completely apart from the subject matter of a particular test though. In other words, the teaching of test-taking skills to students would improve students' test scores. According to Hammond (1989) as cited in Ornstein (1995), developing good test-taking strategies is a way of reducing anxiety in a test situation. Thus, it is important to tell students that consistent studying or review over the duration of the course is more effective than cramming. Teachers are normally expected to advise their students to get good night's sleep before the test.

There are some debates over whether or not chewing gum or to nibble on candy affects test-taker's grade negatively. Those who advocate this view argue that as one, as a test-taker, relax (i.e. in such a way as sitting in a *stretched* position on the back seat of the armchair, chewing gums or candies etc., one's mind, too, gets over relaxed to thereby reducing one's performance in the test.

On the contrary, Ornstein (1995) argues that there is nothing wrong in telling students to chew gum or to nibble on candy (as long as they do not wrinkle papers or make a mess) if it reduces their anxiety (that is potentially debilitating emotions and worry).

Teachers need to also remind test-takers to wear a watch if there is no clock in the room to help pace themselves and to come prepared with more than one pen or pencil.

Other important routines that teachers need to be aware of during test administration include passing out first the answer sheet booklets if they are separate pages, instructing students to fill out information required on the answer sheets, a teacher has extra copies of the test booklet and students have any necessary supplies, such as pencil or pen, ruler, calculator, or dictionary. Teachers should also establish a procedure for clarifying directions and test items during test time; once the test begins, a student with a question should raise his or her hand without talking out loud or disturbing classmates. If several students have the same question or problem with the same item, the teacher should interrupt the students briefly to clarify it for all. However, this should only be done sparingly to limit distractions.

Returning Tests: Tests should be returned to students as quickly as possible. As the papers are returned, the teacher should make some general comments to the class about awareness of the group effort, level of achievement, and general *problems* or specific areas of the test that gave students trouble. Each question on the test should be discussed in class, with particular detail given to questions that many students missed. If the missed test items are fundamental for mastery, then, the teacher should take extra time to explain the material and provide similar but different exercises for students to review. Some teachers call on volunteers to redo and explain parts of the test that were missed, although this method may not always be the most profitable use of time. For students who have achieved a good grade, especially unexpectedly good grades, the teacher should provide approval. Students who have performed poorly should be given special help in the form of extra reading, selective homework, or tutoring. In some cases, teachers retest them after they have restudied the *material*. The teacher should meet with students who have questions about their grades after class privately, or possibly in a small group if several students have the same questions. Regardless of the type of test, the teacher should make some comments about the individual student's answers and progress, with more personal comments directed at younger children. Personal comments so long as they are objective and positive, help motivate students and make them aware that they need to improve in specific areas.

Grading Tests: According to Ornstein (1995), grading has the following purposes in general: (1) certification, or assurance that a student has mastered specific content or achieved a certain level of accomplishment; (2) selection, or identifying or grouping students for certain educational path or programs; (3) direction or providing information for diagnosis and planning; (4) motivation, or emphasizing specific material or skills to be learned and helping students to understand and improve their performance; and (5) evaluation, or comparing schools and school districts to establish or justify local state programs and policies.

3. The Methods

The study was made to use a combined/mixed concurrent qualitative and quantitative descriptive (i.e. explanatory and exploratory) approach. It was also conducted through a multiple of sampling techniques such as convenience, stratified random, purposive and accessible sampling techniques where appropriate depending on the nature of the respondents and the researcher. Accordingly, 370 (i.e. a respective number of 280 and 90 student respondents from the respective universities of ASTU and ECSU) were selected to represent a sample framework of 5009 which were purposively chosen by the researcher considering the relative program similitude between the institutes, faculties and departments within the two universities. Similarly, 172 instructors from a 303 sample frame were participated using same formula above. The simple formula next were employed to determine the sample size by taking a confidence level of 0.05.

$$n = \frac{N}{1 + N(e)^2} \text{ Slovin (1960)}$$

Where, n = the desired sample size; N = the sample frame. In this case, the researcher also involved eight instructors (i.e. one from the chosen departments in each of the two HEI's). The researcher sampled out a respective number of four and nine exam booklets from ECSU and ASTU. Sixteen academic leaders were sampled out on accessibility basis. Based on 30 pages review of Basic Concepts of Assessment, Measurement, Testing and Evaluation, the researcher prepared two sets of Interviews and Questionnaires and a series of FGD's. The researcher designed a five point Likert scale with forty-nine items for students in the following eleven categories: validity, test coverage/sufficiency, comprehensiveness, test variety, relevance of the examination items general evaluation, additional qualities of good tests, item qualities, examination administration, post examination administration, ethical issues. The researcher also designed a five point Likert scale with sixty-one items for the instructor-respondents in the following six categories: planning and preparation for tests/exams, perception, writing test/exam items, monitoring the examination administration, post examination administration activities, and general evaluation.

Then, the quantitative data from the two questionnaires were put into SPSS V-21 and arithmetic mean were computed for selected categories of the rating scale and, then, converted into percentages for ease of explanation. Pearson's product moment correlation was employed to correlate students' college entrance results against their college cumulative grade point average, which is commonly referred to as "the CGPA." An in-depth exploration using a strategy called qualitative matrix analyses was concurrently employed to analyze the verbal responses from students, instructors and department heads.

4. Results and Discussion

Students who participated in filling in the questionnaires were 370 (i.e. 90 from ECSU and 280 others from ASTU). Thus, the over 11% sample size is well taken for descriptive surveys in most social science studies to which this one is also the case. Considering possible non-returnees, 5% plus questionnaire were distributed to both student and teacher respondents. Consequently, 370 students and 172 instructors filled in and returned the questionnaires. The following is the detailed

account of the respondents, interviewees, discussants and documents (examination booklets). On the other hand, of the 172 total teacher respondents who returned the questionnaires with missing 5% contingency.

The codebook in the shaded paragraph below was prepared for the qualitative data analyses to make better referencing of facts for readers. The codes helped the researcher to manually organize and handle the vast qualitative data.

E-FGD-Gn-Xn stands for the respective variable names: University, Focus Group Discussion made, Focus Group Discussion “Group”, the Particular discussant in the FGD, and the last the number given to the particular remark made by the discussant. Thus, E stands for Ethiopian Civil Service University; ASTU stands for Adama Science and Technology University. For example, E-FGD-G1-T refers to respondent named by his/her first name initial T, in FGD with Group I at ECSU quoted for his particular remark labeled as 1st.

SQCN stands for Student Questionnaire Code Number. For example, SQCN1 refers to “a questionnaire filled by a student given the code number 1 on the top of the front page and centered using hand written ink.”

TQCN stands for Teacher (Instructor) Questionnaire Code Number. For example, IQCN1 refers to “the questionnaire filled by a teacher given the code number 1 on the top of the front page and centered using hand written ink.”

I-Int stands for Individual interview

The assessment and evaluation practice is of a moderate standard with a 69.8% variety, relevance. (See Table 1.)

Table 1: Students’ Opinions about Continuous Assessment and Evaluation of their Performance

No.	Items	Rating	%
1	Validity	3.35	67.0
2	Test Coverage/Sufficiency	3.38	67.6
3	Comprehensiveness	3.15	63.0
4	Test Variety	3.50	70.0
5	Relevance of the Exam Items	3.36	67.2
6	Item Qualities	3.21	64.2
7	Additional Qualities of Good Tests	3.24	64.8
8	Exam Administration	3.14	62.8
9	Post Exam Administration	4.38	87.6
10	Ethical Issues	4.98	71.14
11	General Evaluation		
	Overall the nature of the continuous assessment is up to standard.	3.00	60.0
	Overall the nature of the final exam is up to standard	3.24	64.8
	Average	3.49	69.8

Source: Own Survey –June 2016

The assessment and evaluation practice was of a moderately high standard level as per the students’ rating; and was rated as high as to the instructors’ rating, i.e. 82.6% (see Table 2).

Table 2: Instructors' Students assessment of their continuous assessment and evaluation

No.	Items	Rating	%
1.	Planning and Preparation for Tests/Exams	3.92	78.4
2.	Perception	3.99	79.8
3.	Writing Test/Exam Items	3.71	74.2
4.	Monitoring the Exam Administration	3.92	78.4
5.	Post Exam Administration Activities	3.99	39.9
6.	General Evaluation		
	Continuous assessments are up to standard	4.72	94.4
	Continuous assessments have positive influence	4.13	82.6
	Final exam are up to standard	4.45	89
	Final exam have positive influence	4.36	87.2
Average		4.13	82.6

Source: Own Survey–June 2016

So, it can be taken that the assessment is somewhere between moderate and moderately high status when seen as a whole.

Ethical elements were rated as moderately high as 71.14% (See Table 1 below) despite issues of copying, plagiarism, free-ridership in group works, etc.(M4, Bi1 & A3); (E-FGD-G1-B2). Thus, the overall picture seems that ethical issues are still formidable especially when the qualitative data from the instructors is incorporated in it.

A regression analyses of $r=0.47$ depicting that ECEE predicted CCGPA, which in turn depicted that the assessment was serving its purpose.

Courses for the most part were, too, theoretical lacking real-life experiences because of missing design equipment's and computers-(A-Q-St-16);E-Q-St-47) ((A-Q-St-17 (E-Q-St_45).

Problems include the nature of influence between the T-L process and the assessment: handouts also meant-“HANDS OUT,” and the continuous assessment both influence...(A-I-Int 2)

Less attention was given, and hence, little or no monitoring and supervision activities...almost by all parties-load, experience, lack of pedagogical issues (E-FGD-G1-F3; (E-FGD-G1-B2) E-Q-St-2) (E-Q-St-2) The inattentiveness problems were added with possible copy-paste effects of tests, and examination writing can result in the worst of the scenarios that students reported that they even experienced to have once been sitting for a test which was not meant for themselves. Moreover, the header of the final examination for one of their advanced major area course was depicting that it was rather an examination booklet which was given to some other university students in a previous semester.(E-FGD-G2+Y6)

Confounding nature of the questions can be epitomized by “What a bread is made of?” versus “What wheat is made up of?” Here the trick is more than what the language poses. The questions are just made out of the realm of the study. The students were thought something and the test maker is evaluating something else.

Post examination administration points were rated as the lowest -about 58.8%...feedback and options of crosschecking results.

Too much of the continuous assessment, for example, when sometimes there are about eight courses in a semester, was deficient-(E-FGD-G1-Bi2), and a single test and final examination mode of assessments were not uncommon too. (E-I-Int-E4)

The less creative usage of the 1:5 “student small groups called army” formation poses pedagogic deficiency in that it would make classroom interaction too boring, limiting and less natural.(E-FGD-G1-F3; E-Q-St-2).

Checking content validity, item level of difficulties and discrimination power were found difficult or impossible.

Lack of individual assignments and poor sense of coordination among instructors teaching in the same classes resulted in havoc. And so did poor editing of final examination papers.(E-FGD-G2+Y6).

5. Conclusions and Recommendations

5.1 Conclusions

The assessment and evaluation practice taken as a whole was found to be of a fairly below moderate standard leaving some room for improvement endeavors. These include limited attention given to the follow-up which might have resulted from less exposure and, hence, insensitivity to related pedagogical principles; and low ethical standards. The less emphasis given to performance evaluation has affected the quality to some extent. Consequently, considerable numbers of instructors were involved in writing factoid examination and test items which in turn were supposed to have encouraged students to depend on their handouts only. The handouts themselves were found discouraging students to go for references in the library. The continuous assessment was found to have been positively affecting the teaching learning process and it clearly enhanced student-retention rate. However, malpractices of same continuous assessment in various instances were observed in relation to many of the students and the instructors themselves. The overall process seems to demand firm follow-up from all those who have vested interest in the business of the school: students, teachers, department heads, academic leaders in general and the public at large.

5.2 Recommendations

- The academic leadership should ensure the effective implementation of the right pedagogical principles across the departments and programs;
- It should also ensure that all students have no chance of committing any form of “academic misdemeanor which, in some cases, may go as far as not implementing the written curricula, for example, by getting tests cancelled through some form of pressure on the teacher;
- Continuous assessment should be strengthened by ensuring individual assignments, and enhancing coordination among instructors teaching same classes to consider overloads and overlaps;
- Teachers among others should be advised to edit tests and final examinations time and again. This must be carefully supervised by responsible department heads;
- The academic leadership should ensure that tests as part of a continuous assessment should not weigh more than 20% in order to give space to varieties of options;
- Teachers should ensure that the teaching-learning process must be made more skill-based by all means including checking teachers’ competence and availability of relevant resources, etc;
- Teachers should conduct a full scale and an in-depth exploration of the practice of their assessment and evaluation, especially when seen from validity and reliability perspectives, and the academic leadership, in this regard, has to encourage action research.

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Theme Two

Development, Public Policy, Governance and Cross-Cutting Issues

Analysis of the Changes in Consumption Patterns of Urban Dwellers: Policy Implications, A Case Study of Addis Ababa City, Ethiopia

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Abstract

The aim of this study was to make analysis of the change consumption patterns of Addis Ababa, and to identify the determinants of food consumption of urban household of Ethiopia. Accordingly, this paper analyzed the changes in consumption expenditure of Addis Ababa by taking 900 sample households from Ethiopian Urban Household Survey (EUHS) data using three rounds (1994, 2000 and 2004). The study employed both Engel and Working-Leser model, to identify the determinants consumption and to see how the income elasticity demand for different food items changed over time. The results from both model evidence that income and family size are the most important factors that affect the consumption behavior of urban household while the effect of family size is fed up over time as income of the household increases. Income elasticities for 2000 of cereal, pulse, fruit, meat and milk declined compared to 1994 while for spices it did not show any change. On the other hand, income elasticities for 2004 of cereals, meat and spices increased compared to 2000 income elasticities while income elasticities for milk, fruit, pulse and vegetable declined. Therefore, there is no strong evidence that supports the phenomenon of a change in food consumption patterns in urban Ethiopia; rather the consumption of urban household changes from food items to non food items. These findings should be useful in understanding and predicting food consumption patterns of urban Ethiopia and have clear implications in economic policy decision making such as price reform and tax proposal.

Key words: Consumption pattern, Engle curve, Working-Leser model, Urban household, Ethiopia

1. Introduction

Earlier studies on this particular topic are limited. For instance, Disney et.al (2004), demonstrate the sensitivity of the choice of spatial price to estimate poverty. They argue that using spatial price Deflators for poverty estimation leads to underestimation or overestimation of urban poverty. Hence, their studies focus more on techniques of estimating urban poverty than analyzing urban poverty or consumption, which are two sides of a coin. However, this study will analyze the change in consumption patterns of urban Ethiopia not methods of estimating poverty.

Moreover, other studies in Ethiopia, such as Dercon and Krishnan(2000); Dercon(2001) focus more on rural poverty than urban poverty of Ethiopia. Still others, such as Tadesse (1997) analyze the dynamics of urban poverty. Hence, none of them were focused on changes in consumption patterns of urban areas. While Tadesse (2010), analyzed the changes in consumption patterns of urban Ethiopia, and found that the consumption patterns of urban Ethiopia changed from cereal crop consumption to high value crops such as fruit and vegetable using a data set of Ethiopian urban household survey for the year 1994 and 2004. However, the author assumed that there was an inverse relationship between income and marginal propensity consumption because he used semi logarithm types of consumption function to analyze the change consumption patterns of urban households. This study is different from that of Tadesse's(2010) study at least in two major points. First, methodologically, this study entertained both hypotheses regarding the relationship between consumption and income, i.e. constant income- consumption and decreasing consumption-income

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assumption relationship, and the better estimation will be taken by approximate goodness to fit the regression results. Second, this study analyzed the changes in consumption patterns not only on food items, but also on non-food consumption, which are vital policy implications for urban development and poverty reduction strategies of developing countries.

However, Tadesse (2010) focus on food items while understanding the expenditure patterns of households on non-food items has significant policy implications related to service provision, production and distribution decision. For instance, Regmi and Meade (2013) made a cross country analysis on a driver of global consumption, and concluded that consumers making larger adjustments to non-food expenditures when food prices change than they do to food expenditures when the price of non-food items change.

In other words, change in food price is exerting a significant pressure on consumers to adjust non food expenditure. Therefore, examining the above situation empirically in Ethiopia is very important because non food price has significant influence on the living standard of low and middle income people. Moreover, since food is the most important item for human being, an analysis of the changes in food consumption pattern over time has a special significance which is the most important component for low and middle income groups. The food expenditure pattern is an excellent indicator of economic well being of people. Therefore, understanding the consumption pattern of urban Ethiopia provides valuable information for urban and rural policy makers about how to improve the well being of the nation in general, and easily evaluate the impact of any economic policy change on the economy. Therefore, the above aforementioned points indicate that this study might fill in the gap that existed in the current empirical literature.

Food consumption patterns and trends have a direct and significant influence, in the short and longer terms, on food production patterns and overall food security. Firstly, consumption in developed and developing countries has a direct impact on food prices, disproportionately affecting food accessibility for the poor. Secondly, the intensive production methods that have come to define modern food production are a direct response to increased demand for more resource-intensive food products. Thirdly, intensive production of resource-intensive foods depletes the agro-ecological resource base, affecting its ability to produce plentiful food (Moomaw et al 2012). Moreover, consumption trends are negatively affecting the agro-ecological resource base and its ability to sustainably provide factors production (Moomaw et al 2012). Therefore, understanding consumption pattern of food and non-food items has important policy implications for food security, service provision, welfare improvement, and sustainable use of the natural resource base of a country.

Furthermore, the welfare of the urban households is closely related to consumption expenditure. Therefore, understanding the consumption patterns of urban households indicate areas of government intervention to improve the welfare of urban households. In general, the transition within food and non-food consumption patterns in turn needs government policy intervention to stimulate production of food and non-food items in order to improve the welfare of urban households, and to design appropriate policies related to food and non-food production and distribution. Based the above mentioned evidences and the importance of the issue as well as the literature gaps that is identified; this study has set out to answer the following two basic questions; (I) Are there changes in consumption patterns of urban households? (II) What are the factors that affect the consumption decision of urban households over time?

2. Review of Theoretical and Empirical Literature

In order to examine a food consumption pattern and its determinants, it is useful to begin with a review of the economic theory of household decision making process. There are two types of the

household model: collective and unitary. The unitary models in general represent a household thought as a single individual and as a unit of decision making in the production and consumption decisions; however, there are some limitations. Firstly, it violates the basic rule of neo-classical microeconomics analysis; each individual has to be characterized by his/her own preferences, but it is assumed that the resource distribution within the household is governed by social norms and cultures. Secondly, it considers a household as a black box such that nothing can be said about the internal decision process (Alderman et al 1995). Even though, these assumptions are relaxed in the collective household model, it is costly and difficult to get accurate information on distribution resource for each household member. By considering the market structure, unitary household model is categorized into two: separable and non separable. If the market is perfect both in factor and product market, the model is said to be a separable household model. In this case, production, consumption and work decision are sequentially. Since, there is no transaction cost, it is immaterial whether the household uses its own labor or sells it to hire what it needs to produce (Sadoulet and Janvry 1995). However, in reality the world market is imperfect and transaction cost is substantial, then the separable household model does not explain the reality, particularly for developing countries.

In a standard household model, households use their resources (e.g., labor, skills, land and equipment) to achieve the highest level of intended utility (satisfaction) possible. Ruel et al (2005) stated that consumption patterns are determined by a combination of three main factors: by income level, preference and market prices. Preferences are also affected by the composition of a household, its member's knowledge and education, habit and cultural norms, personal experience, and biological factors that affect hunger. Furthermore, according to Siddiqui (1982), the most important factor determining the pattern of consumption is level of income. However, certain other variables, such as distribution of income, level and distribution of assets, size and composition of households, number of earners in the household, prices, structural, geographical and climatic differences, etc., may also significantly affect the pattern of consumption.

Theoretically, there are two models that specify the relationship between income and food expenditure. These are Engle (1857) law and the Working- Leser model.

An Engel curve is the function describing how a consumer expenditure on some good relates to the consumer's total resources holding prices fixed. Hence, $q_i = g_i(y, z)$, where q_i is the quantity consumed of good i , y is income, wealth, or total expenditures on goods and services, and z is a vector of other characteristics of the consumer, such as age and household composition (Lewbel 2006). Usually, y is taken to be total expenditures, to separate the problem of allocating total consumption of various goods from the decision of how much to save or expend out of current income.

Ernst Engel (1857 1895) studied how household expenditures on food vary with income. He found out that food expenditures are an increasing function of income and of family size, but food budget shares decrease as income increases. This relationship of food consumption to income is known as Engel's law. Goods with income elasticities below zero, between zero and one, and above one are called inferior goods, necessities, and luxuries, respectively. Elasticities can themselves vary with income. Therefore, a good that is a necessity for the rich can be a luxury for the poor.

Working (1943) proposed the linear budget share specification $w_i = a_i + b_i \log(y)$, where w_i is the budget share i^{th} commodity and y is the total expenditure which is known as the Working-Leser model, since Leser (1963) found that this functional form fits better than some alternatives. This model has attracted the attention of many researchers. Commodity with negative b is a necessity, while commodity with a positive b is a luxury. Hence, the budget share of necessity commodity decreases as income increases, and the budget share of luxury increases in income.

Empirical evidence on the determinants of consumer behavior is vast and diverse in approach and methodology. However, this study is limited to reviewing the consumption patterns analysis evidence from different countries using survey panel data set.

Siddiqui (1982) analyzed the consumption patterns of Pakistan with the objective of testing the validity of Engle's law using the data set of Household Income and Expenditure Survey from 1971 to 72. She used weighted least square methods to analyze the data and the model is specified log-linear relationship between consumption and the other explanatory variables. Food items have been subdivided into seven groups viz cereals, pulses, milk and milk products, vegetables, meat, fish, poultry, edible oil and tea. She found out that basic carbohydrate items have a low expenditure elasticity which reflects that people have to spend on these items irrespective of the level of their income as these items viz cereals, pulses, and vegetables, are the basic necessities of life. Moreover, the results indicate that all food expenditure elasticity is less than one. This result confirms Engel's law. On the other hand, expenditure elasticity for fuel and lighting and clothing falls short of unity. This result is in contradiction of Engel's law.

Fan and Chern (1997) carried out an analysis of food consumption patterns of China using parametric and non parametric approaches. The study analyzes consumption patterns of seven major categories of food for Chinese urban households and data were drawn from the 1985-1990 Income and Expenditure Survey of Chinese Urban Households. These data include average price and quantity information on 23 food groups for 28 provinces, for a sample size of 168 observations. The result of the study from a parametric analysis shows that in China from 1985 to 1990, meats, fruits, and eggs had very high expenditure elasticity's. Grains were a necessity for low income provinces, but were an inferior good for high-income provinces.

Yusuf and Brooks (2010) examined the demographics and consumption patterns of urban China with the objectives of identifying the consumption patterns of households in urban China as a whole, and three of its most important urban areas- the cities of Shanghai, Beijing and Tianjin, and considering the importance of geographic region as a basis for differentiating urban Chinese consumers. The paper is based on the data collected in the Urban Household Income and Expenditure Survey conducted in 2005 with a total sample size of 54,496 urban households which were selected using a two-stage stratified systematic random sampling procedure. The finding of the study confirmed that consumers were different in age distribution, education level, household composition, birth and death rates, income, expenditure patterns and consumer durable ownership rates. Differences were also found in the cost of living in each of Shanghai, Beijing and Tianjin.

Burney and Khan (1992), examined household consumption patterns in Pakistan using household level data for the year 1984-85, covering a sample of 16580 households, focusing on the impact of household size and household composition on the expenditure pattern by estimating three different functional forms of the Engel curve, namely linear, double logarithmic, and Working-Leser, for six different income groups using ordinary least square method (OLS). The reported elasticities indicate that, technically speaking, Food & Drinks, Clothing & Footwear, Household Effects, and Personal Effects are necessities, irrespective of the level of income of the households.

The rest of the commodities, i.e., Housing, Transport & Communication, Education, Entertainment, Durables, and Miscellaneous items are found to be luxuries for households in all the income groups. The evidence further highlights that, in general, the composition of the households does not have a significant impact on the consumption patterns in Pakistan.

Ruel et al (2005) studied the patterns and determinants of fruit and vegetable consumption of Sub Saharan African countries. Data were collected from 10 sub Saharan African countries, including Ethiopia. Totally 89193 sample households were drawn, and the data were analyzed using OLS regression in Working-Leser functional forms. The findings of the study indicate that fruit

consumption is low in Ethiopia compared to other sub Saharan African countries. From sampled households, four-fifth of Ethiopia, Uganda and Mozambique households did not consume fruit. Moreover, the percentage of food budget spent on fruit and vegetable was 4.5 percent in Ethiopia in 1999/2000. Income elasticity for fruit is highest in Ethiopia, which indicates that the demand for fruit increase is higher than the percentage increase in income. They further provided evidence that household size was negatively associated with the demand for fruit and vegetables in majority of the countries. Female headed household spent large share of their budget on fruit and vegetable compared to male headed households.

Moreover, studies in Ethiopia, such as Dercon and Krishnan (2000); Deacon (2001) focus more on rural poverty than urban poverty of Ethiopia. Still others, such as Tadesse (1997) analyzed the dynamics of urban poverty. Hence, none of them focused on changes in consumption patterns of urban areas. However, Taddesse (2010) analyzed the changes in consumption patterns of urban Ethiopia using a sample of 1500 households. The data were analyzed using Working-Leser model of the relation between demand and income, and he found out that the consumption patterns of urban Ethiopia changed from cereal crop consumption to high value crops such as fruit and vegetable using a data set of Ethiopian urban household survey for the year 1994 and 2004.

3. The Methods

The sample was drawn from Ethiopian Urban Household Survey (EUHS) from 1994 to 2004. To select sample household from EUHS data, the proportional sample selection technique was applied to take samples from all *woredas* (districts), and half of the *kebeles* (the lowest administration units) were selected randomly from each *woreda*. Finally, from the total surveyed households by EUHS, 900 households were selected through applying systematic random sampling methods. In broader category, information regarding household expenditure on food and non-food items, and their respective demographic characteristics were collected. Specifically, expenditure on food items were grouped into cereals, pulses, spices, milk and milk products, meat and other animal products, vegetables, fruits, and drinks. Non-food expenditure includes expenditure on fuel and light, clothing and footwear, doctor's bills and school fees, transportation costs, and household and miscellaneous items. Moreover, information on demographic characteristics of the households, which includes age, sex, religion, educational level of the head and family size was collected to meet the objectives of the study.

The choice of an appropriate functional form for the Engel's Law has been a major issue of interest and as such various functional forms, such as linear, double-logarithmic, and semi-logarithmic have been used to specify it. To-date, however, no functional form has gained general acceptance. Working (1943) and Leser (1963) estimated the form which relates budget shares linearly to the logarithm of total expenditure. This form has the advantage that it satisfies the adding-up restriction automatically and is consistent with the observed non-linearity in the regression of non-food expenditure on total expenditure. Since it is difficult to determine which of the functional forms is most appropriate to any particular data set before the analysis, therefore, I employ log -linear, double-logarithmic, and Working-Leser forms as they have been used widely in the literature. Specifically, the different functional form so the Engel curve can then be written as follows:

$$\ln Y_{ij} = \alpha_i + \beta_i \ln X_j + \sum \gamma_i Z_i + U_{ij} \text{-----} 3.1$$

$$S_{ij} = \alpha_i + \beta_i \ln X_j + \sum \gamma_i Z_i + U_{ij} \text{-----} 3.2$$

Where Y_{ij} is consumption measured in the expenditure of the i^{th} good in the j^{th} household. S is the share of the total food expenditure for the i^{th} good and j^{th} household. X_j is the total expenditure or income in the household, Z_i are set of household characteristics that may affect demand, and U_{ij} is

the random error which is normally distributed with zero mean and constant variance. In equation 3.1 the regression co-efficient β is the income elasticity which is constant over the whole range of income. As income rises the marginal propensity to consume increases and equation 3.1 does not satisfy the additivity criterion nor does it have a saturation level. However, if the range of income is narrow and consumption is in expenditures rather than in quantities, the fit is generally good (Mayers 1979). Therefore, it seems appropriate to use double logarithm forms of consumption function in Ethiopia because data were found in expenditure than quantity. The double log remains one of the most commonly used functions in demand analysis due mainly to its ease in mathematical treatment and the economic interpretation of the parameters.

In equation 3.2, Working-Leser model, each share of the food item is simply a linear function of the log of total expenditure on all the food items under consideration. The Working-Leser model satisfies the additivity criterion. The dependent variables are the share of total food expenditure that is spent on particular groups of food items (e.g. on cereals). Right hand side variables are log of household size, log of per capita consumption, variables capturing household demographic characteristics (i.e., age, sex, household size, education and sex).

The independent variables included in all equations are total expenditure and demographic characteristics of households including age, sex, religion, education of the head and family size. Total expenditure will be taken as a proxy for income because income is often not properly disclosed by households. As stated in Friedman (1957), the use of measured (reported) income instead of permanent income gives biased results. Since permanent income is unobservable, it has usually been approximated by total household expenditure.

4. Results and Discussion

Both descriptive and empirical methods are employed to analyze the consumption patterns of urban households. Descriptive analysis mainly centered on describing the demographic characteristics of the households in three (1994, 2000 and 2004) surveyed years and comparing the average household expenditure in different categories of food and non-food items between 1994 and 2004. It also sets out to indicate whether there is a change in consumption patterns (expenditure share of food item) between 1994 and 2004.

Table 1 below presents the age and the size of households. In 1994 the mean age and household size was 48.8 years and 6.3, respectively, while the mean age of the head and the size of household increased to 49.9 years and 7.3 in 2000, respectively. On average, within six years the size of household increased by one extra member. In other words, on average, family size increased by one additional member. On the other hand, on average the family size slightly declined from 7.3 per households to 6.9 per households in 2004. However, the mean age of the head increased to about 51 years in 2004.

Table 1: Age and Household Size

Year=1994	Obs	Mean	Std. Dev.	Min	Max
Age	894	48.82774	13.12092	17	98
HHsize	899	6.347052	2.795901	1	19
Year=2000					
Age	848	49.88915	13.33182	18	95
HHsize	861	7.334495	3.030785	1	22
Year=2004					
Age	838	50.90453	14.0778	12	99
HHsize	849	6.939929	3.06339	1	28

Furthermore, Table 1 indicates that the age of the heads highly deviated from the mean age in all years, while the size households are closer to the mean of household size in all survey years.

4.1 Food Expenditure

On average, urban households spent 44 Birr per month on cereals which includes (Teff, maize, sorghum, wheat, barley, rice and millet) in 1994. In 2000, cereals expenditure increased by more than two folds, which is 97.4 Birr, and further increased to 112.25 Birr in 2004 with high variation in consumption. Therefore, cereals expenditure increased significantly from time to time. Particularly, Teff is a common food item considered as a normal commodity by rural and urban families. Theoretically, expenditure on normal goods increases as income increases. Thus, families are becoming better off as time went from 1994 to 2004, in terms of cereals consumptions. Similarly, pulses and spice consumption is also steadily increased from 1994 to 2004. Furthermore, milk consumption also remarkably increased from 16.7 to 27.23 Birr expenditure per week in 1994 and 2004, respectively. This may indicate that urban households increase the consumption of high value food items which is a very important indicator of urban households' nutrition in particular and food security in general.

On the other hand, descriptive result shows that meat and fruits consumption of the urban households slightly declined in 10 years. Moreover, consumption expenditure on beverages and vegetables declined from 1994 to 2000 and then increased from 2000 to 2004. Therefore, expenditure on drinks and vegetables needs further research why it declined then increased. Comparing the 1994 urban household expenditure to 2004, expenditure on consumption of drinks increased. Hence, we can safely say that after 2000, urban household expenditure on drinks and vegetables changed. On average, weekly expenditure on drinks and vegetables were 9.44 and 2.8 Birr in 2004, respectively.

4.2 Aggregate Food Expenditure

The average expenditure of urban households for three years for cereals, pulses and spices were 83.9, 13.5 and 10.2 Birr per month in 1994, 2000 and 2004, respectively. When we compare the mean overall consumption expenditure to 1994 consumption expenditure on cereal, drink, milk, pulse and spice consumptions rose while consumption of fruit, meat and vegetables shows marginal improvement. This means that poor households are unlikely to access them. This is mostly due to the fact that poor households must prioritize to fulfill their basic energy requirement to avoid hunger, rather than malnutrition. Therefore, we can say that the consumption behavior of urban households did not show a significant change in food consumption between 1994 and 2004, even though the consumption trends of some high values commodities consumption slightly declined.

Table 2: Aggregate Food Expenditure

Variable	Obs	Mean	Std. Dev.	Min	Max
Cereals	2611	83.90606	122.7849	.65	5000
Drinks	2611	9.449228	16.77487	.1	500
Fruits	2611	4.683221	2.360104	.2	52.5
Meat	2611	26.60063	23.72382	.5	500
Milk	2611	20.95898	17.27068	.75	300
Pulses	2611	13.48156	23.18536	.2	800
Spices	2611	10.19845	18.30655	.1	300
Vegetables	2611	2.847043	4.577884	.25	125

4.3 Non Food Expenditure

Non-food items are categorized into clothes and footwear, fuel and lighting, medicine, transport, education and service charges, which include water and telephone. When we see the pattern of expenditure on non-food items from 1994 to 2004, an average expenditure on clothes and footwear, and fuel and lighting steadily increased from 204.6 and 45.9 Birr in 1994 to 284.9 and 113.9 Birr in 2004, respectively. On the other hand, service charges or bills and expenditure on transport (taxi) service declined from 74.9 Birr per weeks to 21.3 Birr per week in 2004. The expenditure on both items possibly fell due to expansions of social and economic infrastructures which create accessibility and reduce the marketing margin, and the expansion shopping activities in their proximity. However, weekly expenditure on transport (taxi) and milk are approximately comparable. Intuitively, transport service for urban houses, particularly, for the poor is as important as milk for kids. Medical and educational expenditures also take larger share of households' income/consumption, even though these costs are incurred by few households. One of the interesting points from Table 4 is that there is a high variation between households with respect to expenditure in non-food items. To add up, clothes and footwear, fuel and lighting, and education expenditures are showing increasing trends in urban households of Ethiopia, which need careful intervention.

4.4 The Share Food and Non-food Expenditure

From Table 3, one understands that the share of food expenditure is declining through time, for instance, on average, 63.6 percent of urban household income was spent on food items in 1994. In other words, food expenditure takes about two- third of their income while this figure fell to exactly one- third in 2004. Alternatively, the share of non-food expenditure increased from one- third in 1994 to two-third in 2004. Thus, in that respect it is a drastic change from food consumption behavior to non-food consumption behavior in urban households within a decade. This may suggest that the possibility of improving the welfare of Ethiopian urban residents, though government intervention by minimizing non-food expenditure like energy and education.

Table 3: The Share of Food Expenditure

Year=1994	Obs	Mean	Std. Dev.	Min	Max
Sfoodcons	899	63.59096	11.05336	16.12112	93.0866
Year= 2000					
Sfoodcons	861	33.64702	12.82617	4.385252	84.06108
Year=2004					
Sfoodcons	851	32.96086	9.487854	4.290638	81.6846

4.5 Per Capita Food Expenditure

Per capita food expenditure is used as the linkage between consumption and poverty. In order to measure the extent of poverty, we use either per capita consumption or adult equivalent. In this paper, I used per capita consumption to show the trends of urban poverty over time. This measure is important to compare poverty outcomes across households with different household sizes and compositions.

From Table 4 below, it is obvious that the per capita food spending has been increasing remarkably between 1994 and 2004. On average, the per capita food expenditure was 64.5 Birr in 1994 and this figure rose to 91. 01 Birr in 2004, which grew by 41 percent within ten years. This is a real indicator of poverty situations across the household considering family size in the country. From this, we can observe that the level of urban poverty declined between 1994 and 2004.

Table 4: Per Capita Food Expenditure

Year= 1994	Obs	Mean	Std. Dev.	Min	Max
Percapita	899	64.50971	49.14084	6.833333	329.66
Year=2000					
Percapita	861	73.04705	66.80432	6.584375	804.125
Year=2004					
Percapita	849	91.09487	89.01248	7.3735	1096.825

4.6 Expenditure Quintiles

The total per capita food expenditure (spent only on food) was used to measure household well-being. The households were divided into four groups based on total expenditure/income, in the first, second, third and Quintiles 263, 211, 243 and 182 observations, respectively, to illustrate the differences in food per capita expenditure across the four quintiles of income/expenditure groups. In terms of observation, in all quintiles there are comparable observations, which may indicate that the survey includes all sections of the population in a systematic proportion manner.

Table 5: Expenditure Quintiles

Year=1994	Obs	Mean	Std. Dev.	Min	Max
1 st poorest	263	55.12871	45.83257	10.589	296.59
2 nd quintiles	211	68.80233	51.25348	6.833333	329.66
3 rd quintiles	243	59.65517	40.33324	16.84417	329.66
4 th richest	182	79.57078	57.51634	20.19684	312.6125
Year= 2000	Obs	Mean	Std. Dev.	Min	Max
1 st quintile	318	49.71365	42.29056	6.584375	469.5
2 nd quintile	192	82.44473	73.75769	12.58167	568.29
3 rd quintile	211	73.82724	49.88633	14.15846	510.23
4 th quintiles	140	111.9831	96.96533	21.51923	804.125
Year=2004	Obs	Mean	Std. Dev.	Min	Max
1 st quintile	277	69.82569	68.37103	9.504167	486.27
2 nd quintile	218	88.9558	71.90912	7.3735	626.23
3 rd quintile	205	94.04275	75.44186	17.29929	638.88
4 th quintile	149	129.7094	137.4304	12.979	1096.825

Table 5 shows that there was a deviation in average monthly per capita expenditure on food between the poorest (quintile 1) and richest group (quintile 4) in 1994. Relative better off group per capita income expenditure on food was 79.6 Birr while the poor was 55.1 Birr.

On the other hand, compared to 1994, in 2000 and 2004 wider variations between the rich and the poor in terms of food expenditure were observed. For instance, in 2004, the expenditure of the rich was twofold higher than that of the poor. When we look into the case closely, the trend of per capita expenditure on food items, the gap between the poor and rich show a gradual increment. This might indicate the income inequality that existed in the urban Ethiopia.

4.7 Regression Results

Linear regression requires that the outcome (dependent) and predictor variables be normally distributed. We need to clarify this issue. A common cause of non-normally distributed residual is non-normally distributed outcome and/or predictor variables. As a result, two continuous variables that are included in the model, i.e. total expenditure and the age of the head checked for normality.

Total expenditure is not normally distributed, skewed to the right; then based on the test result total expenditure is transformed into logarithm, while age better approximates to a normal distribution as it is. The other important diagnosis for OLS is the existence of outlier which affects the coefficient of the regression. Based on this diagnosis in 1994, 2000 and 2004, 58 71 and 99 observations were dropped, respectively, because of missing of one of the predictor variables and/or with suspicion of outlier with residual greater or equal to + 2.5 and less or equal to -2.5. The models were also checked for the existence heteroscedasticity, which is substantial in cross-sectional data. In some of the regressions the violation of homoscedasticity is observed, which affects the standard error ultimately the t-test, but not the coefficients of estimate. As a result, the models were re-estimated using robust standard error.

4.7.1 Determinants of Urban Household Food Consumption: Evidence from 1994 Survey

The regression results from Table 5 shows that consumptions of cereals, fruits, milk and meat are significantly affected by the income of the head at less than 0.1 percent level of significance in both models. On the other hand, drinks and pulse consumptions are affected by income at less than 0.1 percent of significance in the log-linear model, but Working-Leser model indicates that income doesn't affect significantly the consumption of drinks and pulses. The other most important factor that affects the level of urban consumption is family size. Similar to the findings of Tadesse (2010), the consumptions of meat, drinks and fruits are not affected by the size of the household while all the remaining other types food consumptions are significantly affected by the size of households in both models. Specifically, cereals and pulse consumptions are affected by the size of household at less than 0.1 percent significant level while drinks and spice consumptions are determined by the size of households in log- linear model, but not Working-Leser model. Moreover, milk consumption is also significantly affected by household size at less than 5 percent level of significance in both models.

Table 6: Income Elasticity for Major Food Items for 1994

	(Log-linear model)	(W_L model)	(Log- Linear)	(W_L model)	(Log- linear)	(W_L model)
	Lncereals (1)	Scereals	Lnspulses (2)	Spulses	Lnspices (3)	Sspices
LnEX	0.645*** (10.20)	-5.401*** (-5.12)	0.773*** (8.84)	-0.0792 (-0.16)	0.579*** (5.91)	-0.310 (-1.88)
SEX	-0.0842 (-1.65)	-1.288* (-2.19)	-0.0433 (-0.72)	-0.0174 (-0.07)	-0.0951 (-1.51)	-0.0903 (-0.88)
Age	-0.000647 (-0.34)	-0.00558 (-0.28)	-0.00148 (-0.70)	-0.00100 (-0.13)	-0.00179 (-0.79)	-0.000724 (-0.21)
Religion	-0.00736 (-0.41)	-0.0791 (-0.35)	-0.00682 (-0.30)	0.00511 (0.05)	-0.0128 (-0.51)	0.0271 (0.59)
Hhsize	0.0861*** (9.65)	0.987*** (9.27)	0.0547*** (5.03)	0.215*** (3.97)	0.0235* (2.23)	0.0278 (1.78)
Educ	0.0000104 (0.00)	0.000952 (0.02)	0.00337 (0.79)	0.0299 (1.45)	-0.00618 (-1.52)	-0.00275 (-0.48)
_cons	-0.883* (-2.20)	42.88*** (6.62)	-3.163*** (-5.80)	1.940 (0.61)	-2.178*** (-3.62)	3.430** (3.24)
<i>N</i>	841	841	841	841	841	841

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

All coefficients of household size are positive in both models, hence, as household size increases consumption expenditure also increases in all food items, even though, the magnitude varies from one food category to another. The majority of low value, commonly known as necessity food items, is significantly affected by the size the families. This is because larger families typically have larger budget shares of necessities than smaller families at the same income level.

The sex of the head affects the consumption decision of urban households; particularly consumptions of cereals, fruits, milk and meat are affected by the sex of the head at less than 5 percent of significance only in the Working-Leser model except milk, which is significant in both models.

Table 6: (Contd.)

	(Log-linear model)	(W_L model)	(Log- Linear)	(W_L model)	(Log- linear)	W_L model
	Lnfruits (4)	Sfruits	Lnmeat (5)	Smeat	Lnmilk (6)	Smilk
LnEX	0.215*** (3.62)	-1.047*** (-8.30)	0.415*** (5.30)	-5.303*** (-6.27)	0.547*** (7.69)	-2.456*** (-4.90)
SEX	-0.0377 (-1.08)	-0.138* (-2.08)	-0.0598 (-1.31)	-0.952* (-2.52)	-0.101* (-2.13)	-0.490* (-2.19)
Age	-0.00228 (-1.75)	-0.00471* (-1.97)	0.00103 (0.61)	0.00887 (0.63)	-0.00218 (-1.31)	-0.0116 (-1.37)
Religion	0.0199 (1.40)	0.0766* (2.24)	-0.00372 (-0.18)	0.215 (1.17)	-0.0218 (-1.05)	0.0152 (0.15)
Hhsize	0.00295 (0.49)	-0.00121 (-0.10)	0.0150 (1.74)	0.126 (1.65)	0.0189* (2.27)	0.103* (2.23)
Educ	-0.000808 (-0.35)	0.00477 (1.19)	-0.000704 (-0.26)	0.0208 (0.82)	-0.00281 (-0.78)	0.0124 (0.77)
_cons	0.252 (0.70)	8.352*** (10.34)	0.700 (1.40)	42.85*** (7.85)	-0.552 (-1.22)	21.16*** (6.55)
N	841	841	841	841	841	841

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The results indicate that female headed households consume less of cereals, fruits, milk and meat compared to male headed households. In other word, female headed households spend less on consumption of high value crops relative to male headed households. Therefore, we can say that female headed households are poorer than male headed ones.

Except the consumption of fruits, all food consumption items are not determined by the age, religion and education level of the head. Therefore, we don't have enough evidence to say that consumption of urban household varies due to age, religion and educational level of the household head. Interestingly, fruit consumption is significant only in Working-Leser model at less than 5 percent level significance, but not in the log-linear model. The evidence highlighted that when the age of the head goes up, consumptions of fruits or expenditure on fruit consumption declines. Specifically, if the age of the household increases by one year the consumption of fruit declines by 0.0047 percent; it is very marginal decrement.

Table: 6 (Contd.)

	(Log-linear model)	(W L model)	(Log-Linear)	(W L model)
	Lndrinks (7)	Sdrinks	Lnvegetables (8)	Svegetables
LnEX	0.963*** (9.31)	0.532 (1.21)	1.016*** (9.98)	0.428* (2.19)
SEX	-0.0957 (-1.36)	-0.229 (-1.02)	-0.0747 (-1.27)	0.119 (0.78)
Age	0.00132 (0.51)	-0.00293 (-0.40)	-0.00343 (-1.65)	-0.00765 (-1.27)
Religion	0.0384 (1.54)	0.128 (1.19)	-0.0106 (-0.43)	0.0147 (0.35)
Hhsize	0.0237 (1.90)	0.0236 (0.63)	0.0123 (1.24)	-0.00514 (-0.24)
Education	0.00415 (0.99)	0.00381 (0.30)	0.00396 (1.03)	-0.00221 (-0.38)
_cons	-4.469*** (-6.88)	-0.600 (-0.22)	-5.335*** (-8.25)	-1.380 (-1.18)
N	841	841	841	841

4.7.2 Determinants of Urban Household Food Consumption: Evidence from 2004 Survey

The income of the household head determines the consumptions of cereals and pulses, fruits, and spices, meat and vegetables at 0.1 percent, 1 percent and 5 percent of significance in log-linear model, respectively. However, the consumptions of cereals are not affected by the income of the head in Working- Leser model. On the other hand, pulses, fruits, meat, milk, drinks and vegetable consumptions are determined by the income of the household head at the 0.1 percent level of significance.

Table 7: Income Elasticity for Food Items for 2004

	(Log-linear model)	(W L model)	(Log-Linear)	(W L model)	(Log-linear)	(W L model)
	Lncereals (1)	Scereals	Lnpulses (2)	Spulses	Lnspices (3)	Sspices
LnEX	0.700*** (5.74)	-2.748 (-1.44)	0.340*** (3.55)	-1.858*** (-4.39)	0.176* (1.98)	-1.825** (-2.89)
SEX	-0.0517 (-0.73)	-0.272 (-0.26)	-0.136** (-2.71)	-0.480* (-2.34)	-0.132* (-2.18)	-0.490* (-2.47)
Age	0.00204 (0.87)	0.0442 (1.29)	-0.000780 (-0.44)	0.000142 (0.02)	-0.00303 (-1.28)	-0.00697 (-0.83)
Religion	-0.0346 (-1.01)	0.0536 (0.12)	-0.0464 (-1.76)	-0.0496 (-0.50)	-0.00370 (-0.13)	-0.00906 (-0.11)
Hhsize	0.0222* (2.03)	0.518** (3.08)	-0.000351 (-0.04)	0.0164 (0.45)	0.00254 (0.25)	-0.00577 (-0.14)
Educ	-0.0115 (-1.46)	-0.197 (-1.80)	-0.00562 (-0.96)	0.00962 (0.40)	-0.0124 (-1.88)	-0.0334 (-1.51)
_cons	-0.796 (-0.88)	38.00** (2.66)	0.395 (0.56)	17.60*** (5.65)	1.417* (2.17)	17.65*** (4.23)
N	752	752	752	752	752	752

* $P < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The log-linear estimation shows that the income of the head does not influence the expenditure on drink. Similarly, the income of the head has significant influence on consumption of spices at less than 1 percent level of significance. Therefore, the Working-Leser model better fits the data in this case.

Unlike in 1994, there is a significant variation between male and female headed households in food consumption decision. Specifically, female headed households expend or consume less of pulses and spices, food items compared to male headed households. Moreover, household size positively influences only cereals consumption decision of the households.

More importantly, the demand for high value food commodities is not influenced by the size of the household. Unfortunately, the 2004 data regression result gives insight that spice and pulse consumptions also were not significantly related to family size. Enthusiastically, family size affects only the number “enjera”¹⁴ the family needs, but not the amount of “wote”.

Table 7: (Contd.)

	(Log-linear model)	(W_L model)	(Log- Linear)	(W_L model)	(Log-linear)	W_L model
	Lnfruits (4)	Sfruits	Lnmeat (5)	Smeat	Lnmilk (6)	Smilk
LnEX	0.114** (2.62)	-0.907*** (-9.01)	0.228* (2.44)	-3.223*** (-6.04)	0.0691 (0.96)	-5.607*** (-8.43)
SEX	0.0190 (0.80)	0.0454 (1.00)	-0.0696 (-1.22)	-0.321 (-1.20)	-0.00853 (-0.17)	-0.188 (-0.52)
Age	0.000205 (0.26)	0.0011 (0.85)	0.00239 (1.25)	0.0188* (2.14)	0.00383 (1.89)	0.0367* (2.40)
Religio	0.00757 (0.81)	0.0136 (0.77)	-0.00561 (-0.25)	0.0582 (0.53)	-0.0668* (-2.41)	-0.140 (-0.88)
Hhsize	0.00436 (1.14)	0.00594 (0.82)	0.0111 (1.27)	0.00943 (0.19)	0.00298 (0.33)	-0.00368 (-0.07)
Educ	-0.00173 (-0.61)	0.00522 (1.02)	-0.00268 (-0.44)	0.0247 (0.73)	-0.00524 (-0.98)	0.00799 (0.18)
_cons	0.528 (1.65)	7.433*** (10.34)	1.166 (1.67)	27.73*** (6.98)	2.606*** (4.95)	46.00*** (9.70)
<i>N</i>	752	752	752	752	752	752

Furthermore, the regression results provide clues that the age of the head has an impact on the consumption of milk and meat. If the age of the household head increases by one year then consumption of milk and meat increases by 0.04 and 0.02 percent, respectively. Evidence for Working-Leser model indicates that at the age of the head increases, consumption of milk and meat increases by a marginal amount.

Income elasticity of cereals, meat and spices in 2004 increased compared to 2000 income elasticity. Particularly, cereal consumption is related to food security of the household since in all regression analysis, cereal consumption is affected by family size. Income elasticity of milk, fruit, pulse and vegetable declined compared to 2000 elasticity. Therefore, there is no evidence to say there is a food consumption pattern change in Addis Ababa City administration within 10 years.

¹⁴ The common type of food item in the urban Ethiopia, which is prepared from Teff

5. Conclusion and Recommendations

5.1 Conclusion

Consumptions of cereal, pulse and spice steadily increased between 1994 and 2004. On the other hand, except the consumption of milk, all high value food commodities either remained stagnant demand or conservative expenditure, such as fruit or slightly declined. Therefore, consumption of high value food commodities didn't have a clear trend between 1994 and 2004. However, when we compare the mean overall consumption expenditure to 1994 consumption expenditure, cereal, drink, milk, pulse and spice consumptions rose while consumption of fruit, meat and vegetables declined.

Expenditure on non-food items such as clothes and footwear, fuel and lighting, and educational show an increasing trend between 1994 and 2004, because, as income increases the share of food expenditures declines through time. However, expenditure on local transportation (taxi) and monthly expense household utility services (bill) slightly declined. The possible reasons are the expansion of economic infrastructures, improved accessibility of urban households to those services and reduced costs.

The share of food expenditure declined between 1994 and 2004, while the share of non-food expenditure to total expenditure showed a dramatic shift from 30 percent share in 1994 to above 60 shares in 2004. Therefore, there is a drastic change from food consumption behavior to non-food consumption behavior in urban households within a decade. This finding is consistent with the law of Engle's, which states that as income of the households increases the share food expenditure declines. Therefore, this may indicate the income of urban households increased at a level that could affect significantly the consumption pattern or behaviors. The other important finding from descriptive statistics is that consumption per capita has showed impressive increment between 1994 and 2004. Per capita consumption is an indicator of poverty at a household level considering the size of the households. Therefore, this finding is consistent with the national urban poverty figure, which was 37 percent 1999/2000 to 30 percent in 2011. In addition, the evidence from 1994 data indicate that the size of households determines the consumptions of cereal, pulse, spice and milk while the consumptions of fruit, meat and drinks are not significantly affected. Therefore, population growth exerts a more likely higher pressure on the demand for cereal, pulse, spice and milk more likely than on than other types of food items such as meat, fruit and vegetable. Moreover, female headed household spends less on consumption of high value crops relative to male headed households. The education level of the household head, age and religion of the household head are not determined the consumption decision or behavior of urban households.

The regression results for 2004 indicate that like that of 1994 and 2000, income of the households determines the consumptions of pulse, spice, fruit and vegetable in both models. Interestingly, family size determines only the consumption of cereal. This gives a clue that as the income of household increases the effect of family size expansion feds up, and has minimal effect on the level of household consumption. Furthermore, unlike the findings of 1994 and 2000, age of the household significantly and positively affect the consumption of milk and meat. Hence, the demand for milk and meat positively correlate with age of the household head. Particularly, cereal consumption is directly related to food security of the household since in all regression analysis, cereal consumption is affected by family size. Income elasticity of milk, fruit, pulse and vegetable declined compared to 2000 elasticity. There is no strong evidence to conclude that there is a change in food consumption pattern in Addis Ababa City Administration between 1994 and 2004.

5.2 Recommendations

The regression results give a critical element in the formulation of various aspects of economic policy. Over time, the demand for cereal, milk and meat is likely to increase. Therefore, the government should encourage investment in dairy production to ensure that the demand for milk and meat to be met, and to avoid market price fluctuations. The country has been working very hard, to join a lower middle income class within a decade, and ensure food security of the nation. Therefore, boosting the production and productivity of cereal crops is the feasible options that exist in the tool box of the government. Moreover, controlling or limiting population growth at large via family planning is crucial to ensure food security. The extent of inequality between the rich and the poor widens over time, in terms of food per capita expenditure, and the patterns of consumption change from food to non-food consumption. A large proportion of the household income is spent on non-food item. Therefore, the government should promote the production of non-food items domestically, such as cloth and footwear to improve the welfare of urban households and to improve the balance of payment. On the other hand, imposing tax on food commodity would have a disproportionately adverse effect on low income households since all categories of food commodities are necessary for urban households. Moreover, taxing food items has negligible impact on income distribution between different sections of society.

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The Socio-Economic Impact of Commune Programs in Ethiopia: The Case of Gambella Regional State

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Abstract

The government of Ethiopia has been executing a number of development programs under the umbrella of a medium term strategy called Growth and Transformation Plan geared towards transforming the economy towards an industry led one. Development of pastoralist and semi-pastoral areas is one of the key elements of the agriculture sector under this pillar. It has been emphasized that unlocking the potential of these fertile but remote and underdeveloped areas in the country could add up to enhanced production and productivity in the agriculture sector. However, with a scattered settlement and poor living conditions transforming the pastoralist and semi-pastoralists would prove difficult. Villagization program is assumed to remedy this problem. The study was aimed to understand the socio-economic impact of such a program through impact evaluation methodology. A quasi-experimental design approach (specifically the propensity score matching method) has been used to analyze the impact of the program on the socio-economic conditions of the settlers. A multi-stage cluster sampling method was used to obtain a representative sample of 120 program participants and 120 non-participants. Results of the study reveal that villagization has a positive impact on the income of participants, access to services and enhancing consumption. This was significant for income and access to service outcome variables. As revealed by average treatment effect of treated (ATT) estimation, the mean difference of annual income of participants and non-participants vary by about 12,000 birr, which is indeed a significant figure, and justifies the program intervention. Participants have also enjoyed a higher probability (at least 32% higher chance) of accessing infrastructure and services, compared to non-participants.

Key Words: Villagization, Impact Evaluation, PSM

1. Introduction

Even with its present pace of economic growth, Ethiopia is dubbed among poor nations, dominated by an agrarian economy and a subsistent farming largely dependent on rain fed agriculture. Every strive by the government and development agents these days is largely aimed to transform the economy from Agriculture Led Economic Development to an industry Led Economic system through both intensive and extensive agriculture. The first GTP has witnessed that such a transformation is possible in not too far time. This can be evidenced by the declining trend in the share of Agriculture to about 40% and a surging share of industry and services (both together accounting to about 60% of the GDP) according to MoFEC (2014). Recent data also show that the total population living below the poverty line has gone down to 22.9 percent indicating that poverty headcount index is declining. Although poverty is higher in rural areas recent study indicates promising decline in both rural and urban areas (MoFEC 2014).

Nevertheless, the role that agriculture plays in transforming the economy is still so significant that it has been mentioned as key pillar to GTP II as well. It has been envisaged that surplus agriculture

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feeds into the industrial sector through the process of economic transformation and creating surplus demands increased production and productivity in the agriculture sector. Moreover the pace of economic transformation did not seem to go hand in hand with the pace of labor transformation in the country. The share of labor force working in the agriculture sector still remains at high of about 80% despite agriculture's declining share in GDP. This implies that much more is expected of the agriculture sector not just in economic transformation but also in labor transformation and boosting industrialization efforts in the country. The dismal situation in the agriculture sector would therefore have bad repercussions for the whole economic system in the country. And it is not uncommon in the country to see recurrent drought and untimely rain fall both affecting the livelihoods of the rural community and exposing them to famine.

The vast majority of poor households that live in rural areas are engaged in subsistence rain fed agriculture on small fragmented plots of degraded land, a livelihood increasingly subject to weather fluctuations as a result of climate change and thus, in years of poor rainfall, the threat of widespread starvation is high. As in many other African countries, there is a pressing need to improve household food security and improvement in the livelihood of people in Ethiopia. An emerging consensus suggests that this is most easily accomplished through investments that facilitate income generation and asset accumulation through infrastructural development, improved technologies for agriculture and interventions that protect the poorest from hunger. It has been argued that Villagization Program adds to these efforts. Remote and emerging regions with poor practices in modern farming are most affected by these abnormal weather changes and erratic rain fall. The scattered settlement system has also made it difficult to provide socio-economic and administrative services badly needed to enhance the living standards in the rural sector. It is with this very goal that villagization has been underway in Ethiopia. With a scattered settlement and poor living conditions, transforming the pastoralist and semi-pastoralists would prove difficult. It could be a challenge to provide adequate and safe drinking water, road infrastructure and utilities when people are scattered. Provision of social services such as health and education would also be a costly business unless people come together and reduce the cost of diseconomies of scale.

Frequent changes in the weather conditions and erratic rain fall have had strong adverse impacts on the livelihood of the community as they largely rely on livestock and agriculture. Strengthening the resilience of pastoral and semi-pastoral community will therefore remain a key challenge of the government's development effort. Villagization is hence aimed to enhance resilience to the climatic changes and sustainable life to settlers through provision of infrastructure and social services and helping them achieve increased production and productivity. The question that remains unanswered is whether the programs executed so far have achieved these planned goals. This study has a general objective of investigating the program impact in a sense that if villagization in Gambella Regional State has brought about a significant change on the socio-economic living of the settlers since the program started in 2010. Specifically, this study will investigate: a) The pattern of villagization in the region; b) The impact of the program on the income consumption expenditure of the households; and c) The impact of the program on access to social and infrastructure services.

The next part of the paper is organized in to five sections. Section two reviews related literature (theoretical and empirical), section three presents methodology, and section four deals with results and discussion, section five concludes the study with some policy implications.

2. Review of Related Literature

In this part, some theoretical and empirical evidence of villagization are reviewed. Emphasis is given to experiences of some countries on villagization and empirical evidence.

2.1. Arguments for Villagization

Theoretically, villagization enhances economic development either through establishing new development areas or expanding already existing development processes. In this case, development involves optimal utilization of productive resources such as land, water, forest, and wild animals without causing damage to environment as well as equitable distribution benefits and/ or costs among particular population. The principal objective of the villagization program is to ensure the right of citizens to development (EHRC 2013). Development often provides equal opportunity for the entire population to share wealth, build enabling environment for citizens to create wealth, and give the right to possess and use from the benefits. The right to development in essence, stood against the disparity in income and poverty and enables citizens to enjoy ever-increasing benefits (EHRC 2013). In addition, it can reduce income inequality and provides the livelihood of the affected people (Cernea 1994). Similarly, villagization is helpful in creating new growth centers and reducing regional imbalances (Helena and Henriques 1988).

Besides improved access to services, villagization can also be justified in terms of agricultural production. The effects of villagization on agricultural production are therefore not clear-cut. While the long-term impact of villagization on agricultural production is difficult to measure, its short-run impact is usually negative. This is because villagization disrupts work in the fields when it is implemented, and the long distances from their fields for many of the villagized households undermines their production. The outcome of the program may be different for different crops and in different regions (Bryceson 1990).

Villagization schemes may have serious impact on the environment. Land becomes seriously degraded due to over-concentration of people in a new area when a number of resettles gathered to a particular area (Kikula 1997). This potentially may cause environmental degradation, which in the long run leads to a systematic desertification, which in turn deteriorates agricultural production and livelihood over time. The challenge of African countries in this case is identifying policy issues which can harmonize the villagization model with environment.

2.2. Empirical Literature Review

In 1997, Tanzania had initiated a villagization program with an objective of achieving food self sufficiency and extending access to basic services and amenities to the rural citizens while maintaining their tradition, culture and model of communal life. Initially, the program had received willingness and acceptance of the citizens; however, latter the implementation process did not commence as expected, thereby leading the government to introduce pressure and coercion, actually to defend the delays (EHRC 2013). At the same time, the unwilling communities in the original settlements had been demolished to prevent a return on the part of the disaffected members. As a result, the village centers which were constructed in haste failed to provide the planned socio-economic benefits to the citizens. Furthermore, displaced people with their household assets to new centers, with unfinished infrastructure and services, particularly women and children and the other vulnerable section of the communities suffered without shelter for days until houses were built.

Although villagization had managed to provide the attendant benefits, the settlement of large numbers of people in one center had damaged effective protection of the environment. The fact that villagization was carried out under circumstances of unplanned and hastily built infrastructures remained life challenging and difficult for the settled citizens and thus the program was arrested at some stage away from the plan (EHRC 2013)

Mozambique had initiated villagization program in 1976, after independence from Portugal colony, aiming to bring together the farmers and rural communities living in scattered areas and settle them in centers as part of rehabilitating the country. These centers were planned to distribute the benefits

of diverse basic services, including markets, health care amenities, education and other infrastructural networks. Furthermore, effort was made to accelerate development and introduce the citizens to modern urban life (Lorgen 1999). These new village centers were able to provide education opportunities, closer access to information and health care services, enhance participation of women in social and economic roles and remove harmful practices (Ibid).

The fact that the villages were established without pre-studies; and that the citizens had not participated in the process, the supervision and control of the program was in the hands of external experts unacquainted with the living traditions and needs of the communities; the inability to provide sufficient water supply and necessary construction materials, the long distances between the residential centers of the villages and the farm areas; and the general incompatibility of the program with the objective realities of the country, were major problems that led to its failure (EHRC 2013). Generally, the experience on villagization revealed mixed results. The major limiting factors identified were implementation without preliminary study, poor plan, failure to provide basic services, and lack of commitment from citizens as well as executing bodies.

3. The Methods

3.1. Sampling Design

A multi-stage cluster sampling method was used to obtain a representative sample. Gambella region is divided into 3 zones, 13 woredas and 94 commune centers, having population size of 450,000. In this study, both the probability and non-probability sampling methods were applied. Random sampling technique was used to choose representative communes and sample households. Here, it is assumed that the commune centers experience similar socioeconomic characteristics. Thus, 12 communes (about 13% of the total commune), four from each zone, were randomly selected. Further, 20 household heads from each village were selected randomly. This adds up the total sample size of the study to 240 respondents. On the other hand, purposive sampling was applied to choose the concerned officials, experts, focal persons who have adequate information about the program. Survey questionnaire was prepared and administered on these respondents, and those data were mainly used for econometric analysis. This was complemented by data from secondary sources and key informant interviews as well as focus group discussions.

3.2. Econometric Model Specification

3.2.1. Propensity Score Matching (PSM)

Propensity score matching (PSM) is a quasi-experimental option used to estimate the difference in outcomes between beneficiaries and non-beneficiaries that is attributable to a particular program. PSM reduces the selection bias that may be present in non-experimental data. Selection bias exists when units cannot or have not been randomly assigned to a particular program, and those units which choose or are eligible to participate are systematically different from those who are not. It is an alternative method to estimate the effect of receiving treatment when random assignment of treatments to subjects is not feasible. PSM refers to the pairing of treatment and control units with similar values on the propensity score, and possibly other covariates, and the discarding of all unmatched units (Ronsenbaum and Rubin, 1983). In the study, the participants of the settlement program are considered as the “*treatment*” group and non-participants of the settlement program are considered as “*control*” group. The untreated group is taken as comparison group. For our consumption, villagization and settlement can be used interchangeably.

3.2.2. How does PSM Work?

PSM constructs a statistical comparison group that is based on a model of the probability of participating in the treatment, using observed characteristics. Participants are then matched on the basis of this probability or propensity score to non-participants. The average treatment effect of the

program is then calculated as the mean difference in outcomes across these two groups. After finding the Logit estimate of propensity score for covariates, matching qualities for treated and non-treated groups was tested. Then, the impact of settlement on outcome variables of household income was analyzed. The outcome variable was captured by average annual income per household or per adult equivalent. The analysis was made using psmatch2 command of Stata 13. In our case, the impacts of settlement program on households' welfare was analyzed using propensity score matching econometric technique due to its theoretical and empirical relevance for intervention analysis.

3.2.3. Designing PSM Model

In this sub-section, we have discussed how the operational PSM model is designed.

The basic elements of this model are individuals (sample households), treatment (villagized households) and potential outcomes (consumption expenditure, access to services and income of household) represented by Y .

As Ronsenbaum and Rubin (1983) state, the conditional probability of receiving a treatment given pre-treatment characteristics is:

$$P(X) = P_{\tau}[D=1/X] - E[D=0/X] \dots \dots \dots (1)$$

Where; $D = [0, 1]$ is the indicator of exposure to treatment and X is multidimensional vector of pre-treatment characteristics.

More formally, in a binary treatment, the treatment indicator is represented by D_i ; if D is one an individual receives the treatment and zero if otherwise. In our case:

$D=1$, represents individuals who participate in the settlement program.

$D=0$, represents individuals who do not participate in the settlement program.

The treatment effect is the difference between the well-being of program participants and non-participants. The treatment effect for an individual i can be written as:

$$\tau_i = Y_{i(1)} - Y_{i(0)} \dots \dots \dots (2)$$

Where, τ_i is the treatment effect.

$Y_{i(1)}$ is the outcome of the treatment group (consumption, access to services and income of i^{th} household).

$Y_{i(0)}$ is the outcome of non-treatment group (consumption, access to services and income of i^{th} household).

The potential outcomes for each individual i , can be defined as:

$$Y_i(D_i) \dots \dots \dots (3)$$

Where, $i = 1 \dots N$, N denote the total target population

As stated above, the fundamental impact evaluation problem arises because only one of the potential outcomes is observed and the other outcomes may not be observed for each individual i . The unobserved outcome is called the counterfactual outcome. As a result, complete estimation of the individual treatment effect τ_i is not possible simultaneously and we have to concentrate on the average treatment effects in the population (Caliendo et. al., 2008, Heinrich et. al., 2010).

Therefore, the most prominent evaluation parameter is the so-called *average treatment effect on the treated* (ATT), which focuses on the effects of the intervention on those for whom the program is actually intended, in this study commune program participants. This is given by:

$$\tau\text{ATT} = E[Y_{(1)} | D = 1] - E[Y_{(0)} | D = 1] \dots \dots \dots (4)$$

Where;

τATT is the average treatment effect (average effect of settlement on participants).

$E[Y_{(1)} | D = 1]$ is the expected outcome of program participants (consumption expenditure, access to services, and per capita income of i^{th} household).

$E[Y_{(0)} | D = 1]$ is the expected outcome of program participants if they hadn't participated in the program.

The expected value of ATT is defined as the difference between expected outcome values with and without treatment for those who actually participated in the program. This parameter focuses directly on the actual program participants and determines the realized gross gain from the program, and compares it against its costs; to conclude whether the program is successful or not (Heckman et. al., 1999 as cited by Caliendo et.al., 2008).

As the counterfactual mean for those being treated; $E[Y_{(0)} | D = 1]$ is not observed, one has to choose a proper substitute for it in order to estimate ATE. The outcomes of individuals from the treatment and control groups will differ even in the absence of treatment leading to a "selection bias". Hence, the average treatment effect (ATE) can be given by:

$$E[Y_{(1)} | D = 1] - E[Y_{(0)} | D = 0] = \tau\text{ATT} + E[Y_{(0)} | D = 1] - E[Y_{(0)} | D = 0] \dots \dots \dots (5)$$

Where;

$E[Y_{(0)} | D = 0]$, is the expected outcome of control groups or non-villagized households (consumption expenditure, access to services, and per capita income of i^{th} household).

The difference between the left-hand side of equation (5) and τATT of equation (4) is called "selection bias". The true parameter, τATT is only identified if:

$$E[Y_{(0)} | D = 1] - E[Y_{(0)} | D = 0] = 0 \dots \dots \dots (6)$$

To address the problem of selection bias stated in equation (6) one has to apply some identifying assumptions: unconfoundedness or conditional independence assumption (CIA) and Overlap assumptions (Rosenbaum and Rubin, 1983, Caliendo et. al., 2008 and Heinrich et.al., 2010).

Given that CIA holds and also assuming that there is an overlap between both groups, the PSM estimator for ATT can be written in general as τPSM :

$$\text{ATT} = E[P(X) | D=1] \{E[Y_{(1)} | D = 1, P(X)] - E[Y_{(0)} | D = 0, P(X)]\} \dots \dots \dots (7)$$

In other words, the PSM estimator is simply the mean difference in outcomes over the common support, appropriately weighted by the propensity score distribution of participants. With this brief sketch of the matching estimator, the procedure to estimate the propensity score matching is explained just below.

3.2.4. Implementation of PSM

PSM consists of four phases: *estimating the probability of participation*, that is the propensity score, for each unit in the sample; *selecting a matching algorithm* that is used to match beneficiaries with non-beneficiaries in order to construct a comparison group; *checking for balance/common*

support in the characteristics of the treatment and comparison groups; and *estimating the program effect and interpreting the results as well as sensitivity analysis*.

3.2.5. The Treatment (Dependent) Variable

Our treatment variable also known as dependent variable is the *participation status of households in the villagization program*. It is explained by the probability of households' decision either to participate or not to participate in the program. In other word, it is a dummy variable which takes 1 for participation and 0 otherwise. Thus, the **treatment variable (D)** has a binary response given as:

$$D = \begin{cases} 1, & \text{if the household participate in the villagization program} \\ 0, & \text{if the household do not participate in the villagization program} \end{cases}$$

3.2.6. Independent Variables

The independent or explanatory variables of the study are the pre-intervention characteristics by which both settlers and non-settlers are explained. These variables are listed and defined as follows.

Sex of Household Head (SEX): this variable is dummy variable, 1 for male and 0 for female. Male has more exposure than female to participate in any social interaction outside home. But females are passing most of their time in home routine activities. Therefore, male headed household has higher probability to generate revenue from agricultural and non-farm activities.

Age of Household (AGE): it is a continuous variable and measured by number of years. The literature states the issue of age differently. Some scholars argue that age helps people to accumulate more experiences to act perfectly and analyze better. Others argue that more aged people may be change resistant and may retreat from participating in such settlement program due to social and historical reasons as well as fear of expected risks and failures. Given these two contradictory ideas, since the program is not totally displacing households from their original places and resources and even provide additional services, age may have positive effect on the household outcome variables. On the other hand, it can have negative effect as well, because some older people don't want to leave their original places due to socio-cultural factors.

Dependency Ratio (DR): is a continuous variable which includes the sum of household members below 15 and above 64 divided by total family members. This variable affects household income negatively if its ratio is high.

Size of Household (SIZ): is a continuous variable describing the size of family members living or supported by the household, measured in adult equivalent. The size of family could have both positive and negative (Malthus hypothesis) effect on income distribution among the household. A family with large numbers is assumed to have more income relative to few families when every member is active labor.

Education Level of the Household Head (EDU): education increases people's knowledge and skills which help them to do things in multiple ways. Literate farmers are expected to do agricultural activities; adopt new technologies, follow scientific farming practices, and searching relevant timely agriculture information especially about marketing of products. Therefore, literate farmers generate more income than illiterate ones. Education affects the likelihood of villagization program participation positively. They can earn more income due to settlement. this sentence is vague

Size of Land holdings of the HH (LAH): availability of land resource is mandatory for crop production. The farmers with fertile large land size are more advantageous in producing more production. Farmers who have enough plots of cultivated irrigation land can intensify and diversify crops which increase their production.

Non-farm Income (NFI): Non-farm income is income earned from any source other than agriculture. It may be petty trade, support or something else. When the program provides improved access to social services, the households would generate more income with low cost. not clear. Therefore, it will have a positive effect on households' wealth.

Livestock Ownership (LTO): in Ethiopia livestock are useful in implementing agricultural activities. Livestock can be source of pulling power, source of income, source of supplementary food, and as a means of security and means of coping during crop failure and other calamities (Haile et al 2005). A household which has many livestock can immediately invest in agriculture inputs and produce more than others. Also it is assumed that access to facilities would provide improved conditions for livestock holdings. The variable is continuous measured in Tropical Livestock Unit (TLU) and positive sign is expected in outcome.

Access to Basic services (ACS): refers to the provision of social services which are decisive factors for effective economic activities to enhance productivity and production of individuals and the region. It will have multiple effects on the commune, ranging from social to economic and environmental. These may include school, health centers, water, electricity, market, etc. Access to such services often improves market access thereby increasing production, and consumption with lesser transaction cost, thus would lead to improved social welfare than otherwise. These services will take 1 if available and 0 if otherwise; finally their weighted mean will be considered.

Access to Mass Media (ACM): Not clear. Radio/TV ownership is useful to capture update information about market, new methods and technologies. It is also useful to get information on price, major types of crops and the current government priority areas. It is hypothesized that access to mass media has positive relationship with program participation.

4. Results and Discussion

In this section, both descriptive and econometric results are presented and discussed. Econometric analysis was conducted in order to analyze if there are significant changes in the livelihood (access to services, income, consumption, etc) between participants and non-participants and to identify the factors that affecting participation.

4.1. Descriptive Results

Descriptive results of continuous variables for program participants, non-participants households and mean difference test were presented in a table below. Results of the descriptive statistics show that there is no significant difference between participants and non-participants in terms of income from livestock products, and income from livestock and non-farm income but there is a sharp difference in total income between participants and non-participants in terms of total income. Participants on average exceeded non-participants with about 2,100.00 birr on average and this was statistically significant.

The mean age difference between participants and non-participant households was 40.633. As the data obtained from the survey result indicated the mean age of program participant households was 44.21 and non-participant households was 37.05. The result indicates households with higher mean age not clear than the nonparticipant households in the program. This indicates there is a significant difference in the mean age between the two groups at 1% significant level.

Table 1: Summary Descriptive Statistics for Continuous Variables

Variable	Participants		Non-participants		Mean Difference	t-value
	Mean	SD	Mean	SD		
Age	44.21667	10.89382	37.05	12.40889	40.63333	4.7544***
Family size	6.633333	3.449353	4.341667	2.277016	2.291667	6.0738***
Land size	2.053417	1.600441	1.194	.6168644	0.8594167	5.4888***
Income from crops	1172.995	2104.611	1553.846	2015.602	619.1486	1.8628*
Non-farm income	1000.526	1589.054	1813.957	2252.573	813.4308	1.4747
Income from livestock products	993.443	5336.429	780.5	723.8956	1212.943	0.6385
Income from livestock	18765.29	9780.28	17921.923	14231.96	844.37	1.0850
Total Income	24684.85	7952.94	22,584.918	6095.429	2100.93	2.6862***

Source: Field Survey Result, 2015

Regarding the family size, land size, income from crops and total income from the results of the study indicated that the mean family size was 6.63, land size was 2.053417, mean income from crops were 2172.995 and 24684.85 the comparison is not clear. Regarding land holding on average total land holding of households is 2.0534ha for program participants and 1.194 ha for non-participants households with the mean difference of 0.8594167ha at 1% significant level. The annual mean total income for participants' households is 24,684.85birr which is 3042.918birr for non-participants having the annual total income of mean difference of 21641.93birr and significant at 1% level.

4.2. Regression Results

This section discusses the econometric result of the model used to analyze the impact of the program on socioeconomic and livelihoods in the study area. To measure the average treatment effect on the treated (ATT) for intended outcome variables, a Logit model was estimated in order to get the propensity scores. This was followed by estimation of propensity scores; the matching methods, the common support region, the balancing test and sensitivity analysis were discussed. Also matching between participants and non-participants was done to find out the impact of the program on the mean values of the outcome variables or average treatment effect on the treated are illustrated to calculate and identify the impact of the program.

4.2.1 Estimated Propensity Scores

Key identification tests were made to see the robustness of the model and the results thereof for coefficients. This was made on a pre-defined model for program participation using a logistic regression model. The model to be tested was:

Logit (participation): $f(\text{hh sex}, \text{hh age}, \text{hh marital status}, \text{hh education level}, \text{hh occupation}, \text{hh religion}, \text{family size}, \text{land possession}, \text{land size}, \text{livestock rearing}, \text{access to road}, \text{perception impact of the program}, \text{Benefit of private investment}, \text{source of food required})$

These tests include variance inflation factor (VIF) tests for variable identification, Jerquer- bera test for normality, hetroscedastity test for constant variance, and link test for model specification tests. These tests were carried out and the model was well identified. The results indicate that the model is fit and robust for statistical regressions.

Factors affecting probability of program participation is predicted by binary logistic regression model. Propensity score was also estimated by logistic regression based on the assumption of conditional independence, where matching algorithms were used to match the treatment and control groups. The Chi- square result, 184.64(0.0000) showed that the parameters are different from zero at p- value of less than 1% significance level. Among the independent variables, marital status, household head education, household head occupation, household head religion, family size, land possession, livestock rearing, access to road, private investment and source of food required are significant at 1%, 5% and 10% significance levels. The result (see Table 2) indicated that married households showed negative tendency to participate in the program as opposed to unmarried individuals.

Table 2: Logistic Regression Results for Participation

Participation	Coefficient	Std. Err.	Z	P> z
HH sex	.084414	.5346703	-0.16	0.875
Age	-.042704	.0225684	-1.89	0.058
Marital status	-.6514414	.2562113	-2.54	0.011
HH education	-.8116421	.1579318	-5.14	0.000
HH Occupation	-.6230773	.2583292	-1.96	0.050
HH religion	.4729497	.2259075	2.09	0.036
Family size	.350413	.0966867	3.62	0.000
Land possession	3.990491**	.8336451	4.79	0.000
Land size	.332055	.1912117	1.74	0.082
Livestock rearing	-1.06069*	.4552672	-2.33	0.020
Access to road	-1.432361**	.4657373	-3.08	0.002
Program impact perception	-.5408848	.3191594	-1.69	0.090
Private investors benefit	-3.354419*	1.691871	-1.98	0.047
Source of food required	.4483043**	.1580533	2.84	0.005
Cons	8.100607**	3.968351	2.04	0.041

Source: Own Survey Data, 2015

***, ** & * -significance at 1%, 5% & 10% respectively

This is expected because married couples seem relatively settled and tend less to resettle. Likewise, better educated, and households with jobs tend less to participate in villagization program in Gambella. Households with larger family size tend more to participate in the program as this could arise from higher demand for more farmland owing to family consumption needs. Households with more access to road and livestock rearing tend less to participate in the program as expected. It is surprising to see why households which possess land tend more to participate in the program. It was observed that households which have ever benefited from private investment in their localities tend less to participate as they may think that their benefits could be eroded by such actions. The binary Logit regression is presented in the Table below, which shows the determinants of program participation.

Figure 1 portrays the distribution of households with respect to the estimated propensity scores before matching. The histogram shows that most of the treatment and comparison households were found in the middle.

The common support region is [0.252, 0.7239] and analysis was made on this region

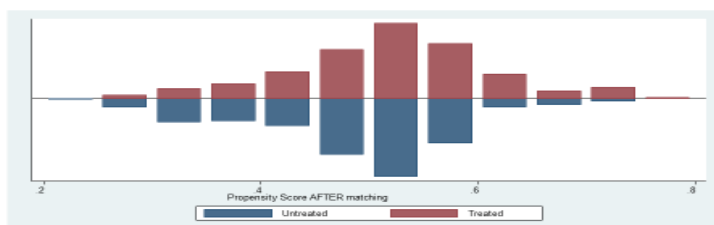


Figure 1: Common Support Region
Source: Adapted from Survey Data, 2015

The graph also indicates that there is a wide area in which the propensity score of both the treatment and the comparison groups have similar and enough overlapping areas. Thus, it fulfils the assumption that the common support condition (CSC) that claims for each value of covariate, there is a positive probability of being both treated and untreated. Rosenbaum and Ruben (1983) referred to this as the overlap condition that is ensuring that there is sufficient overlap in the characteristics of the treated and untreated members to find adequate matches.

As stated before there are four important tasks that must be pursued before embarking on the matching work. First, estimating the predicted values of program participation (propensity scores) should be estimated for all households in the treatment and outside the treatment group as conducted in the previous section. Second, a common support condition should be imposed on the propensity score distributions of household with and without the program. Third, observations whose predicted propensity scores fall outside the range of the common support region must be discarded. Finally, sensitivity analysis should be done in order to check the robustness of the estimation, whether the hidden bias affects the estimated average treatment on treated or not.

4.2.1. Choice of Matching Algorithm

Dehejia and Wahba (2002) suggested that the decision to choose best matching estimator in PSM technique is decided based on three criteria, insignificant mean difference after matching all covariates, smallest pseudo-R and large number of matched sample size. Thus, using the Stata command “pctest” balancing was conducted using the three commonly used estimators: neighbour, kernel and radius and the result revealed insignificant mean difference for all covariates and same pseudo-R value (0.005) after matching. Accordingly, both Kernel and Radius calliper algorithms matched about 208 (98 VS 110) observations, (larger than the NN which matched only 180 (92 Vs 88) observations) and hence are chosen for further analysis. Therefore, based on the result of matching quality and higher sample size both kernel and radius were used to assess the ATT of villagization on the outcome indicators.

4.2.2. Impact of Villagization on Household Income

Average treatment of treated (ATT) of villagization was done based on selected two matching algorithms (radius caliper and kernel band width matching). The comparison and analysis of treated and untreated groups were done in the range of common support and caliper using the *Psmatch2* command.

Table 3: Impact of Villagization on Household Income

Outcome	Estimator	Participants	Non-participants	ATT (birr)	t-value
Total	Kernel	98	110	12,150	1.98*
Income (Birr)	Radius	98	110	11,600	1.92*
	Mean of mean	-	-	11,875	

Source: Computed from Survey Data, 2015

*statistically significant at 10%

The above Table summarizes the average treatment effect (ATT) of villagization on household income in Ethiopian birr by different matching methods. The intervention of villagization leads to an increase in income of household by about 12,150 using kernel approach, and it leads to an increase in income of about 11,600 birr using the Radius method. Moreover, the program participants gain an average income of about 11,875 birr more compared to non-participants. This difference accounts that villagization program participants earn about what ? more income compared to non-participants. Thus, it is evidenced here that intervention in terms of villagization increases household incomes in Gambella, justifying government efforts. In general, all the matching methods show commune participation creates the opportunity to produce more than once per year and creates diversification to marketable crops, leading to more source of income.

4.2.3. Impact of Villagization on Household Consumption

Consumption is another impact indicator used to evaluate the average treatment effect of the program participant. For this particular study, the impact of Villagization on consumption expenditure was evaluated using a self-reported daily expenditure per adult equivalent and then converted to annual values. Accordingly, the results revealed that on average, program participants have higher aggregate expenditure, as estimated using kernel and radius matching. But, the difference was statistically not significant between the treatment and control group with bootstrapped standard error. Despite this, the total expenditure per adult equivalent of the participant households was positive and higher than that of non-participants.

Table 4: Impact of Villagization on Household Consumption

Outcome	Estimator	Participants	Non-participants	ATT (birr)	t-value
Total Consumption (birr)	Kernel	98	110	450	0.95
	Radius	98	110	860	0.96

Source: Computed from Survey Data, 2015

Table 4 shows that self-reported total expenditure for commune program participants is higher by about 450 birr using Kernel approach while it was about 860 birr using Radius Caliper method.

4.2.4. Impact of Villagization on Service Accessibility

The estimation result presented in Table 5 provides evidence for the impact of commune program in improving access to services. As presented in the Table, the participants have about 32% higher chance using Kernel method and about 46% higher chance using Radius method in accessing to the service.

Table 5: Impact of Villagization on Household Consumption

Outcome	Estimator	Participants	Non-participants	ATT (birr)	t-value
Service Access Score	Kernel	98	110	0.32	2.4**
	Radius	98	110	0.46	1.96*

Source: Computed from Survey Data, 2015

** Significant at 5% level *significant at 10% level

4.2.5. Sensitivity Analysis

According to Rosenbaum (2002), the goal of sensitivity analysis is to provide a sense of how large an effect (an) omitted variable(s) would have in order to invalidate a finding. That is, sensitivity analysis provides a quantitative statement that in order to explain away a particular association; one would need a hidden or unobserved bias of a certain size. Since it is not possible to estimate the magnitude of selection bias with non-experimental data, we address this problem with the bounding approach proposed by Rosenbaum and Rubin (1985). Accordingly, sensitivity analysis was implemented using r-bound procedure and the result is shown in the Table below. When we see the Rosenbaum bound sensitivity analysis results, by kernel band width (0.25) matching algorithm estimator r-bound showed that the impacts of commune program on income of households is not sensitive to some extent. Even when we differentiate participants and non-participants by 10–30% in terms of unobserved variables the result does not change significantly. This is true even when we use the Kernel band width (0.1).

This analysis provides evidence that the impact evaluation assessments that we carried out is robust to changes in variables and estimation bounds implying its less sensitivity and hence consolidating on the findings of the study.

5. Conclusions and Recommendations

5.1 Conclusions

Ethiopia is currently dubbed among the very few rapidly growing non-oil economies in Sub-Saharan Africa. Villagization program has been implemented in Ethiopia following the 1984- 1985 famine as food security strategy although it failed later. Even after 1990s, the current government has launched commune programs with new modality especially in four emerging regions: Gambella, Afar, Somali, Benishangul Gumuz. The purpose was to gather the isolated rural people from unproductive and harsh areas to productive and favorable sites so as to provide improved social services, economic opportunities, and ultimately enhance development. But, some studies & reports showed mixed results about the contribution of the program. Particularly, in Gambella, the program was strongly criticized by international media and institutions (human rights watch) saying that Ethiopian government is displacing the rural poor from their land to shift the lands to private investors. Thus, this study assessed the socioeconomic impact of villagization program in Gambella region for the period between 2010 & 2015 by using propensity score matching econometrics method.

Indeed, comprehensive analysis was done from qualitative (KII& FGD) and quantitative data with the help of 240 sample respondents (120 treatment & 120 control groups). The three key outcome variables were estimated: access to services, income, and consumption level of households. Generally, the inferential statistical results found positive and significant impact of the program on access to service and income in the region. However, the consumption level of households is not statistically significant between the participants and non-participants. The result is mixed for some explanatory variables.

Villagization program provides basic social services to the villagized community; where improved health, education, extension services, clean water, grinding mill and others enhanced the living condition of participants. It also facilitates awareness creation on the people about the method of production and input utilization, diversifying transactions and income towards transforming individuals, the region and the country.

The descriptive results showed that program participants have gained fairly equal land holding, and more input utilization skills, have access to market, access to extension services, and better crop diversification practice. The mean income of the program participants exceeds that of non-participants in the post intervention period, but during pre-intervention period, the mean income of non-participants exceeds that of participants. The result revealed that program participants have better exposure to services as compared to non-participants.

In addition, the study showed that there is no shortage of land in the region either for cultivation or investment purpose. The question of land grabbing posed by some Media and reports were more of political issues than that of economic. However, planning and implementation gap as well as lack of ownership and political commitment put strong challenge on the success of the program as expected. something is missing here

According to the result of propensity score matching technique, villagization has positive impacts on the income of participants, access to services and enhancing consumption. This was significant for income and access to service outcome variables. As revealed by average treatment effect of treated (ATT) estimation, the mean difference of income of participants and non-participants vary by about birr 12,000 birr, which is indeed a significant figure, and justifies the program intervention. Participants have also enjoyed a higher probability (at least 32%) higher chance of accessing infrastructure and services, compared to non-participants. Further, almost all newly villagized households got 3 ha of land for different farm activities other than the land given to homestead. This conforms to the results obtained from the key informant interviews and focus group discussions.

5.2 Recommendations

Villagization has the power to reduce poverty through increasing households' access to services, income and consumption in Gambella. To reinforce the agricultural production through irrigation technology to produce surplus and commercial oriented products which may enhance country's GTP the program needs to be strengthened further. Strong public relation works should be done to lift up public trust by disclosing the importance of the program to the community.

The descriptive analysis made it clear that access to electricity has been a challenge for program participants. This would adversely affect the participants in terms of processing their agricultural produce to add value and gain better from enhanced productivity. Much more effort therefore needs to be exerted to provide electricity to these communes.

Market plays a key role in absorbing the excess products of farmers for their return at reasonable price. In this case, strong market encourages program participants to produce and supply more. Farmers who enjoy enough market for their products become visionary to produce market oriented outputs. The consequence of villagization accompanied by fair market price may change the life of a household by increasing their income. The dominant crops cultivated in the area is maize, which needs post-harvest management. Since the area is very hot, the cereal can easily be damaged and may easily be exposed to rodents and pests. Thus, the crops need immediate market and careful post-harvest management.

Besides crop production, livestock rearing is observed to be the major means of livelihood in the study area than any other occupation. So, providing trainings on controlled livestock feeding

management would help boost productivity in livestock production. The evidence shows that villagization has a positive and strong impact on the society. We strongly recommend that this has to be told to the public through awareness creation. Media need to play its role in advocating the importance of such a program in enhancing service provision, enhanced capability and ultimately improved productivity of program participants. This could attract other non-participants to the program with the ultimate impact of reducing poverty in the region.

However, critical quality problem was observed under infrastructure and other facilities like grinding mill in the new communes. Thus, corrective measures need to be taken during the purchase of raw materials and equipment and during construction as it diverts huge scare public resources from other sectors. Extension services are among new channels to transfer technology to the community. Development agents have to be more equipped with knowledge, skill and material facilities (transportation, housing, networks, and the likes) to enable the rural households more productive.

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Assessment of Policy Implementation Capacity: Opportunities and Challenges (The case of Selected Wereda Administrations in Yeka Sub-City, Addis Ababa)

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Abstract

This study aimed at assessing Wereda policy implementation capacity in Yeka Sub-City selected Weredas of Addis Ababa City Government. It employed a combined research approach (quantitative and qualitative) in order to supplement data obtained in one approach with that of another and provide full picture of the issue under consideration. Research data were collected from purposively selected 6 study Wereda respondents. Sub-City chief executive, Wereda council speakers and council members, Wereda chief executives, sectoral heads and experts were the main sources of the research data. Questionnaires, lead-interviews and focus group discussions were employed to collect data required for the research. The findings show that current Wereda administrations are entrusted with much greater duties and responsibilities than ever before to deliver services to their residents. In exercising and accomplishing their powers and duties, necessary legal, administrative, human and material requisites have been put in place. However, current human, material and working environment are not found to the level desired in light of the greater responsibilities to be shouldered and discharged by the same. Moreover, past grim reminiscence and attitudes of Weredas 'ineptitude' to administer and provide services to their residents have affected the level of popular participation. In response, the study recommends that there is a need for strategically re-assessing factors that give rise to staff turn-over, unappealing working environment and change of the deep-seated negative residents' perceptions toward Weredas' roles and the services they render to the former.

Key Terms: *Wereda, Wereda Councils, Wereda Executives, policy, policy implementation*

1. Introduction

Ethiopia has adopted a federal system of governance since early 1990s. The adoption of the FDRE constitution in 1995 has laid solid foundation for more legitimacy and impetus to the Transitional Government of Ethiopia (TGE 1991), which preceded the former. Consequently, the country entered into a new chapter of governance, federal governance, which changed the hitherto centralized system of administration since the modern state formation came into existence in the last quarter of the 19th century.

With the adoption of the FDRE constitution (1995), nine regional states and two city administrations came into existence. This implicated the sharing of governance power between the federal and state governments. It led to the devolution of power and authorities closer to lower tiers of governance (*Wereda* and *Qebele*), closer to the people. Decentralization of services closer to beneficiaries became a rule rather than an exception. Such governance model also resulted in multiple policy venues which is the anti-thesis of past country's governance style. In consequence, the central (federal) and state governments have been conferred with constitutional mandates to formulate and execute policies within their jurisdictions as stipulated in the FDRE Constitution.

Hence, as used in the past, policy mandates were not confined to the prerogatives of the central government. There are two points to substantiate this argument. First, Article 52, Sub-article 1

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holds, “all powers not expressly given to the Federal Government alone, or concurrently to the Federal Government and States are reserved to the States”. Indeed, this makes vivid that the whole essence of federalism is the sharing of policy responsibilities among the autonomous parties or entities (Anton 1989). It also shows that there are larger areas of policy legitimacy and mandates given to the regional states in Ethiopia. Second, the constitution clearly indicates the power and policy legitimacy of regional states by substantiating that states have the power and authority “to formulate and execute economic, social and development policies, strategies and plans of the state” (FDRE Art.52, Sub-art. “C”). The constitution further made clear in its Article 50, Sub art. 8 that just like as States should respect the powers of the Federal Government, so does the Federal Government. Furthermore, there is an option in which the Federal Government can delegate its powers to States when deemed necessary. It can, therefore, be argued that as any other federal system, the federal system in Ethiopia allows both self- and shared-rule, where both dual as well as cooperative relationships are equally exercised.

However, in the spirit of decentralization of power and authority to lower tiers of governance, the aforementioned provisions could not be sufficient. More devolution of power was still necessary to the grass root level. In this respect, *Weredas* (one of the lowest units of governance) could enjoy policy roles and responsibilities. This was clearly stipulated in the FDRE constitution as follows: “... Adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units” (Art. 50, Sub art.4). This provision succinctly informs that the lower level of governance, such as *Woreda* administrations, have policy roles and mandates, its implementation in particular. This study attempted to look into some of the selected *Yeka* Sub-City *Woreda* Administrations’ organizational, infrastructural and human capacities to implement public policies and the opportunities and challenges they may have encountered in discharging their constitutional responsibilities.

Policy implementation is one of the challenging phases of policy affairs. For some people, passing policy bill is an end by itself with the view that “policies implement themselves” (Nagel 1989). However, the coming of different interest groups into the implementation platform clearly implies that at least two main issues are to be remembered. First, different policy actors who, in one way or another, lost their case during policy agenda setting, or those who did not get the opportunity to take part in the pre-policy processes, will now have ample opportunities to influence the course of implementation. Second, the joining of many actors in this critical stage of the policy in question also testifies that public policies affect individuals and groups no matter how much the degree varies. Hence, it’s crystal clear that policy implementation needs greater commitment and coordination among relevant stakeholders. Successful policy implementation only depends upon the clarity of law, the ability and the resources available to those who implement it, and a variety of political and administrative factors which include public support, media attention, socioeconomic conditions, and the attitudes of various actors who affect and being affected by the policy under question (Sabatier and Mazmanian 1995).

In Ethiopia, it is argued that policy discourse only gains some rare level of publicity when implementation evaluation reports are released and during election campaigns. It is also further argued that there is a mismatch between the constitutional provisions accorded to the lower level of governance and the resources at their disposal for policy implementation. But lamentations and complaints are always heard that lower governance levels, *Weredas* in particular, could not discharge their vested policy responsibilities due to a variety of reasons. Some writers are of the view that centralized and top-down policy traditions have been the main cause for lower bodies to have limited involvement and capacity to influence once the policy has been brought down to them for implementation. Others further argue that policy decentralization to the lower level governance lacked adequate resources and competent staff in public service delivery. Owing to the recency of

the devolution of power and the pace of decentralization, it is also argued that there is lack of experience in the newly established decentralized governance and absence of effective legal and policy frameworks (Meheret 1998; Fanta 1999; Tegegne and Kassahun 2007; and Kumera 2007). Hence, it cannot be imagined that *Yeka Weredas* of Addis Ababa City Government are exception to these realities.

Beyond resource limitations, lack of policy capacity and skills may also serve as one of the bottlenecks (Amdisa 2007; Mulugeta 2005; and Dereje 2012). Moreover, there is a clear study gap in urban lower governance levels in light of the huge responsibilities entrusted to them as of recent. This is particularly vivid in the newly established *Weredas* in Addis Ababa City Government. This research was designed to examine some of the opportunities and challenges that influence the capacity for policy implementation in the selected six study *Weredas* and to come up with ideas and options that may be considered by the *Yeka* Sub-City and other competent public institutions in the study City Government and the way forward.

The objective of this study was to assess *Weredas*' policy implementation capacity and provide possible recommendations for their future policy undertakings in order that they can effectively discharge their vested leading powers and responsibilities. In order to investigate and assess the extent of *Woreda* policy implementation capacity, opportunities and challenges, the following research questions were put forward: a) Do *Weredas* have the necessary requisites (legal, human, material and infrastructural facilities) to implement public policies within their jurisdictions? b) What are some of the opportunities *Weredas* can seize to implement vested policy duties and responsibilities? c) What are some of the challenges faced by the study *Weredas* to implement policies, laws, directives, etc. within their jurisdictions? d) Is there a gap between the policy communicated from the center and its actual implementation? And e) What needs to be done for current and future increasing policy roles and responsibilities?

2. Review of Related Literature

2.1 Decentralization and Local Governance

Towards the last quarter of the 20th century, many countries have engaged in the process of decentralizing their governance styles. Devolving political and economic powers to the local level has, therefore, become a norm rather than an exception, especially throughout the developing world. According to Bardhan and Mookherjee (2006), this was necessitated with the rise of the scope of local democracy throughout the developing world. Hence, the increasing devolution of political, economic, and administrative authority to local governments has become more and more evident than ever before in history of mankind.

The move to decentralization also instigated substantial reduction in the authority of the national governments which should be devolved closer to the people whom the service delivery is planned for and implemented to. Such devolution of political, economic and administrative authorities to local governance has been geographically widespread since two decades in Latin America, Africa, Asia, and Eastern Europe (Bardhan and Mookherjee 2006: 1). The underlying urge towards decentralization is that it ensures the prevalence of participatory democracy that allows citizens to have the opportunity to communicate their preferences and views to elected officials who are accountable for their performance to the former. Decentralization is also valued on the accounts of popular participation for its own sake. One major attributes to decentralization is that it promotes feeling of autonomy in citizens. This in turn nurtures paramount social capital through the legitimacy of the local state.

To the views of Bardhan and Mookherjee (2006), decentralization takes the position of anti-poor bias against the traditional governance recipes of specific ("unique") regions, ethnic, or religious

groups to benefit at the cost of marginalized ones (p 5). In consequence, decentralization scholars are of the view that the purpose of widening the scope and fairness of democracy is to promote twin objectives: accountability and responsiveness of policy concerning delivery of local public goods and services to citizens. For instance, Preworski, Stokes and Manin (1999) hold that accountability is a situation where “Governments are ‘accountable’ if citizens can discern representative from unrepresentative governments and can sanction them appropriately, retaining in office those who perform well and ousting from office those who do not” (p. 10). It is, however, argued that local democracy requires a significant set of prerequisites that are often lacking in developing countries. According to Hamilton, Madison and Jay (1937); Tandler (1997); Crook and Manor (1998), lack of educated and politically aware citizenry, absence of popular participation, lack of conduct of free and fair elections as per the constitutional setting and absence of vibrant civil society organizations, constrain the level of policy implementation. If anyone of these conditions is not satisfied, the outcome of decentralization can be inferior to that of a corrupt and inefficient central bureaucracy (Bardhan and Mookherjee 2006).

2.2 Decentralization in Ethiopia: Brief Historical Glimpse

Owing to a centralized system of governance for many years, decentralization has not been so common, which the country could talk of as its long-standing administrative assets. With highly centralized system of governance style, sub-national structures had no autonomy. According to Bahru (1991) and Eshetu (1984 1992a), the centralization of governance was based on the then rulers’ hand-picked assignments with a personal fashion, which gave the monarchs the ultimate decision-makers in the country. The military government, which ruled from 1974-1991, did not want to tamper with the age-old centralization antiquities. However, its iron-fist rule induced popular resistance struggles in the country that was culminated in its inevitable downfall once and for all. In practice, the military regime was a virtual continuation of the imperial tradition of highly centralized governance style. It is from such seamless change of governance style that Cohen (2001) characterized the military government’s administration no more than “a veiled centralization of the past...”. In fact, the system was considered unprecedentedly more centralized when seen in light of its excessive monolithic rule and greater concentration of power in the hands of the few.

After the fall of the military rule, the transitional government of Ethiopia (TGE) assumed power in 1991. The new government drafted a transitional charter which helped set up the TGE, which was followed by a significant legislative departure. This included the Proclamation No.7/1992, which provided for the setting up of national/regional self-governments (TGE 1992b). The legislation paved the way for the formation of new administrative structure consisting of a central government and regional governments. The regional governments were made then to have two tiers of governance: the regional states and the *Wereda*, defined as the “basic unit of hierarchy”. Regional governments were also mandated by the proclamation to have the power to set up intermediate structures such as zones and *kebeles* which connect the former. The proclamation also shows the powers and duties of both central and state governments.

The political wisdom behind *Wereda* decentralization was to empower the people in helping them participate in the economic and political decisions that affect them. Consequently, devolving government power and authority to the lower tiers of governance levels such as the *Weredas* was considered a litmus paper for ensuring democracy and self-governance. As just explained earlier, issues of *Wereda* decentralization were hinted far back during the formation of transitional government in 1992, with the establishment of the “National/Regional Self-Governments, Proclamation No. 7/1992”. In the Proclamation, *Weredas* are supposed to have all powers necessary to prepare, determine and implement policies and plans within their own areas to enhance social

services and economic development, laws, and directives from the next superior body (Article 40: 18).

The 2001 *Wereda* decentralization drive in the country had its genesis in prior proclamations. In particular, it was based on the 1995 Constitution which emphasized the participation of citizens in national development endeavors. Article 43(2) of the Constitution not only empowered citizens to participate in their own development but also had “to be consulted with respect to policies and projects affecting their community” (FDRE 1995: 167). In a bid to translate the above constitutional provisions, the FDRE government had to launch what was known as *Wereda* Decentralization or District-Level Decentralization Program (DLDP) to further extend the frontier of decentralization (Meheret 2007). The program initially began in 430 *Weredas* in the four of the major Regional States (Tigray, Amhara, Oromia, and South Nations, Nationalities and Peoples Regional State). The process continued in other parts of the country since then. On the other hand, assessments made by scholars to what extent *Weredas* fared to enhance local governance and development shows twin pictures. That is, beyond their success stories, *Weredas* have faced critical interrelated problems such as poor and inadequate revenue base, shortage of competent staff skilled in public service delivery; lack of experience in decentralized governance, and absence effective legal and policy framework (Mehret 1998 and Fanta 1999).

2.3 Decentralization in Addis Ababa City Government

During the Transitional Charter period, Addis Ababa City was designated as one of the 14 regional administrations. After the end of the Transitional Charter period and upon the issuance of the FDRE Constitution (1995), the City got re-affirmation under Article 49, to be the capital city of the Federal State and continued to be answerable to the Federal Government though “the residents “shall have a full measure of self-government” (FDRE Art. 49(2). Since then, successive City Charter Proclamations have been put in place including the revised charter proclamation of Proc. No. 361/2003. Under Addis Ababa City Government, *Qebele* administrations were used to serve the purpose of what the current *Wereda* administrations are doing, despite that the scope of the power and functions considerably differ in favor of the latter. Recent reengineering of *Weredas*, however, stands tall in terms of number, scope of power and functions. Consequently, Proclamation No. 35/2012 has come with the re-establishment and re-organization of Sub-Cities and *Weredas*. Under Article 63 of the Proclamation, ten Sub-cities) were re-established and got legal personality of the City. One of the re-established Sub-cities was *Yeka*. *Yeka* Sub-city is situated in the northern part of Addis Ababa, bounded from south by Bole, from west by Lideta, and from north and east by Oromia Regional State. The Sub-city is divided into 13 *Weredas*, 124 sub- *Weredas*, 394 ‘sefers’ (areas or units), and 1244 blocks (Addis Ababa City Administration and Integrated Land Information Center 2014).

2.4 Policy Implementation and Its Challenges

Policies, preferably public policies, are government decisions and actions with the intention of solving public problems. Policy decisions are made by government on behalf of the public, which implies that government is elected with the consent of the former. Policies have several roles: regulate behavior; distribute benefits and costs to citizens. They also influence citizens’ life, interest and career, while citizens also influence the depth and breadth of public policies. Designing policy alone does not lead to solve public problems or help achieve set goals and objectives; it needs translating or transforming policy commitments into action. The gap between the passage of a policy and its actual implementation should be bridged through policy implementation commitments (Gerston 2010; Howlett and Marsh 2003; Stewart, Hedge and Lester 2008; Xun Marsh, Howlett and Fritzen 2010). Effective policy implementation, therefore, requires active participation of all actors (policy actors) and not confined to the legislators who pass the law

(policy), the executives who formulate, implement, evaluate and are supposed to revise policies, the interest groups, the media or the community alone. All have their respective roles to play.

On the other hand, policy implementation is not as rosy as may be thought. There are numerous barriers to obstruct policy implementation processes: political; analytical competence; and operational capacity. Hence, the secret of policy success or its flip side of the scale lies in all of these factors, where their presence or absence determines the often emotive expressions and views termed as *policy success* or *failure*. However, both of these declarations are quite debatable to come to consensus as each party would like to assert their narratives in light of the value they attach to each of the two variables. Policy scholars view that one of the causes for policy implementation challenge is that it is often a neglected end of the scale: poor leadership; corruption; lack of sufficient funding, multiple goals and poor oversights; lack of consensus; politicization; absence of sound citizen participation and accountability, and use of short-cuts (Agyepong and Adjei 2007; Wu, Ramesh, Howlett and Fritzen 2010). Consequently, the euphoria and passion during the pre-policy stages begins to fade as soon the passage of policy implementation ensues.

In federal countries such as ours, policies have multiple venues (e.g. center, state and local) to originate. The role of front-line (grass-root) implementers is considerably decisive. Smith (2003) holds that one of the policy implementation challenges in the developing world is the political instability which is dominant in most of these countries that makes policy implementation like a pipe dream. In consequence, while political elites in these countries may have the will to design public policies to improve the living conditions of their populations, that ambition becomes dissipated due to the profound political instability (Lane and Ersson 2001).

3. The Methods

3.1 Research Design, Data Sources and Instruments Employed

A descriptive design with a combined quantitative and qualitative research approaches were found relevant for the study. Nevertheless, the qualitative share has assumed a larger portion of data analysis and interpretation part. From the researcher's point of view, this was an appropriate preference in light of the stakeholders who are supposed to access and use the outcome of the study. As regards research data sources, *Wereda* council speakers, council members, *Wereda* chief executives, Sub-city chief executive, chief secretary in the Sub-city executive office, capacity building core process owner from the Sub-city, office heads, and human resource administration informants (33 in number) were consulted either for interviews or focus group discussions. All of them were selected using purposive sampling. The rest of respondents were selected from 10 core sectoral offices. That is, ten sectoral office heads from the 6 selected *Weredas* were made to fill out questionnaires which brought the total number of informants to 60. Consequently, grant total informants consulted for the study were 93.

Research instruments such as questionnaires, lead-interviews, focus group discussions, and relevant and official government documents were employed to make use of both primary and secondary data. Questionnaires were distributed to 10 main sectoral offices (education, health, micro and small enterprises, trade and industry, communications, capacity building, construction and housing, women, children, and youths, finance, and justice) upon recommendation of the executive offices (purposively). They were selected on the account of their relatively organized and settled offices as opposed to those recently decentralized. Interview sessions were held independently with the chief executives and sometimes their deputies, while focus group discussions were made with members of *Wereda* councils.

3.2 Data Analysis

Since a combined research approach was opted, data collected through quantitative instruments were presented and analyzed using percentages followed by sufficient analytic discussions. For the qualitative data obtained through open-ended responses, interviews, FGDs, and document reviews, narration and effective digressive techniques have been used to make things speak on themselves to the reader. Some data sources from *Wereda* offices were also used to substantiate the arguments though the measure of judgment fully resides in the former.

4. Results and Discussions

4.1 Data Obtained through Questionnaires

Research questionnaires were filled in by heads of the purposively selected ten sector offices in the six study *Weredas*. Each of the ten sectoral office heads were made to fill in one questionnaire each which makes it a total of sixty (60). At the end, however, fifty-five questionnaires (92%) were filled in and returned, while five papers were told to have been missed or misplaced.

Table 1: *Wereda* Administration's Duties and Functions

Description	Frequency (F)	Percent (%)
Prepares plans	-	-
Implements and cause to implement plans	2	3.6
Implements policies and directives	3	5.5
Enforces law	-	-
Does all of the above	50	90.9
Total	55	100

As can be seen from Table 1, the *Wereda* does almost all of the activities listed. Its duties and functions as per the recent proclamation of Addis Ababa City Government Executive and Municipal Service Organs Re-establishment Proclamation No. 35/2012 consequently came up with 10 sub cities and upgrading former '*Qebeles*' to *Wereda* status. With the revised proclamation, *Weredas* have been given power and functions to mobilize residents, supervise local development activities, make enforce personnel codes, coordinate and supervise the *Wereda* sanity and beauty of the environment, establish various civic associations and facilitate and follow up the provision of educational and awareness raising activities in order to avert and control harmful traditional practices to ensure basic health care (Art. 74, Nos. 1-12). As per the recent proclamation, the *Wereda* administrations undertake all activities and have also the power to coordinate, support and supervise the socio-economic developments of the *Wereda* that they are in charge. While most of the 12 functions to be accomplished by a *Wereda* do not hint about planning, the 9th function which states: "prepare and submit the budget and plan of the *Wereda* to the sub-city administration---" informs that there are many activities to be planned. One cannot also imagine that all of the activities such as residents' mobilization, coordination, support and follow up can be carried out without a bare minimum of planning. Indeed, the fact that *Wereda* activities are multi-faceted, planning element included, could have influenced respondents to be inclined toward the fifth option, "all". Otherwise, provision No. 2, of the same proclamation, "supervising local development activities in accordance with the City plan, laws and standards,..." and enforcing certain regulatory codes such as authorized construction can tacitly add up to implementing policies, plans and directives.

Another point is with regard to *Wereda*'s budget. As can be seen on Table 2, it was favored by a greater number of respondents (45%), that the *Weredas* both prepare and approve their budget.

Table 2: *Wereda's Budget*

Description	Frequency (F)	Percent (%)
The <i>Wereda</i> prepares budget	11	20
Approves budget	5	9
Prepares and approves budget	25	45.5
Only prepares budget	14	25.5
Total	55	100

Still a relatively good number of respondents (25%) were of the view that what the *Wereda* actually does is preparing the budget, while only a negligible number of respondents (9%) confirmed its budget approval role (see Table 2 below).

The causes for such dispersion of responses may perhaps be attributed to the seemingly discrepancy between the provision of the proclamation and the practice operating on the ground. That is, while article 76 (which is about the *Wereda* Chief Executive) under “b” requires the executive branch of presenting both the annual plan and budget allocation proposal to the *Wereda* council, it was learnt that such issues are only visible after the budget has been approved by the Sub- city and then sent back to the *Wereda* for utilization. At this stage, the *Wereda* Council endorses both the allocation of overall and sectoral budgets simultaneously. However, this is in contrast to the provision that the **Wereda** Executive has to observe the following: “... *present annual plan and budget allocation proposal of the Wereda 'to the Wereda Council', after it is deliberated by the standing committee of the Wereda....*” (emphasis added) (Art. 76, 2 (b)).

As could be learned from *Wereda* council speakers and their members, initial budget approval is the sole responsibility of the Sub-city Council and it is only when there are reservations or concerns that *Wereda* council may consult with the Sub-city organs. As a result, the issue of draft budget approval by the *Wereda* council is overshadowed in favor of the *Wereda* executive office and that of the Sub-city council. Similar to what has been inquired under question one (see Table 1), the researcher attempted to figure out which of the duties or activities dominate *Wereda's* time and energy. The rationale was to find out if there were task priorities or if all of them equally deserve same resources. Responses were distributed along a spectrum of tasks or activities which respondents believed to hold (see Table 3 below).

Table 3: Main *Wereda's* Tasks (Activities) which Deserve Undertaking

Description	Frequency (F)	Percent (%)
Implement and help implemented policies and regulations passed from the sub-city	3	5.5
Follow up the implementation of planned activities as per the power given by the sub-city to the <i>Wereda</i>	3	5.5
Implement and provide feedback on policies and directives originate from the <i>Woreda</i> and the sub-city	11	20
All of them	38	69
Total	55	100

Looking at Table 3 above, it can be seen that tasks or activities entrusted to *Weredas* are numerous and almost all of the descriptions are valid, as viewed by the respondents (69%). The fact that the first three entries (descriptions) attracted few respondents also tells that all of them are equally necessary to be taken care of and there seems no means for omission with the pretexts of priority. The 20% respondents may also have the belief that at least *Weredas* can provide feedback over the implementation of policies and directives though policy initiatives from the *Wereda* may tend to be

impractical and such mandates have not been given to the same. This can also be verified by carefully examining the 12 core powers and functions listed under article 74 of the proclamation “to be executed by the executive organs organized in respective field of activity”.

While all of the aforementioned tasks or activities are to be headed by the *Wereda* chief executive’s offices, it is not only the office that undertakes all of them. Chaired by the chief executive is also a standing committee structured and entrusted to carryout major and routine activities both collectively and individually, via their respective sectoral offices. The committee includes all heads of *Wereda* offices (sectoral offices) organized more or less in accordance with the organizational structure of the City cabinet. Such sectoral offices (cabinets) now range from around 16 – 21, which has also significantly changed *Weredas*’ organizational structures and their human power resource management, as per City’s proclamation of Art No. 78, 1 (a – c).

It is important here to discern two things or issues. First, *Wereda* activities are by and large carried out collectively and the standing committee is instrumental to that effect. Second, the standing committee is also entrusted to execute functions given by the *Wereda* council and the chief executive simultaneously. While the modalities of receiving duties and functions from the *Wereda* council (under ‘C’) are not clear, it may only be assumed that they are cascaded from the council through the chief executive. To which of the two superiors is allegiance more visible and why, is open to further discussions and research of its own. But there could be a temptation to be more inclined to vertical authority (allegiance) than paying due attention to the closest council and the public at large.

Table 4: *Weredas*’ Opportunities to Implement Cascaded Policies, Laws and Directives

Description	Frequency (F)	Percent (%)
Availability of clear regulations and directives	9	16.4
Availability of human power with necessary competence	1	1.8
Sufficient budget to run activities as per the plan	2	3.6
Support provided by the Sub-city and City Government	-	-
All are Available	18	32.7
All are not available to the level desired	25	45.5
Total	55	100

Seen from Table 4 above, there is a varied degree of acknowledgement for the presence of favorable environment where respondents (those with 32.7% and 45.5%) respectively are divided between the availability of enabling environment and the “not to the level desired.” In fact, respondents for the last description seem to acknowledge the availability of opportunities and at the same time tend to project their concerns.

Table 5: Challenges Experienced in the Process of Implementing Policies, Directives, and Providing Services to Residents

Description	Frequency (F)	Percent (%)
Absence of sufficient budget	7	12.7
Lack of proportionate power to the responsibility (duty) entrusted with	-	-
Flow of unplanned activities from the top (Sub-city, etc.)	6	10.9
Lack of basic facilities and infrastructures	1	1.8
All are challenges (bottlenecks) encountered	35	63.6
All are not challenges	6	10.9
Total	55	100

In relation to some of the respondents who refrained from confidently establishing their views, it can clearly be understood that there are challenges that they have encountered and fall short of implementing set policies and planned service deliveries to their residents. Table 5 provides some of the answers.

As can be witnessed from the Table 5, except matters related to power versus responsibility or duty, respondents have spread along a list of challenges. While lack of facilities and infrastructures were rated to the bottom, the majority of respondents concentrate around the last but one challenge, all are real challenges. This finding concurs with many of the *Wereda* decentralization studies (e.g. Kassa 2011) which revealed that institutional, fiscal and technical capacities are outstanding bottlenecks in some of *Wereda* administration in Addis Ababa.

Table 6: *Wereda's* Decision Power Rests On

Description	Frequency (F)	Percent (%)
Planned and approved budget	10	18.2
Human power (e.g. recruitment, deployment, promotion, etc.)	2	3.6
Expanding infrastructures (in-roads, water points, etc.)	1	1.8
Mobilizing the community for development activities	10	18.2
All rest within the <i>Wereda's</i> domain	32	58.2
Total	55	100

The decision to expand *Wereda's* infrastructure is rated to the lowest scale though those who did not air their opinion might have moved to the generalizing response, “all of them rest within their domain.” The researcher has also learned that the expansion of infrastructures does not lie in the *Weredas'* domain, perhaps owing to both the special capacity they may require or due to economy of scale of the sub-sector. Consequently, such tasks are always awaited from either the Sub-City or the City Government. However, if it is not for lack of credible resource limitations, it is contrary to the objectives and principles of decentralization, where the residents are entitled to get services to their closest center possible.

The two main areas of *Wereda's* decision domains seem to rest on budget (allocated budget) and the mobilization of the community for development activities. In fact, *Wereda's* decision on matters related to budget cannot be said simple and clear. But the issue of *Wereda* budget autonomy may beg the question back to Article 66 (2) of Proclamation No. 35/2012, which states that the Sub-city “allocates budget set aside to it and disburse and follows up... the execution thereof as per the Public Finance Law...”). In this vein, *Wereda's* role is only limited to “preparing and submitting the budget and plan to the Sub-city administration...” (Art. 74 (9). Consequently, the provision on Article 76 (b) which urges the *Wereda* executive to present annual plan and budget allocation proposal to the council seems nominal.

Respondents were also requested to rate their level of agreement using a five-point scale where 5 = strongly agree; 4 = agree; 3 = fairly agree; 2 = disagree; and 1 = strongly disagree. It must be noted that some respondents did not want to indicate their agreement/disagreement to the issues under discussion. As a consequence, total responses (respondents) may not add up to 55, the total questionnaires returned (see Table 7).

Table 7 shows that agreement responses are mainly spread under two main columns: “agree” and “fairly agree”. All of the disagreement columns are narrowly skewed, while the “strongly agree” column responses are somewhat considerable. However, from the interviews carried out with some of the Chief Executives and members of the *Wereda* Council, there are concerns over rent-seeking

and corrupt practices which are manifested in punctuality, level of commitment and issues related to construction, land, and trade license issuance.

Table 7: Respondents' Level of Agreement to *Wereda* Related Powers and Functions

Description	SA		AG		FA		DA		SDA	
	F	%	F	%	F	%	F	%	F	%
The <i>Wereda</i> mobilizes community's resources and labor effectively	7	17.5	13	32.5	18	45	2	5	-	-
Closely works with governmental and non-governmental organizations	8	21	14	37	12	31.5	4	10.5	-	-
Spends most of its time on strategic development programs' follow up and implementation	10	28	6	17	13	36	5	14	2	5
Trained human power is one of the challenges faced for <i>Wereda</i> 's plan follow up implementation an timely feedback	9	23	6	15	13	33	6	15	5	13
Rent-seeking attitudes and corruption have low impact	7	18	4	10	9	24	9	24	9	24
Community's low collaboration with the <i>Wereda</i> has resulted in low development outcomes	12	36	6	18	7	21	6	18	2	6
Community's overall attitude, support and satisfaction on <i>Wereda</i> 's service delivery and effectiveness is encouraging	5	13.8	17	47	12	33	2	5.5	-	-
Sub-city's effort to continually enhance <i>Wereda</i> 's implementation capacity building is commendable	4	10	9	22.5	19	47.5	3	7.5	5	12.5
Community's satisfaction rated by the <i>Wereda</i> itself is not known	4	13	13	35	17	46	2	5	1	3

NB: SA-Strongly Agree; AG-Agree; FA-Fairly Agree; DA-Disagree; SDA-Strongly Disagree

In one of the chief executives' words, "though there is lack of concrete evidence, rent – seeking is a reality as it relates to short of efficiently serving the people, not being punctual to duty and related manifestations". To him, some areas that are prone to rent – seeking in their *Wereda* include trade license, government house administration, land acquisition and construction permits. The same informant also did not refrain from explaining the likely measures as well as the challenges to take disciplinary measures as follows: "While civil servants are dealt with as per the civil service disciplinary rules and guidelines, those of the executives and other political assignees are not easily found to be held accountable for the breach they have committed" (EXE15). Instead, they will either be politically reprimanded or sometimes sacked from their position. But on cases of serious offences, facing accountability remains an inexcusable matter.

As far as the satisfaction of the community by the services being delivered is concerned, all of the studied *Weredas* rated themselves as “medium” (“መካከለኛ”). In fact, the researcher could not find an officially documented *Weredas*’ league rank either at the Sub-city or at the visited *Wereda* levels. But from both interview participants and focus group discussants, it was learned that all *Weredas* do not have similar achievements in all aspects; they have varied merits in the different services they deliver.

4.2 Qualitative Data Responses

4.2.1 Profile of *Wereda* Human Power

From the observation and discussions made with many of the respondents, the newly re-structured *Weredas* are now being overwhelmed by service delivery demands from its residents. This can be testified by the devolution of power and services which now range from 18 – 21 sectoral offices. Along with the increase of sectoral offices, “the executive branch alone absorbs between 250 – 380 staffs” (EXE 19, 6th April, 2015). This is in contrast to the maximum human power which was as few as 5 – 8 executive staff running the former *Qebele*. On the backdrop of this recent history, executive branch human power has been increasing since the upgrading of the *Qebele* to *Wereda* level. Nevertheless, the quantity and quality, retention and capacity building issues seemed to pose challenges on the *Weredas*’ day-to-day activities. The researcher has attempted to examine the profile of some five studied *Weredas* with regard to their educational background. Though educational background alone does not determine the accomplishment of entrusted tasks, it was felt that at least it partially sheds some lights.

It is interesting to see that more than 65% of the executive staffs have the necessary educational backgrounds ranging from diploma to first and second degrees though the latter is extremely few. In light of our previous perception of the *Qebele* human power profile, this can be considered a great stride or change. However, it cannot be considered sufficient as more than 30% of them are still below the diploma level.

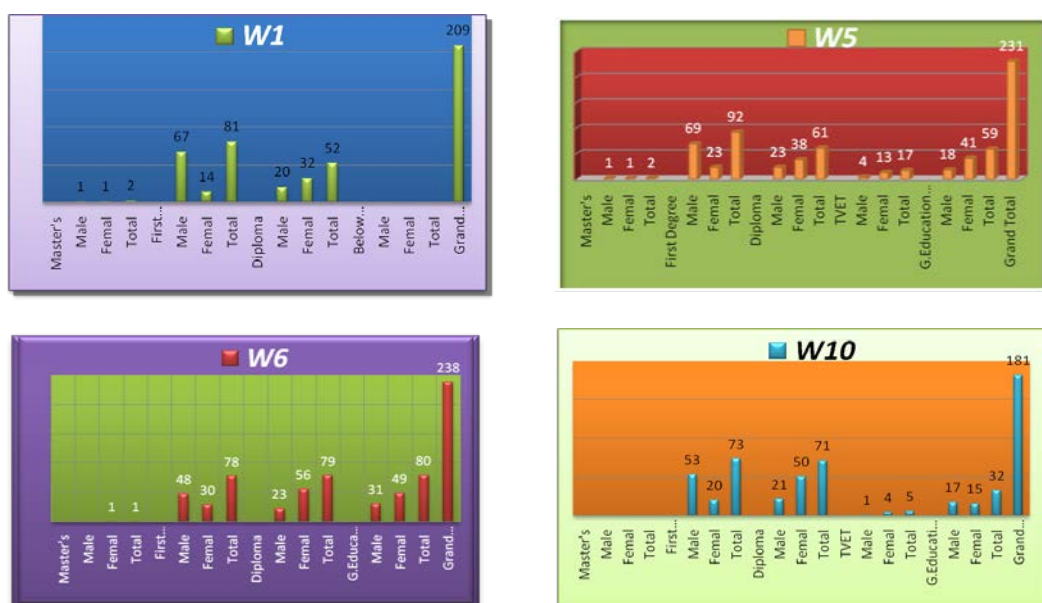


Figure 1: Sample *Wereda* Education Profile of the Executive Branch Staff

Sources: Human Resource Core Process Owners and Capacity Building Respective *Weredas* (2015)

The issue of a diploma qualification versus that of the current variants of TVET graduates may also leave us in a bit hazy position. It is, however, important to count on the quality assurance and accreditation modalities of the Ministry of Education for the time being. In light of the recency of *Wereda* re-establishments, the efforts to man the newly decentralized sectoral offices with the necessary education and training requirements is commendable while more human resource development is still expected. On the other hand, with enormous changes becoming real and inevitable at *Weredas*, current education profile of the staffs may soon run obsolete unless a continuous on-job professional development schemes are put in place. This is particularly critical in light of the “diploma minimum” view points for the executives, while the ‘political commitment’ narrative is taken for granted.

Another concern under the same subject is the profile of female staff. A cursory look at the female staff education profile shows that out of the total staff profile, theirs is relatively lower. In each of the four *Weredas* where data were available, the diploma-degree holder females range only from 22.5% to 39%. As can be seen from Figure 2, *Weredas* 6 and 10 are relatively positioned better (37% and 39%) than *Wereda* 1 and 5 (22.5% and 27%), which relatively are in the bottom end. This grim picture is not a surprise in light of the age-old legacy of male preferences in all walks of life. The data inform all governmental and non – governmental institutions that there is still a long way ahead to ensure gender equality at least in public institutions.

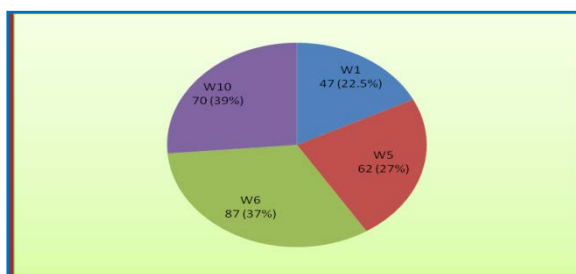


Figure 2: Sample Female Executive Staff Education Profile \geq Diploma

This part may not be complete without touching on the profile of the *Wereda* council members. The reason is much revealing in view of the major role the *Wereda* Councils play. As major government legislative branch mandated to overseeing the executive, council members have enormous tasks to undertake collectively as well as individually organized into standing committees. As opposed to former times (the *Qebele* era), the devolution of power and decentralized services have made *Weredas* as venues of development and in direct popular interactions. Consequently, more than ever before, *Weredas* have become closely accountable to their residents as well as to respective Sub-cities and beyond. Most challenging functions entrusted to them, however, are the mobilization of residents, government and non-governmental organizations for development, supervising local development activities in accordance with the City’s plan, establishing various civic associations and social institutions deemed necessary (Proc No. 35/2012, Art. 78 (1-12) and Revised Charter Proc. No. 361/2003, Art. 38(1)). The researcher has tried to roughly look at the profile of council members, not in terms of its stringent form and content, but only in light of the above duties, responsibilities and functions entrusted to them. Gender representation is considered to be promising as in three of the six *Weredas* female representation is 48%, 47% and 48%, respectively.

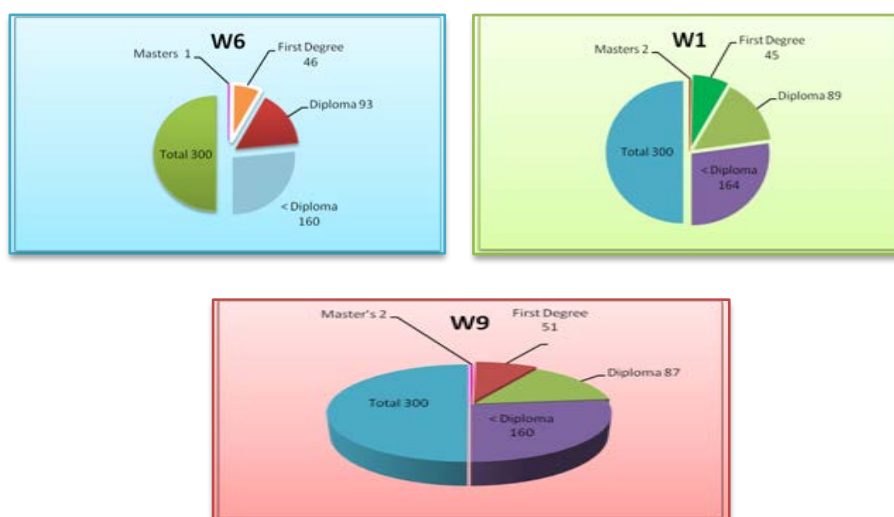


Figure 3: Sample *Wereda* Council Members' Education Profile

Source: Offices of the three *Wereda* Councils (2015)

The education profile of the council members though ranges from rare Master's degrees to general education, this has not been disaggregated in all of the three. The underlying reason may be that facts to be painted could be the obvious. Nevertheless, as can be seen from Figure V below, the reality in the three *Weredas* shows that more than 50% (W1, = 54.7%; W6 = 53.3%; and W9 = 53%) respectively of council members have below diploma education profiles.

While the above figure may signal concerns in light of the councils' leadership (overseeing) and control over the executive branch, speakers of the councils consulted attribute it to the very "election process". In other words, representation to *Wereda* councils is a combination of three main constituencies: government employees, private sector and micro and small enterprises (MSEs). The proportion in figure 3 seems to favor both the private sector and MSEs. For example, in W9, government employees' representation is only 30%, while the private sector and MSEs are represented by 42% and 28%, respectively. Similarly, in W6, government employees' representation is 46.6%, while the corresponding figures for private sector and MSEs are 36% and 19%, respectively. The overall picture shows that most seats are occupied by the latter two groups. The representation may have its own justifications on the part of government in light of the concept of "residents". In other words, if a strict head count is made, the proportion of the "government employee" may even be less than 30% in some of the *Weredas*, where service sectors, mainly run by the private sectors, can undermine the stock of government employees. The second supposition may also be explained to the due emphasis the government wants to give to the two sectors, as engines of economic development through a thriving private sector and the emerging MSEs to reduce unemployment challenges in each of the study *Wereda* administration.

This all being said, however, concerns are in order among some of the council members who participated in the focus group discussions as it concerns to their educational background (also known euphemistically as "Yetmhirt Zigjit"). Some W1 council members consulted see the representation as mere filling of the seats ("ለማግኘት ብቻ"). Their concern was not only from the educational background points of view alone but also from the problem of attendance to council meetings, as the two groups are busy engaged in their own private businesses. As a result, confirmation to be made for meetings is not an easy task for the office of the speakers. Consequently, they recommend for change of approach of residents' representation in the council.

They add that commitment and ability to contribute to community's development and growth should be thought twice before the nomination of council members takes place.

4.2.2 Human Resource Management and Capacity Building

The devolution of power and decentralization of services closer to the residents has definitely called for establishing many corresponding sectoral offices and recruiting and managing human power that can run the offices and implement, monitor and evaluate policies, enforce laws and others deemed necessary. However, of all the challenges, staff turnover appears to be a daunting variable. Underlying causes could be numerous as any other public institutions in the country. What makes that of the *Wereda* staff turn-over peculiar is the trend and magnitude of the out-flow is rapid and erratic and the human resource management core process offices found it difficult to report or predict their staff. This has considerable setbacks as most of the *Wereda* respondents (executives, experts and council speakers and members alike) have raised the subject that it is affecting the efficiency as well as quality of the service provisions they are established for. Though consistent statistical figures of staff-turnover are not readily available, the impact is being felt considerably both by almost all of *Wereda* chief executives and human resources administration core-process owners. For example, one of the *Wereda* 10 Human Resource Administration Core-process staff members had to explain the magnitude and causes of the problem as follows:

Staff turnover has become so grave in our Wereda. Within few months time, as many as 29 staffs have left. Consequently, out of the 325 staffs to be on their job, we only have 179 now. This affects not only the services to be delivered but there is also lack of consistent and reliable human power information to keep and share to any party that needs to make plan and decisions.

Although capacity building trainings are being offered by the Sub-city, *Wereda* HRM core process informants have their own reservations on the contents as well as the currency of the training themes. Some staff informants also question the capacity building training being provided by the Sub-city: "There is no much difference in the training contents and approaches" every time being given. In consequence, it must be frankly discussed that the challenges being faced in the area of staff turn-over and building the capacity of different sector office experts (now around 22) are becoming an "Achilles' heel", in light of the decentralized public services to the *Weredas*. The trend also seems bleak and sooner or later, the studied *Weredas* may end up in frustrations unless current staff out-flows is determinedly reversed.

4.2.3 Community Participation

The FDRE constitution stipulates: "---Adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units" (FDRE, Art. 50, 4.). The provision clearly enunciates community participation which has implication for urban residents. On the other hand, *Wereda* executives emphasize that there are deep-seated old perceptions toward current *Weredas* among a larger sections of the residents that the former are "of no use" or "cannot deliver the service entrusted to them by government." Such unhealthy attitudes emanate from the immediate recent *Qebele*, where they used to run the office with few staff and almost all services were provided at the Sub-cities and the City Government itself.

It seems that recent devolution of power and decentralization of services closer to the residents via *Wereda* administration is not well communicated. Though services to be provided are posted on placards, many residents still depend on informal information and news from neighbors. For some residents, illiteracy could have been factored into this problem. Moreover, the role of *Wereda* council is faintly felt among the residents as most activities are conducted by the executive branches. Their evaluation and controlling role is also constrained due to the fact that executives are

favorably and vertically accountable to their Sub-city superiors more than to their immediate councils. While the latter are supposed to be accountable to the residents who elected them and substantial power and interaction had to be in accordance, this is not much of the case due to the nature of dual accountability. As a result, the influence of the *Wereda* Councils is not only minimal but there is no clear measure to take upon some transgression committed by the executive. The consulted council speakers also unanimously admit this as follows: “there is a tendency not to promptly respond to the council’s call and sometimes to deliberately ignore it. There is a deep-seated attitude towards the power and the role of the Council and failure to recognize the same.” The overall result is that policy implementation challenges at the study *Weredas* are the outcome of complex and interrelated factors. They are structural, political, human, resources (specifically offices) and above all, attitudinal. All of them act as staff pushing factors which in turn have direct bearing on the level of policy implementation expected at *Wereda* level.

5. Conclusions and Recommendations

5.1. Conclusions

While the center piece of any policy implementation begins from the human factor, the study *Weredas* have faced various challenges as it relates to human resource management. Staff recruitment, retention and capacity building issues have become real challenges to various reform and development policy implementation. Working environment has not been conducive in almost all of the *Weredas*. Current *Wereda* office buildings (except *Wereda* 10) could not accommodate even a third of their entire workforce if divided among the current 16 – 21 sectoral offices. Among the larger segment of *Wereda* public, old memories still seem to continue haunting them; *Wereda* is simply ‘another name of previous *Qebele*’. This perception significantly affects the level of popular participation in the study *Weredas*. *Wereda* council roles seem to have been mixed with that of the executive branch. In consequence, sharing of day – to- day routine activities have led them to play double roles and the council’s final decisions to be compromised and becomes unintentionally redundant.

5.2. Recommendations

- *Wereda* residents have to be made part and parcel of the social transformation. To this end, mechanisms for enhancement of such participation should be carefully designed and implemented so that effective service delivery and policy accountability can be ensured.
- Critical services such as water, electric light (power), road and telecom, which are linked to the daily life of the residents, should be monitored by *Wereda* administrations. At least in the short-term, establishing liaison offices could help awaken these service institutions so that they can understand the level of the problems faced by residents.
- One of the major ingredients of policy implementation is the partnership and ownership of its stakeholders. Active popular participation is critically important for the success of any program. There is also a need to undertake a wide-spread and continuous awareness raising campaigns that *Weredas* are the nearest service centers if residents can properly make use of them.
- As revealed in the study, the academic profile of both the *Wereda* council members and some staff of the executives show that there is a long way to go. As admitted by most of the consulted executives, “societies (residents) have become ever-demanding”. This realization, however, should not be destined to complacency. It has to be equated to unquenchable human nature, opening a new chapter (phase) for further demands. To this end, the previous minimum educational profile (diploma) of *Wereda* executives, should be re-thought and re-assessed in light of the advancing complex service delivery and the ever demanding residents (customers) on the queue.

- This study had limitations in its scope. Above all, time factor has played a major constraining role. On the respondents' side, too, though they had the will to provide information to the researcher, unforeseen meetings and other pressing commitments have contributed to the pie. It is, therefore, recommended that further studies have to be carried out by relevant institutions such as the Ethiopian Civil Service University, which is vested with the mission of building the capacity of the civil service.

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Effects of Urban Redevelopment Project on the Livelihood of Resettled Households: The Case of Addis Ababa Senga Tera Fird Bet Project-I, Lideta Sub-City.

Belete Ejigu ♣ and Goitom Abraha ♥

Abstract

The central part of Addis Ababa is characterized by dilapidated houses and slums. This is mainly because of a larger decay of the area, the informal settlement and lack of urban upgrading and redevelopment. To assess the effects of urban redevelopment on the livelihood of resettled households, Senga Tera Firdbet Project-I was taken as a case study spot among the 23 LDP which were part of the project in Addis Ababa and the researchers used a mixed research design which included both quantitative and qualitative approach. SPSS and GIS were important tools in the analysis of the data. The major findings of the study are: (1) The redevelopment project had both positive and adverse effects on the resettled households; (2) The positive aspects were the improvement of housing condition, especially the availability of basic housing facilities and utilities; (3) The adverse effects included the household's long year socio-economic organization and neighborhood ties were dismantled. More specifically, accessibility and affordability to transport, school, hospital, market and recreation centers were difficult and expensive. The recommendations made include upgrading, rehabilitation, increasing efficiency and capacity building for practical implementation of the existing integrated housing program, a practical and strategic intervention must be considered to minimize the negative effects and to improve the livelihood of the low income households.

Key Words: *Redevelopment, Livelihood, Resettled Households, Accessibility, Affordability*

1. Introduction

Half of the world's population lives in urban centers and one third (16.67%) live in slums (UN-Habitat 2004). Slums have become an inevitable phenomenon of the urban fabric in the developing world. Out of 16.67% of the total urban population, 6% of developed regions are slum dwellers. Whereas in developing and least developed countries, the figure goes up to 43% and 78% respectively. This figure is expected to increase by one billion in a decade and slums would grow at an accelerated pace, especially in developing countries (UN-Habitat 2002).

Addis Ababa accommodates 26% of the national urban population and about 120,000 new residents are added to the city every year and most of this growth occurs in the slum areas where more than 90% of the city's population lives (UN-Habitat 2006). The inner-city, being a dynamic entity, is under constant pressure due to its specific location advantage. This situation raises the need for continued land use adjustment in order to accommodate the growing and changing demand for centrally located land. This in turn results in pressure on the urban poor. They usually face a real risk of "involuntary removal" (UNCHS 1991), entailing loss of home, livelihood and social network breakdown. According to the report of World Bank, involuntary relocation is the most disruptive and traumatic consequence of planned development (World Bank 1980).

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The process of relocation from an urban slum is a highly upsetting and disturbing experience for the relocated households due to their strong attachment to the former slum residential area. Therefore, harmful effects of the uprooting experience on the relocated people and the difficulties of adjusting to end accepting new living environments may be far more serious issue than are changes in the housing status (UNCHS 1996).

According to Cernea (1991), the relocation of households and economic units deprives those affected by either the living unit, or employment, or a combination of both. The most significant problem associated with urban displacement is not the loss of housing, but the loss of employment and site-related income source.

Due to the renewal programs in the inner city of Addis Ababa, households have been relocated to various sites in the outskirts. Some of the sites are *Akaki*, *Lideta*, *Gotera*, *Bole Hayat*, *Nifas silk Lafto*, *Gofa Mebrate Haile*, *Weyera Sefer*, *Kolfe Keraniyo*, and *Piazza*. The research is conducted in three purposively selected sites: *Gotera* condominium, *Gofa Mebrathaile* condominium and *Nifas Silk Lfto* expansion sites.

The main purpose of this study is to assess the effects of urban redevelopment on the livelihood of resettled households. More specifically, it aims at: (1) assessing the effects of urban redevelopment project on the resettled households economic conditions (income source and employment); (2) examining the effect of urban redevelopment project on the social association of resettled households (such as *Edir*, *Ekub* and other neighborhood ties); (3) evaluating the housing condition and degree of satisfaction of the resettled households in the new settlement compared with the previous settlement; and (4) examining the effects of urban redevelopment project on the resettled households' access to basic infrastructure and services (Water, Electricity, Education, Health and transport).

Addis Ababa has high proportion of slum area about 85% (ORAAMP 2004) and the city government is trying to develop these areas by displacing a number of dwellers. There are about 23 LDP sites and *Sengatera Fird Bert Project-I* (which is found in *Lideta* sub city) is one of them.

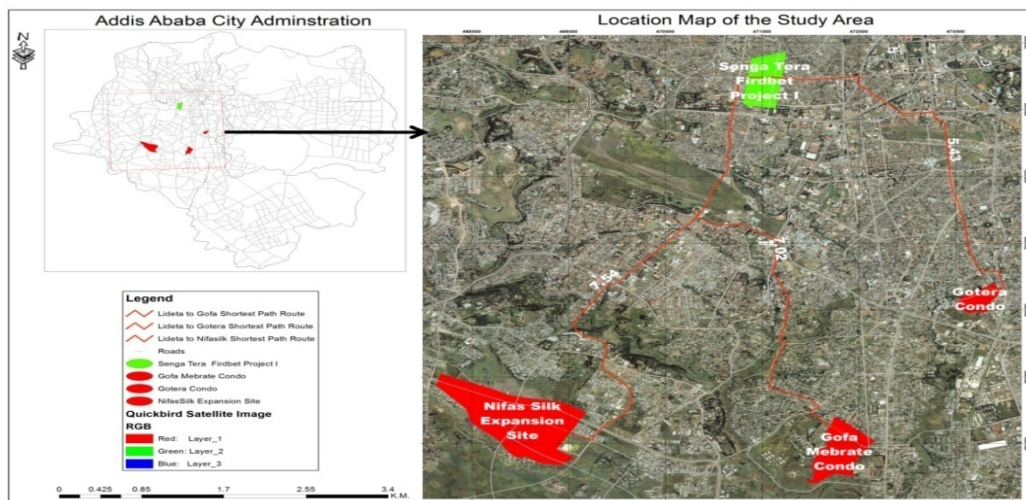


Figure 2: Redevelopment and Relocation Sites

Source: Developed by the Researchers, 2015

The total number of displaced residents from the study area was 1442 and they were moved to more than five different sites in the city: *Mikililand*, *Weyera Sefer*, *Gotera*, *Gofa Mebrathaile*, *Semein Mezejaja*, *Bole Hayat* and *Lideta* condominium sites as well as *Kolfe Keraniyo*, *Akaki* and *Nifasilik*

Lafto expansion areas. The scope of the study was restricted to exploring the effects of redevelopment project on the livelihood of resettled households of *Gotera*, *Gofa Mebrathaile* condominium sites and *Nifas Silk Lafto* expansion areas.

2. Review of Related Literature

2.1 Urban Renewal

Urban renewal is a program of land redevelopment in areas of moderate to high density urban land use. Renewal has had both successes and failures. Its modern manifestation began in the late 19th century in developed nations and experienced an intense phase in the late 1940s – under the rubric of reconstruction. The process had a major impact on many urban landscapes, and played an important role in the history and demographics of cities around the world. Urban renewal may involve relocation of businesses, the demolition of historic structures, the relocation of people, and the use of eminent domain (government purchase of property for public use) as a legal instrument to take private property for city-initiated development projects (Pacione 2001).

Urban renewal has been seen by its proponents as an economic engine and a reform mechanism and by critics as a mechanism for control. It may enhance existing communities, and in some cases, result in the demolition of neighborhoods. Many cities link the revitalization of the central business district and gentrification of residential neighborhoods to earlier urban renewal programs. Urban renewal evolved into a policy based less on destruction and more on renovation and investment, and today is an integral part of many local governments, often combined with small and big business incentives (Cities of the world 2003). Renewal is an act of demolishing old buildings and replacing them by new ones. Urban renewal is a government endorsed program designed to help communities improve and redevelop areas that are physically deteriorated, unsafe, or poorly planned. Urban renewal is often part of the gentrification process (Ashenafi 2001).

2.2. Urban Renewal as a Response to Slum Areas

According to John (1996), urban renewal is the process of ‘demolishing and reconstructing’ central urban slums for economic and urban images and thereby creating better environments. He also states that there is a strong correlation between urban poverty and slum settlements. Obviously, it is poor families who are forced to settle on hazardous and risky terrains (steep hillsides, river banks and flood prone areas).

In a response to these slum areas and as a development intervention, urban renewal was already started in the developed countries. In the form of urban renewal, three distinct generations were identified. These are the era of bulldozer (in the 1930s which took place in Britain and in 1940s in USA), the era of neighborhood rehabilitation (in 1960s) and the era of urban revitalization (since 1970s). Development experts, politicians and the international community, at large however, have strongly criticized urban renewals for their huge social and economic costs. These schemes were found as anti-poor designed mainly to chase out the urban poor from inner city areas. As the negative consequences of the bulldozing approach became more and more politicized, planners and policy makers retreated and started to look for approaches and strategies which perceive urban renewal as a process of integrated changes in spatial, economic, and social dimensions of slum areas. It was through this process that the second and third generations of urban renewals evolved (UURM 2005).

In slum clearance and relocation scheme, existing structures were removed and the cleared land is reused for new projects. There are three common reasons for adopting this approach. The first one is city beautification or improvement. It is largely driven by the politicians’ belief that only new and modern housing is worthwhile. The second reason is reduction of crime and health problems. In the

opinion of this group slum areas are considered as breeding grounds for social and health problems and these problems of low income settlements could be solved by merely changing the physical environment. The final reason is the effective use of land and provision of public facilities. Following a physical and economic growth in inner city areas. There is commonly a rise in land values. This in turn exerts pressure to redevelop with projects of a higher return. Practical experiences throughout the world show that slum clearance and relocation has largely turned out to be ineffective as relocation areas are often poor providers of employment, incur additional travel expenses on residents and these areas often suffer from poor infrastructure (Ashenafi 2001).

2.3 Urban Livelihood

Livelihood is the command an individual, family or another social group has over an income or resources that can be used to satisfy their needs. Livelihood comprises the capabilities, assets and activities required in order to have a means of living. The livelihoods of the poor are determined predominantly by the context in which they live and the constraints and opportunities the location presents. This is because context largely determines the assets accessible to people, how they can use these, and thus, their ability to obtain secure livelihoods (Rakodi 2002).

The most widely accepted definition of livelihood has been provided by Chamber and Conway (1992), who have ample experiences with developing more people centered methodologies. For them, livelihood is defined as the capabilities, assets (both material and social) and activities required for a means of living. Ellis (1999) defines livelihood as the activities, the assets and the access that jointly determine the living gained by an individual or household.

2.4 Livelihood Assets

Assets are the building blocks of a sustainable livelihood. By building assets, individuals and households develop their capacity to cope with the challenges they encounter and to meet their needs on a sustained basis. The framework draws attention to the variety of assets that contribute to creating a sustainable livelihood and to ways in which they are interdependent. There are five broad categories of assets, i.e. Human Asset, Social Asset, Financial Asset, Natural Asset and Physical Asset. No single category is enough by itself but a single asset may generate multiple benefits/assets (Chambers and Conway 1992).

These assets are to some extent similar but also vary in rural and urban context and in urban areas human assets include skills, knowledge and ability to work. Financial assets are income from the sale of labor which is often one of the most important assets for the urban poor.

Financial capital, in terms of access to employment and earnings, is strongly dependent on adequate human capital. Human capital is highly dependent on adequate nutrition, health care, safe environmental conditions, and education. Natural assets are mainly natural resources like land, water, trees, and other renewable and non-renewable resources and they are not significant for urban dwellers. Physical assets include basic infrastructure like transport, shelter, water, energy, communication. Social assets include network, membership of groups, relationship of trust and reciprocity, access to wider institutions of society to which people draw attention (Ibid).

3. The Methods

3.1 The Research Approach

This study is mainly aimed at assessing the effects of urban redevelopment project on the livelihood of resettled households. The study employed both qualitative and quantitative approach (mixed

approach) to minimize the limitation of each approach and to address some non-quantifiable aspect of the households such as perception. It also helps to triangulate the various tools and instruments of the data collection and data analysis.

The data was gathered through interviews by simple and straight forward questions that can provide comprehensive answers. The quantitative approach was used to generate statistics or figures, to study many households at a time, to generate extensive information and to transform reality into numerical value. In addition to this, the quantitative approach was employed through conducting questionnaires in the study. It was gathered through administering a structured questionnaire and the questionnaire was pretested prior to use.

3.2 Research Design

A cross-sectional study design was employed to assess the effects of urban redevelopment project on the livelihood of resettled households in the study area. This method, instead of longitudinal approach, was chosen due to the financial resource and time shortage to carry out the research in the extended periods of time through repeated field visits to gather primary as well as secondary data. Unlike longitudinal approach, the design needs a once only data collection with the study population; it is relatively easy and cheap to undertake the study by collecting the overall information as it stands at the time of the study.

3.3 Sampling Technique

It is difficult to include the entire displaced households in the study due to a scattered nature of their resettlement sites in the city. In this research both probability sampling and non-probability sampling were employed. Therefore, due to time and budget constraints, the researchers took selected representative resettlement sites purposively. The stratified sampling was employed by considering the different relocation sites i.e. *Gotera*, *Gofa Mebrathaile* condominium sites and *Nifas Silk Lafto* expansion area.

3.4 Population

The population of the study area accounted for 1442 households. The researchers were forced to consider only 788 figureheads of families that were displaced from *Senga Tera Fird Bet* Project-I. This is because it was very difficult to get the whole displaced households in a manageable place from different resettlement sites. Thus, the researchers decided to use the 788 figureheads of families as part of the target population. These were all the 788 households who were dwellers of *Gotera*, *Gofa Mebrathaile* condominium sites and *Nifas Silk Lafto* expansion area.

3.5 Sampling Frame

The sampling frame consisted of all lists of the 788 displaced households from *Senga Tera Firdbet* Project-I which included 90 households from *Gotera* and 550 from *Mebrathaile* condominium sites as well as 148 from *Nifas Silk Lafto* expansion area.

3.6 Sampling Unit

The units of analysis were totally 162 respondents. Out of these, 19 from *Gotera*, 133 from *Mebrathaile* and 30 from the *Nifas Silk Lafto* expansion area. The sample was determined using Kothari (2010) formula at 0.05 level of significance.

3.7 Types and Sources of Data

This study was conducted based on both primary and secondary data sources to address the research questions. The importance of doing so in a mixed approach of quantitative and qualitative data analysis was to triangulate, supplement the data gathered through one instrument with those collected through different types of instrument, and to make the research results more reliable.

As noted above, the study made use of both qualitative and quantitative data. The former was data collected from FGDs, Key informants' interview, and response from structured questionnaire on social asset, economic status, housing condition and access to infrastructure and basic services were gathered from the households as well as different groups of people, while the latter was data on the respondents age, room size, income of households and rate of employment of the displaced households. Secondary data was collected from published and unpublished documents such as journals, articles, reports and publications of various levels of government bodies. Relevant electronic sites were also visited.

3.8 Method of Data Analysis

The data analysis was done with the help of different techniques including both quantitative and qualitative to assess and examine the effects of redevelopment project of displaced households. The quantitative data were analyzed by using descriptive statistics or simple statistical tools such as ratio, percentages and mean. The results of the analysis was summarized and presented in tables, charts and bar graphs. Besides, qualitative data obtained through key informants' interviews, focus group discussions, personal observations, and open ended questions were analyzed through narration. Various archives and policy documents were also reviewed and applied to supplement the primary data with more relevant issues.

4. Results and Discussions

4.1 Impacts of Urban Displacement and Resettlement

The consequences of key improvement variables in the displacement and resettlement were mentioned as joblessness, landlessness, community dissociation, food insecurity, loss of access to common property resources and marginalization (Cernea 1991). It was also stated that forced displacement and resettlement was often growing and ended up leaving the resettled people economically, socially and psychologically more threatened than ever before. In addition, involving resettlement imposed political factors lessens people's mental well-being, limit their choice and increases the presence of social tensions and conflict within a new settlement. The analysis of this study was conducted to assess the consequences of urban redevelopment at *Sengatera FirdBet* project-I in *Lideta* LDP based on these variables and some other issues below.

4.2 Economic Status of Sample Households

Economic Status is one important variable that is affected in displacement and resettlement, and thus the economic change of sample household heads employment condition, income source, expenditure and saving are examined below.

4.3 Employment Condition of the Sample Household Heads

According to the 2007 population and Housing Census, 77.7% were employed and 22.5% were unemployed among the economically active population in Addis Ababa. The total unemployment rate of Addis Ababa was 34.7% and 22.5% in 1994 and 2007 respectively (CSA 2007). This shows that there was 12.2% change in percentage of unemployment rate between the two census periods.

Figure 3 shows that there were 84% employed household heads and 16% unemployed household heads before displacement. On the other hand, there were about 63% employed sample household heads and 37% unemployed in the new settlement. This implies that there were 20.7% of unemployment increment before and after displacement.



Figure 3: Employment status of the Household Heads

Source: Field Survey, 2015

Data generated from FGD and key informants of the different settlement sites supplemented this information. They stated that except government, NGO or private firm employees, the displaced people lost their jobs without any other option at the new settlement sites. Most licenses of economic activities were returned to the concerned office due to the absence of working condition. Commuting distances, shortage/absence of transport, high waiting time and cost of transport, scarce demand for labor in the new settlements were among the major challenges of the sampled households. This is because most socio-economic and development activities that generate (self) employment opportunities were concentrated in the community while in semi-urban employment activities such as urban farming (dairy production, keeping cattle) were not developed. This finding is also similar to other findings. Nebiyu (2000) found out that the unemployment rate increased from 1.2% to 11.1% in the new settlement even though 22% of the displaced people were given employment opportunity in the project. He depicted that lack of potential clients and markets were the major causes of unemployment in the new site.

4.4 Income of the Household Heads

4.4.1 Monthly Income

The study revealed that previously 39.5%, 41.4% and 11.7% of the households had an income of less than 650, 651-1300 and 1301-1950 birr per month respectively. In the respondents' new domicile, their monthly income has increased. Those who used to earn 'between' 651-1300 have increased their income up to 48.1%, i.e. their monthly income of 1301-1950 has increased from 11.7% to 19.8% birr. A small proportion (7.4%) used to earn above 1950 birr and in the new domicile, this amount has increased up to 19.8%. Data from the FGD and key informants showed that most displaced residents used to have additional sources of income from renting part of their dwelling units, boarding rooms (night or day), part-time pieces of work in nearby restaurants, garages and from many other sources before displacement at *Sengatera Fird Bet* project- I. On the contrary, the new settlement has no new job opportunity and employment compared to their previous settlement.

From this, it can be inferred that the monthly income has increased in nominal terms, but here one should consider the inflation i.e. the high increase in cost of living or the amount of money needed to purchase goods and services required to maintain standard living. Consumer Price Index (CPI) is used to determine the cost of living and as an indicator of inflation. Given this fact, one can realize that even though the monthly income of the households increased, it could not purchase the required amount of consumer goods and services to maintain the living standard at least at previous level.

The survey results and the focus group discussions indicated that in the new settlement, the financial capital decreased because there was no alternative source of income; many of the

households were forced to leave their previous work and engage in daily labor works which by itself was not sufficient for daily consumption, and from this one can easily conclude that saving was unthinkable. In the questionnaire, one of the respondents confirmed that it was time to think of saving; many respondents (nearly 80 %) were always striving for daily bread and for their children's consumption. There were no alternative jobs in their surrounding similar to the job opportunities when they were in the inner city. So they could not expect saving but only sustaining their daily life.

4.4.2 Households Expenditure

Data from the FGD and key informants revealed that their expenses in the resettlement sites had been increased due to many factors such as increased transport cost, increased commodities' price and new house ancillaries. These conditions also affected their saving and deposit (credit association, but deposit, and other previous activities). This was because they lost their size related to diversified sources of income (house rent, boarding and informal markets and business) and/ or employment in the new settlement. Consequently, most displaced residents had deficit in the new settlement. Furthermore, most respondents had no regular sources of income but they had many expenses for new house facilities, higher house rent and high transport cost.

4.5 Social Networks and Neighborhood Ties of the Displaced Residents

Social organizations are community based organizations established based on common norms and values for a common purpose. In Ethiopia, these organizations are very common and highly tied with the communal life of the people. Some of the organizations are *iddir*, *ekub*, *mehaber* and the like. One of the indicators for a neighborhood tie is the presence and participation level of individuals in these organizations.

4.5.1 Neighborhood Ties, Urban Displacement and Resettlement

One of the possible consequences of displacement and resettlement is the break-up of neighborhood ties that existed for many years. The resettlement was done based on only the ability of the residents to pay the down payment and in random patterns without considering social issues of a neighborhood. Thus, the neighborhood that had many mythic social economics was affected by a disagreement and conflict in the different new resettlement sites.

Moreover, the project dismantled important social organization and neighborhood ties. Some of the causes of social disparities were the different periods of displacement and resettlement, resettlement outside their area of origin, and mix of different people from different areas and, in appropriate dwelling units, lack of access to infrastructures, lack of employment opportunities and lack of government re-establishment scheme in the new settlement sites.

4.6 Housing Condition

For the preparation of the study of LDP, many houses (more than 1442 private and public houses with many infrastructures and services, halls and institutions) were bulldozed and cleared. However, their replacement by more valued land redevelopment (diversified and intensified) was realized for more than five years in *Lideta* sub-city *Sengatera Firdbet* Project-I.

4.6.1 House Tenure Type

Shelter is one of the vital urban issues that needs due attention and tenure security is complimentary to it. The findings of the study showed previously 26% and 66% of the respondents lived in privately owned and *kebele* owned houses respectively. On the other hand, all of the respondents replied that they were living in their privately owned houses. This shows that the government provided tenure security for all the sampled households in the new settlement sites by giving either condominium houses or plots of land though the plot size is smaller than the previous one.

4.6.2 Number of Rooms

One indicator of housing quality is the space within the housing units. This can be determined by counting the number of rooms in a housing unit. In 1990, it was estimated that 17 percent of the world's stock of housing was one-room unit, among which some three quarters were in developing countries. In Kenya for example, 59.3 percent of all urban dwellings in the eight largest cities/towns were single-rooms in 1993. The general figure for the city of Addis Ababa was 30.9% for households with only one room. Within the city, 28.7% of the households had two rooms. This means more than 60% of the households had one or two rooms (UN-Habitat 2007).

According to the survey result, the most dissatisfying aspect of the previous dwellings was the inadequacy of rooms and space in the household. In the new settlement, none of the sampled households lived in a single dwelling room. Previously, a significant number of the respondents in the study area began to live in either one or two rooms. Data from FGD and key informants supplemented that most dwellers had earned additional income by renting extra classes informally in their previous settlement even though some house were dilapidated and needed some redevelopment/upgrading/ intervention.

Table 1: The Number of Rooms for Housing Units before and After Displacement

Number of Room	Previous Settlement		New Settlement	
	Frequency	Percent	Frequency	Percent
One Room	35	21.6	-	-
Two Rooms	87	53.7	2	1.2
Three Rooms and Above	40	24.7	160	98.8
Total	162	100	162	100

Source: Field Survey, 2015

Moreover, they stated that even though their previous house had no enough room and they were not wide enough, they used their houses to work home-based activities with the available housing facilities. Recently, out of the households surveyed, 1.2% and 98.8% started to dwell in two and three rooms respectively. This shows that inadequacy of rooms and spaces has decreased and there are also improvements in the housing condition. Furthermore, data from the FGD and key informants indicated that the households have more than two rooms in the new settlement sites. All the sampled households are living in a better dwelling unit than the previous settlement site.

4.6.3 Kitchen Facility

In the previous settlement 52.5% of the households used to use a shared kitchen with neighbors, whereas 44.4% of the respondents possessed their own private kitchen and the remaining 3.1% had no kitchen facility. In the new settlement, the situation changed, while 95.7% possess private kitchen, 4.3% of the respondents had no kitchen facility. This figure shows, even though the number of private kitchen holders had increased, on the other hand, the percentage of respondents who had no kitchen facility showed a slight increase, from 3.1% to 4.3%.

Table 2: Availability of Kitchen

Availability of Kitchen	Previous settlement		New Settlement	
	Frequency	Percent	Frequency	Percent
Private	72	44.4	155	95.7
Shared	85	52.5	-	-
Open air	2	1.2	-	-
None	3	1.9	7	4.3
Total	162	100	162	100

Source: Field Survey, 2015

This means few of the households were at one time or another using their living or bedrooms as kitchens. Data from the FGD and Key informants clearly show that though the government constructed communal kitchen in the compound, the communal kitchen facility was not functional in the condominium sites. Besides, the researchers have observed the communal kitchen was full of dirt as in a toilet.

4.7 Infrastructure and Service Provision

Urban areas require well-planned net work of different infrastructures and social services due to a large population size and high density of settlements. They require infrastructures that provide communication (radio, telephone, mail, internet and fax), supply (water, power, education, health service) and collection/removal (drainage, waste removal and sewerage) and transport. The following section deals with the impact of urban redevelopment on some infrastructures and service accessibilities before and after displacement in *Lideta Segetera Fird Bet* project-I.

4.7.1 Water Provision

Water is one of the most important basic needs of human being and its provision for the survival of life is unquestionable. However, resettlement sites in the outskirt of Addis Ababa have problems in accessing water to displaced residents.

Table 3: Respondents' Water Source before and after Displacement

Type of source	Previous Settlement		New Settlement	
	Frequency	Percent	Frequency	Percent
Private Tap Water	92	56.8	162	100
Shared/Public Tap	43	26.5	-	-
Purchased from Private	27	16.7	-	-
Other	-	-	-	-
Total	162	100	162	100

Source: Field Survey, 2015

Table 3 shows that 56.8% of the sample household heads used to have their private tap water; 26.5% of the respondents had public/shared tap water and 16.7% of the respondents purchased from private options before displacement. About 100% of the sampled household heads have their own Private tap water in the new settlement sites even though they sometimes could not access. This implies that the displaced residents have a better access to own tap water. This in turn has significantly contributed to the health condition of the dwellers. Data from FGD and key informants showed that there is water interruption in the new settlement sites. The residents have got water from the tap two days in a week particularly in *Mebrathaile* condominium and *Nifas Silk Lafto* area. During water interruption, some displaced residents use water from traders on donkey's back and daily labourers.

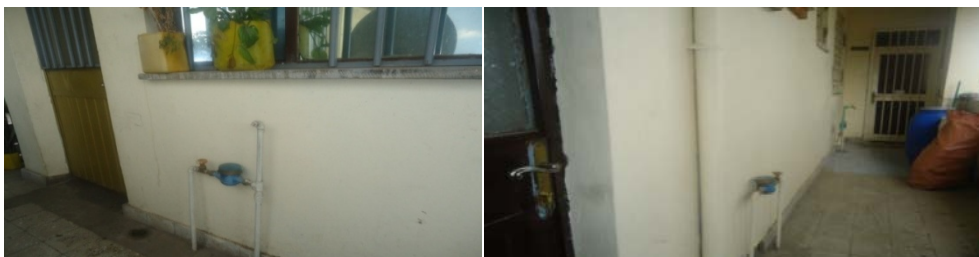


Figure 3: Residents' Own Private Tap at the New Settlements, *Gotera and Gofa Mebrathaile* Condominium Houses

Source: Field Survey, 2015

4.7.2 Electricity provision

Electricity is the other important household facility that needs to be fulfilled in time before the displacement. The data from FGD and key informants' showed that all resettlement sites were without electricity for many months; however, recently all resettlements have got access to electricity.

In the study area, all of the households have access to electric power. The survey shows that in the previous settlement, 18% of the residents used to use communal meter and 82% had their own meter. The condition is improved and currently 100% of the respondents use private meter. According to the study conducted by Ashenafi (2001) on average, 45% of the households use private meter in Addis Ababa. Compared to this, the study area shows better access to electricity, and from this. One can conclude that access to electricity service is more improved in the new settlement than ever before. However, there is a very serious power interception which affects the day-to-day activities of the displaced dwellers.

Table 4: Availability of Electricity Service before and after Displacement

Electricity	Previous settlement		New settlement	
	Frequency	Percent	Frequency	Percent
Own meter	133	82	162	100
Communal meter	29	18	-	-
Total	162	100	162	100

Source: Field Survey, 2015

4.7.3 Educational Service

A citywide baseline survey has indicated that the most important problems challenging the education sector of the city government of Addis Ababa are shortage of schools, uneven distribution, inconvenient location, inefficient management, and dilapidated school buildings due to lack of proper maintenance (Fitsum 2007).

The government has the responsibility of providing adequate schooling opportunities to ensure its fair distribution and improve its quality and administration. Due to shortage of time and finance, the researchers selected to see the distribution of government schools accessibility before and after displacement.

The other most important social service is education. Educated labor force is the major human capital and resource of a nation. To attain this goal, accessing school to all school age children is also one of the Millennium Development Goals (MDG). Taking this fact into consideration, government is undertaking many initiatives and interventions in all parts of the country and urban centers are also part of it. Nevertheless, it does not mean that the intended plan met its goal and all students have access to school, but there are many tangible experiences that our country is undergoing.

Table 5: Availability of School in Nearby Settlement

Availability of School	Previous settlement		New settlement	
	Frequency	Percent	Frequency	Percent
Yes	162	100	105	65
No	-	-	57	35
Total	162	100	162	100

Source: Field Survey, 2015

Table 5 shows that in the new settlement, 35% of the relocated households could not have access to school, but the remaining 65% of the respondents expressed that they have access to school services. The sampled respondents said that most of the relocations were undertaken before the semester break and due to this many children were forced to be drop outs in their school for a year or above while others were supposed to go daily to their former school with too much effort of their family. In the new site, schools difficult to easily access are *Hibir, Abune Basilos, Ayer Tena and Netsanet Chora* since they are far away from the residential areas of the communities. This implies that urban redevelopment project affects access to education in the new settlement sites.

The GIS data shows that the displaced residents had a number of government school education accessibility before their displacement, i.e. within a 2 km distance in *Lideta (Bailcha Abanfso, Bekele Woiya, Tesfakokeb, Abay Minich, Hiwot Minch, Saint George, Shameles Habite, Frehiwot, John F. Kennedy, Addis Ketema, Higher 23, Birehane Hiwote, Agazian, Beyene Merid* and so on).

However, most of the new settlement sites have no easy access to primary and high schools. Data from the FGD and key informants' indicate that residents have got challenge of access to education in shorter distance. Moreover, some children failed to continue their formal education due to a longer distance, high cost of transportation and schools located in the new sites as confirmed by children who had no access to school in the new settlements. In addition to this, the key informants stated that a financial problem was the main cause for the children to attend government schools rather than private schools.

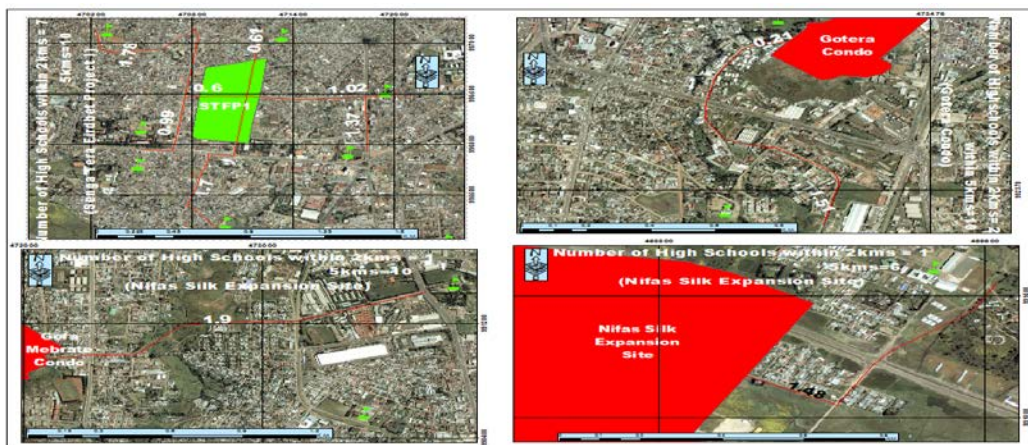


Figure 4: Distribution of High Schools within 2kms and 5kms before and after Displacement

Source: Developed by the Researchers, 2015

4.7.4 Health Service

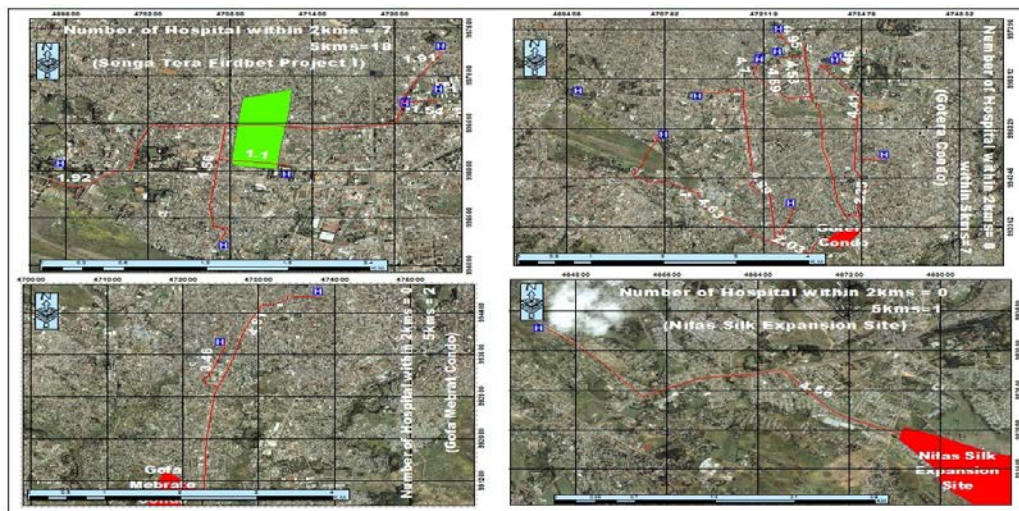
Following the relocation to the new area, the other critical problem observed is lack of health facility for the households. As indicated above, previously since they were dwelling in the inner city all basic social services were available in the surrounding but in the new living place, the households are facing acute health facility problem. According to the survey results, 60% of the households responded that they have no access to health facility whether it is a clinic, a pharmacy or a health center or hospital in the nearby settlement. 40% of the respondents who have access to health service are those using government and private health sectors. Thus, the relocated households have completely lost the location advantage of the health center they get from the inner city in service delivery system.

Table 6: Availability of Health in Nearby Settlement

Availability of Health Institution/Hospital	Previous settlement		New settlement	
	Frequency	Percent	Frequency	Percent
Yes	162	100	65	40
No	-	-	97	60
Total	162	100	162	100

Source: Field Survey, 2015

The GIS data shows that in the former residence, *Black Lion, Zewditu, Gandi, and Blcha, Tor Hayloch, Amanuel, Beletishachew* hospitals were found in a very close proximity to the respondents' residences. Therefore, the sampled respondents used to only walk to get to hospital. The FGD and key informants' data confirmed that in the new settlement, access to health institutions mainly hospitals is inadequate compared with the previous area. This makes it difficult due to lack of easy transport, low availability of hospitals and low monthly income in the new settlement. In addition to this, the sampled respondents replied that they have faced economic problems to have access to the private health centres.

**Figure 5:** Distribution of Hospitals Before and after Displacement

Source: Developed by the Researchers, 2015

4.7.5 Market and Recreation Services

Market and recreation centers are social service options needed for dwellers in urban centers. Access to market has a great role to sustain the daily life of the poor at affordable price. In addition, a recreation center for the young and even for the old is crucial to avoid delinquency, joblessness. Market and recreation centers create employment opportunity; enhance communication and interactions. This would significantly affect the social network since it creates an opportunity to communicate informally.

As Table 7 shows, 72% of the households responded that they did not have access to market and recreation center. However, in their previous residences, they were near “Merkato” and other large and small supermarkets. They were using also spots at Stadium, Saint George Brewery, Golf Club, National Theater, “Meskel” Square and others which are used as recreational centers of the city. In Nifas Silk Lafto and Mebrathaile, there is no access to both market and recreation areas. The residents are supposed to travel more than 5km, but the great challenge is that there is no transportation to move commodities to their home in their new living place. The only mode of transport they have is “gari” but it is also very expensive.

Table 7: Availability of Market & Recreation Center

Availability of Market & Recreation Center	Previous Settlement		New Settlement	
	Frequency	Percent	Frequency	Percent
Yes	162	100	45	28
No	-	-	117	72
Total	162	100	162	100

Source: Field Survey, 2015

In the focus group discussion, women were explaining how tough life in *Nifas Silk Lafto* is since they could not cope with it at the beginning. In addition to these all problems, there is also no millstone in the area and the respondents suffer a lot to handle the situation. As to a respondent's ideas, millstone is one of the critical problems that the households are facing. This is mainly because the market and the millstone are all found 2km away from the area and the households always travel and are subject to unbearable cost to get flour.

**Figure 6:** Children Playground in Gofa, New Settlement Site

Source: Field Survey, 2015

4.7.6 Road network and transport system

Road network planning is widespread and is the most important part in planning. This is because roads have multifunction in addition to the main purpose for which they are constructed. An appropriate road network is useful for the installation of drainage sewerage system, electric lines, water supply and telephone line.

Lideta is one of the places with dense road networks and access to transport. There are a number of city buses passing through it and a number of taxis, too. On the other hand, the new resettlement sites have problems of transport access and options.

Table 8: Distance between Working Place and Residency before and after Displacement

Distance (km)	Previous settlement		New settlement	
	Frequency	Percent	Frequency	Percent
Adjacent home	37	27.2	1	0.9
<1	62	45.6	7	6.8
1-5	21	15.4	18	17.5
6-10	10	7.4	65	63.1
>10	6	4.4	12	11.7
Total	136	100	103	100

Source: Field Survey, 2015

Table 8 shows that 24.8% of the respondents had their working place adjacent to their residence. About 45.6% of the respondents had their working place at working distance (less than a kilometer) in their previous settlement. On the other hand, the majority of the respondents (74.8%) are found far away from their working place, i.e. above 5 km distance) in new settlement sites.

All displaced dwellers at different sites stated that almost all of them had adjacent or walking distance to and from their working place and displaced were enjoying walking from their home to work place in their previous settlement. However, in the new settlement enjoying walking is replaced by waiting a long time for transport and suffocation in bus.

5. Conclusions and Recommendations

5.1 Conclusions

The focus of this study is to assess the effect of urban redevelopment induced displacement and resettlement on the Livelihood of Resettled Households in *Lideta Sengatera Firdbet* Project-I. The problem of displacement and resettlement is so multi-faceted that it requires holistic approaches to arrive at a conclusion. This paper has assessed the most important livelihood assets that are affected by urban redevelopment project. Currently, more than 23 major LDP sites are undertaken in redevelopment project in Addis Ababa. The displaced people are resettled in the outskirts of the city where infrastructure and service provision are inadequate.

What is more, the level of provision of utilities has been relatively improved. Especially in *Gotera* and *Mebrathaile* Condominium sites, most of the houses have a private kitchen facility. Furthermore, most of the households have improved access to electricity, potable water, waste disposal system, toilet facility and better housing unit since almost all the housing units are constructed from modern construction materials like bricks, metals and glasses.

On the other hand, the resettlement had its own adverse consequences. The most essential aspect of the previous settlement was the closeness to work places and availability of services in the nearby settlement. A typical inner city convenience of closeness to work places allows residents either to walk to work places, markets and schools or take a bus or taxi from a nearby location, and walking was the most common mode of transport to access major amenities. This cut down the cost of transport thereby making their livelihood to be sustained. However, now in the study area, due to the relocation program, the residents have been denied access to these services and become susceptible for all these costs that ultimately affected their livelihood.

Even though all the sampled respondents have their own private kitchen facilities, the communal kitchen room is not functional. As a result, the households were forced to use an open air since the concerned body did not finish the communal kitchen even for washing utensils before the houses were transferred to the residents. Even worst, the people used the communal kitchen as a toilet full of dirt.

In investigating the existence of social organizations and the social networks, it was revealed in the study that the majority of the respondents are members of “*idir*”. The inner city intervention programs had a detrimental (negative) effect on community based organizations such as the *idir* and *Ekub*. The redevelopment project destroyed age-old alliance among neighbors. On the other hand, community based organizations such as the “*idir*” can be a tool for communicating with the community and are basically agents of participation. They can also become mediators between the population and the financial institutions in matters of social security. Accordingly, though there was interruption in the social network, the only social capital they possessed during relocation to new settlement areas were the social organizations, i.e. the households have continued participating in

the social organizations for the sake of their social security. Thus, *Ekub* and neighborhood ties were found to be active though they were highly affected by the redevelopment project.

5.2 Recommendations

Based on the findings and the conclusions drawn, the following recommendations have been forwarded to concerned bodies:

- The adverse consequences of the relocation program have been the remoteness of the workplaces and lack of easy access to services in the new settlements. Unlike in the previous settlement, residents in the relocation sites had to travel a long distance so as to get access to schools, health facilities, markets, etc. which have, in turn, doubled the cost of transport. Added to this, the resettlement has resulted in a considerable increment of an unemployment rate. The sum total of these has prompted an augmentation of the cost of life in the new settlements. Therefore, the government and other stakeholders should counteract these problems. Firstly, all the infrastructures, such as schools, health centers and roads should be fulfilled before transferring the condominiums to the users. This avoids the additional cost that the resettled households have to incur. Secondly, the government should organize the households in small and micro-enterprises and assist them through preferential interest rates from bank. Besides, it has to create a market link for their products. This enables the households to make a living in their new settlements.
- Practical and strategic interventions need to be encouraged for the redevelopment in relation to the low-income households so as to build their livelihood assets through counseling programs, education, employment training, economic literacy and savings programs, and support for small business development.
- The redevelopment program needs to balance between the urgency to redevelop the partly ugly image of Addis Ababa with the other aim of the whole process, i.e. improving the living and housing conditions of the slum dwellers. The inner-city slums are not only shelters for the poor but also sources of livelihood. Therefore, any redevelopment project needs to focus on on-site resettlement of the residents in order to make them beneficiaries of the physical and social improvements of the area. If on-site resettlement is not possible resettling people in a nearby location all together is advisable. This would have two benefits: (1) the residents would benefit from the redevelopment of the area and their social network would also be maintained; (2) the redevelopment plan as one of the major project activities, should be creating job opportunities to the residents. In addition, necessary follow-up and support need to be given to them so that they can sustain the job. The government needs to arrange better modalities for residents moving to new domiciles so that they can own a descent house commensurate with their annual income.

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Policy Provisions and Practices: Condominiums for the Urban Poor in Addis Ababa and Hawassa

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Abstract

The demand for urban housing is growing in Ethiopia due to a high rate of urban growth which is contributing to a high rate of urban population increase, especially in big cities. This research examined policy provision of housing and practices vis-a-vis the condominium scenario which is believed to address mainly housing issues of low and middle income groups in urban areas of Ethiopia. The study centers on issues of evaluating the effectiveness of urban land policy, such as availability, affordability, accessibility, and the level of housing adequacy. Addis Ababa as a representative of primate city characteristics and Hawassa as a representative of secondary cities were purposively selected as study areas. Descriptive and inferential statistics were employed for the data analysis. The results indicated that the policy contributed positively bringing about positive changes in the housing sector, job creation and capacity building initiatives in the sampled cities. However, the program had a poor performance level of addressing the actual target groups, and supplying the low cost housing for the urban poor was not successfully accomplished.

Key Words: *Land Policy, Housing, Urban Poor, Condominium, Affordability*

1. Introduction

Housing for the urban poor is critically important in order to ensure sustainable development and equity in urban areas. The Ethiopian Government introduced condominium options as a policy direction to address residential housing problems for the urban poor. The urban poor in Ethiopia have been suffering from a shortage of residences and poor conditions of the housing projects. Different government regimes have been reacting differently to the housing issues in the country. For instance, Dergue (1975-1991), the militarist government attempted to respond by issuing an act (proclamation 47/1975) aimed at nationalizing urban land and extra houses that had been causes of the abolishment of land ownership by land lords. Similarly, the current government of Ethiopia has considered the condominium option of housing basically for low and middle income groups.

Affordability of the residential housing is the key element in the process of housing for the low income earners in urban areas. Global experiences show that urban residential housing affordability is examined by comparing the price of the residential houses to income ratio, or rent of residential house to income ratio, or examining housing related expenditure as the percentage of income separately or together. Land policy is inseparably linked to provision of housing. The policy of the Ethiopian government aims to allow citizens to have access to urban land through the lease proclamation procedures. Open (Public) auction is the way in which anyone can participate for possible possession of urban land for residential and other purposes.

In spite of efforts attempted by the government to provide residential housing to the urban poor, in Ethiopia housing related problems are continuously growing. Study results have revealed that low income earners in Addis Ababa are forced to pay more than 66 per cent of their salary to get the lowest class of condominium house (studio) indicating that the intended low cost is not actually low for the target group. This research was conducted in line with the following research question:

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“Why is it becoming difficult to provide low cost housing for low income groups in urban areas of Ethiopia?” Addressing this core question helps to examine whether or not the housing policy direction of the government regarding the urban poor and middle income class is meaningfully addressed. Besides, responsible bottlenecks that are responsible for poor performance would be investigated to address questions such as “to what extent does the policy direction reflect prevailing realities on the ground, factors hindering provision of adequate housing for urban poor, and alternative policy directions?”

Consequently, the scope of this study has been limited to housing issues with a particular reference to housing and the urban poor, and considering condominium housing option in Addis Ababa which represents the characteristics of primate cities and Hawassa which is believed to represent secondary cities in Ethiopia.

2. Review of Related Literature

This section features review of related literature on the urban housing policies, strategies and challenges, along with experiences from different countries.

2.1 Policy and Strategies of Housing for Low Income Earners in Urban Areas

A housing policy has both temporal and spatial variations. (UN Habitat 2011) points out that global housing policy and theory during the 1950s and 1960s was underpinned in principles of modernization, industrialization and urban growth. Affordable land and housing was to be directly provided by governments through a large-scale, capital intensive and direct provision of housing. In the light of the failure of direct housing provision, self-help housing programs were initiated particularly in cities of developing countries as the solution to housing challenges.

2.1.1 Different Experiences of Countries in Urban Housing

Experiences from developed economy have shown internal variations. In Britain (as for Paul Knox and Steven Pinch, 2006:127) houses were initially built by local authorities and later on the non-profit making voluntary sector played the dominant role through housing associates. In the Netherlands, Denmark and Sweden public housing is supplied by way of cooperatives. Experiences from the United States of America (Rachel G. Bratt: 116-120) show that: (a) leased housing program authorized local housing authorities to enter into long-term leases with private owners of apartments (during 1965); (b) turn key public housing alternative in which case upon completion of a project, the developer sold it and “turned the key” (during 1965); and (c) housing subsidy programs that operated through the private sector (1959-1974).

American experiences are extended to accommodate (Deborah L. Myerson, 2005:1) non-profit developer’s approach (to provide housing for those whom the market does not serve adequately), land banking for low cost housing, supporting construction materials and finance, building mixed income housing, etc. African countries including Ethiopia have come up with their own experiences. For instance, a key element of the new housing policy of South Africa has been the use of a wide range of targeted subsidies, for which all households with incomes below certain minimum levels qualify.

2.2 Residential Housing Needs and the Urban Poor

Urbanization and urban growth contributed for ever increasing housing demand. Numerous houses were required to satisfy workers’ shelter need, for existing and the future population. Such increasing needs led to deprivation of the poor from housing. The poor can be deprived of housing in two ways. The first one is because of poor conditions of housing which is associated with lack of (poor condition) of services and utilities that leads to dissatisfaction. The second one is due to a

high cost of the housing in which the urban poor can afford to neither buy nor possess a rental house within the reasonable range of housing conditions, (Thomas et al 2002: 30).

2.3 A Condominium Housing Option in Ethiopia for the Urban Low Income Group

Ethiopia has initiated a condominium housing option since the free market principle is unable to address housing problems for the urban poor. The Ministry of Urban Development and Housing has planned to construct 400, 000 condo houses in a five-year plan in GTP 1 – Growth and Transformation Plan 1. However, the target was not met due to different factors whose details are beyond the scope of this paper.

2.4 Measure of Housing Affordability

In the absence of universally agreed measure of ‘affordable housing’, Habitat indicated three common measures, (UN Habitat 2011: 55-56). Housing is generally deemed affordable when a household spends less than 30 per cent of their income on housing related expenses, such as mortgage repayments, rent payments, and direct operational expenses such as taxes, insurance and service payments. These measures of affordability are: (a) *Price-to-Income Ratio*: Median house price divided by median household income (Ibid: 11); (b) *Rent-to-Income Ratio*: Median annual rent divided by median annual renter household income (Ibid: 11); and (c) *Housing-related expenditure as a percentage of income*: Annual median household income divided by annual median housing expenditure (mortgage payments, rent, services, taxes, insurance, etc) (Ibid: 11).

3. The Methods

This section deals with the research design, data types and sources sampling techniques, and data analysis

3.1 Sample Design

Since most characteristics of condominium houses are homogenous, two sites from each city were purposively selected. Information relating to different features of condominium housing units were gathered from households. Data from households were supplemented with data collected through interview and secondary data (from various documents).

3.2 Sample Size and Sampling Techniques

Population of Hawassa City is 301514 (2014 projection) with 60,303 households. This information was used to determine sample size based on Kothari statistical formula (Kothari 2004: 178). The number of condominium households for the respective cities was considered as study population. Accordingly, sample size was calculated and found to be 384 households in the two study areas. Systematic random sampling was employed to collect data from heads of households. Purposive sampling was used for the interview with the leadership of the housing sector. Among the four interviews planned, three key informant interviews were successfully conducted.

3.3 Types and Sources of Data

Qualitative and quantitative data were gathered. The data sources for both types of data were office documents, review of literature on policy documents, statistics from relevant offices, household surveys, interviews and personal observations.

3.4 Methods of Data Collection

Carefully designed questionnaire, guided interviews and personal observations assisted by video camera and check lists were instruments applied during the data collection.

3.5 Methods of Data Analysis

Qualitative analysis methods were applied to the analysis on the qualitative data and quantitative methods were applied for quantitative data. In other words, thematic analysis and inferential statistics were used for the descriptive analysis on the qualitative data and quantitative data respectively.

4. Results and Discussions

4.1 Introduction

This section discusses study results which come from analysis of data gathered from respondents. Data is presented different presentation tools.

4.2 Response Rate

A total of 384 structured questionnaires for household survey and 4 key informant semi-structured interviews were designed for the two cities under consideration. Of the total 192 questionnaires distributed to each city, 171 (89%) and 174 (91%) correctly filled in questionnaires were returned from Hawassa and Addis Ababa respondents respectively.

4.3 Demographic Characteristics

Figure 1 shows that there is no significant difference between male and female participants in both cities. However, females' participation level in Hawassa was higher than that of Addis Ababa.

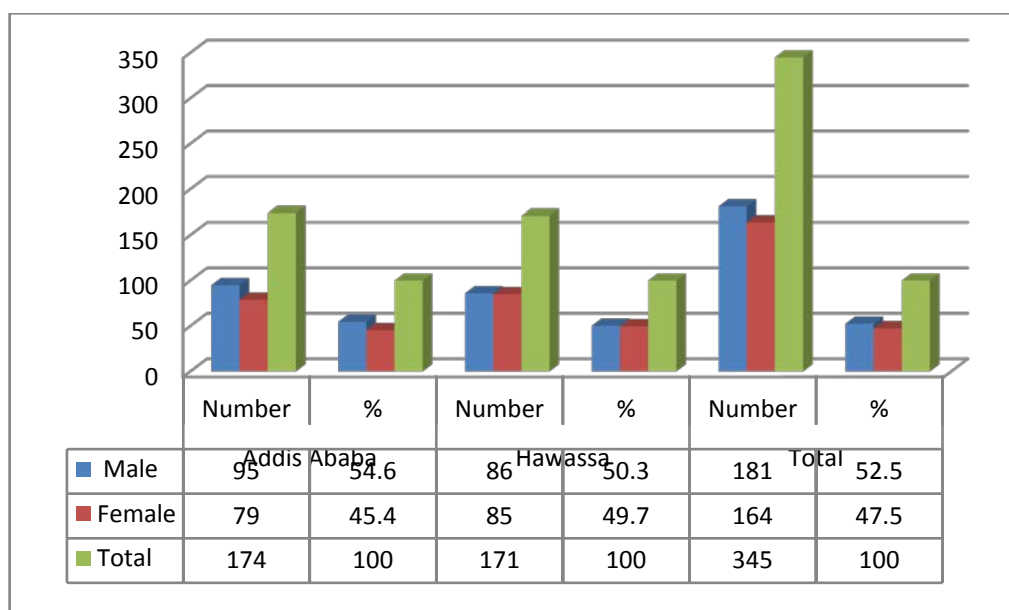


Figure 1: Age Distribution of Respondents

Source: Field Survey Results, 2015

Marital status and age were compared for both cities. The result of Hawassa shows that 46 out of 170 respondents were single. Among unmarried respondents, the majority of them (65.2%) were found to be in age group of 26-33. Some (15.2%) of the unmarried respondents were above 34 years old. About 114 out of 170 respondents were found to be married and the majority of them (76.2%) were in the age range between 26 to 40 years. When the same age category was compared for Addis Ababa, 66 out of 174 respondents were single and some (45.5%) of them were aged between 26-33. Among married respondents (96 out of 174), some (58%) of them were from 26 to 40 years old. Widowed and divorced respondents were minimal in both cities.

4.4 Existing Situations of the Condominium Housing

Most of the sample respondents that accounted for 164 out of 171 (96%) in Hawassa and 162 out of 174 (94.5%) or 326 out of the total of 345 reported that they were fully aware of the condominium housing option. Only 5.5% of the total respondents were not aware of condominium housing. The source of awareness for the majority of the respondents was the government mass media. 240 out of the total of 345 (70%) respondents were aware of the plan of the government to construct condominium houses in addressing the urban poor. Some (13%) of the total respondents were aware of the condominium housing in their respective working offices and friends.

Respondents were asked about their housing preferences. On average, the condominium housing option was preferred by 232 out of 345 (67%) respondents. For 96 out of 171 (56%) in Hawassa, and for 136 out of 174 (78%) in Addis Ababa, condominium housing option was a preference followed by construction for oneself (in Hawassa) and housing cooperatives (in Addis Ababa) respectively.

Sample household respondents were asked to tell about major benefits related to condominium option of housing. In the above section, the results showed that condominium units were their number one preference for both Hawassa and Addis Ababa respondents. Out of 171 respondents in Hawassa for 124 (about 73%), and out of 174 respondents in Addis Ababa for 117 (about 67%), the main advantages attached to condominium housing units were significant.

The study results about housing ownership and the ways of possession have been displayed in Table 1. As the results show, totally 80 out of 171 and 117, out of 174 respondents in Hawassa and Addis Ababa were owners of the condominium houses through different mechanisms. Out of 80 respondents in Hawassa, 53 (66%) got their housing unit by lottery and 24 out of 80 (30%) got their condominium houses by purchasing them from previous owners. The figures for Addis Ababa are 93 out of 117 (79.5%) and 20 out of 117 (17%) and indicate a higher condominium housing ownership in Addis Ababa compared to Hawassa by lottery and through a lower level of ownership by way of purchasing more in Addis Ababa than in Hawassa. It should be noted that all condominium houses initially were transferred by way of lottery but latter owners transferred them to other users by way of selling. From the total housing units transferred, some (4%) of the respondents told that they were given by their relatives which indicates that the users first own them and then, transfer them to their relatives.

Table 1: Sample Respondents Housing Ownership by Way of Possession in Hawassa and Addis Ababa, 2015

Ways of Possession	Hawassa		Addis Ababa		Total	
	Number	%	Number	%	Number	%
Purchased	24	30.0	20	17.1	44	22.3
Lottery	53	66.3	93	79.5	146	74.1
From Relative	3	3.8	4	3.4	7	3.6
Total	80	100.0	117	100.0	197	100.0

Source: Field Survey Results, 2015

Respondents were asked about their former housing before they came to the condominium housing unity. The results demonstrated that 142 out of 171 (83%) respondents in Hawassa, and 91 out of 174 (52.3%) respondents in Addis Ababa were living in individual rental units. Only about 4% of the respondents in Hawassa were living in kebele rental houses whereas about 37% of the Addis Ababa respondents were living in Kebele rental housing units. This is mainly because of the presence of more opportunities of kebele housing alternatives in Addis Ababa than in Hawassa.

Results for Hawassa indicated that about 53% of the low income group (<1500 Birr a month) were living in a studio type units followed by housing units with only one bed room (27%). On average, all income groups were living in housing units with 1 and 2 bed rooms (Table 2a). The number of rooms where individuals are living is not only determined by their income level but also by share of the available units during construction and availability of the units during the need for rent, sell or lottery system. For example secondary data result for 11 years in Addis Ababa has revealed that majority of the stocks produced were with 1 bed room. Housing units with 1 bed rooms were taken as dividing line for both low and middle income earners theoretically leading to more number of productions of 1 bed room condominium stocks.

Table 2a: Comparison between Respondents Family Income in Birr Per Month and Number of Rooms in Hawassa, 2015

Number of Rooms	Family Income in Birr Per Month								Total	
	<1500		1501-3000		3001-4500		>4500			
	Number	%	Number	%	Number	%	Number	%	Number	%
0	8	53.3	9	22.0	9	16.4	7	11.9	33	19.4
1	4	26.7	12	29.3	10	18.2	21	35.6	47	27.6
2	3	20.0	17	41.5	21	38.2	16	27.1	57	33.5
3	0	.0	3	7.3	15	27.3	15	25.4	33	19.4
Total	15	100.0	41	100.0	55	100.0	59	100.0	170	100.0

Source: Field Survey, 2015

Statistical tests were applied to see the relationship between family income and number of bed rooms owned by respondents. The test results are shown in Tables 2b and 2c respectively. The results from Pearson Correlation for Hawassa showed that there was a positive relationship between family income and number of bed rooms, but the relationship was very weak. This result is consistent with Chi-Square test results indicating the presence of associations between these two variables.

Table 2b: Pearson Correlation between Respondents Family Income and Number of Rooms in Hawassa, 2015

Correlation between Number of Rooms and Family Income (Hawassa)		Number of Rooms	Family income
Number of Rooms	Pearson Correlation	1	.248**
	Sig. (2-tailed)		.001
	N	171	170
Family Income	Pearson Correlation	.248**	1
	Sig. (2-tailed)	.001	
	N	170	170

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Computed from Field Survey Results, 2015

Weak relationship signals that income is not the only factor to have a house with more bed rooms because there are other factors that influence forced occupation of more rooms like presence of large family, lack of availability of stocks and so on. Based on the results from correlation analysis and the Chi-Square Test, it can be concluded that there is a relation between family income and number of bed rooms. Therefore, the null hypothesis which states independence between these two variables is rejected at 99% level of confidence. However, the weak relation shows that respondents were forced to rent units with more rooms even if they do not have sufficient income.

Table 2c: Pearson Chi-Square Tests to See the Association between Respondents Family Income and Number of Rooms in Hawassa, 2015

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.714 ^a	9	.002
Likelihood Ratio	26.952	9	.001
Linear-by-Linear Association	10.415	1	.001
N of Valid Cases	170		

a. 3 cells (18.8%) have expected count less than 5. The minimum expected count is 2.91.

Source: Computed from Field Survey Results, 2015

The majority of the respondents in Addis Ababa were living in a one bed room condominium housing. Out of 174 respondents, 70 (40%) of them were living in 1 bed room stocks whereas 52 out of 174 (about 30%) were living in a studio type unit revealing that about 70% of the respondents were living either in a one bed room or a studio type unit. As can be seen from Table 3a, respondents with all categories of income owned all types of housing units irrespective of the number of rooms.

Table 3a: Comparison between Respondents Family Income in Birr per Month and Number of Rooms in Addis Ababa, 2015

Number of Rooms	Family Income in Birr Per Month				Total
	<1500	1501-3000	3001-4500	>4500	
0	9	12	18	13	52
1	15	11	25	19	70
2	6	10	16	8	40
3	3	3	3	3	12
Total	33	36	62	43	174

Source: Computed from Field Survey Results, 2015

Statistical tests were also applied for Addis Ababa for the same rational. In case of Addis, both Pearson Correlation Test and Chi-Square test results (Tables 3b and 3c) show that there was no statistically significant relationship between family income and number of bed rooms in which case one does not reject the null hypothesis. Not rejecting null hypothesis implies that the residents in Addis Ababa were compelled to have a rental house with any cost irrespective of their family income due to other factors like large family size, shortage of housing units, and so on.

Table 3b: Pearson Correlation between Respondents Family Income and Number of Rooms in Addis Ababa, 2015

Correlation between Number of Rooms and Family Income (Addis Ababa)		Number of rooms	Family income
Number of Rooms	Pearson Correlation	1	-.030
	Sig. (2-tailed)		.692
	N	174	174
Family Income	Pearson Correlation	-.030	1
	Sig. (2-tailed)	.692	
	N	174	174

Source: Computed from Field Survey Results, 2015

Table 3c: Pearson Chi-Square Tests to See the Association between Respondents Family Income and Number of Rooms in Hawassa, 2015

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.448 ^a	9	.944
Likelihood Ratio	3.545	9	.939
Linear-by-Linear Association	.158	1	.691
N of Valid Cases	174		

a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is 2.28.

Source: Computed from Field Survey Results, 2015

Respondents were asked about the most benefited relative income group from condominium housing as regards access to residential houses. According to their opinion, the most benefited from condominium option of housing were middle income and high income groups. From the total 171 respondents in Hawassa, 92 (54%) and 54 (32%) reported that most beneficiaries from condominium option of housing were the middle and high income classes. In the case of Addis Ababa, 67 (38.5%) and 62 (36%) out of 174 reported that the most frequent beneficiaries were low and middle income earners respectively accounting for nearly 74.5% of the total beneficiaries. The result shows that about 39% of the respondents reported low income earners as the most benefited group in Addis Ababa and this is significant.

The interview result with program heads of Addis Ababa and Hawassa were also consistent with the respondents' opinions. However, the program heads from the respective study areas reiterated that the strategy benefited many in a number of ways by strengthening Small and Medium Enterprises, producing low cost housing, supporting local capacity building efforts, creating market opportunities (for producers and service renders), etc. However, the program was highly challenged to produce housing units that were affordable for residents who were economically in desperate situations due to many interrelated factors. The low income earners were not benefiting because units were not yet affordable for their income level.

Secondary data gathered from Addis Ababa for consecutive 11 years revealed that predominantly constructed units were with 1 and 2 rooms favoring more of the middle and high income categories than the low ones. Out of the total constructed houses, between 1996 and 1998, about 71% units were with 1 and 2 rooms where as the share of a studio type house was only about 18% of the total constructions. The trend was consistently the same for the whole period except for the year 2005 E.C. Ironically, the units with relatively expected lower costs were not given due attention and this compels the poor residents to rent or occupy units with higher price due to lack of alternatives.

Secondary data gathered for Hawassa shows that the housing supply plan was said to construct about 5000 units during 1998/9 and 1999/2000 E.C (2005/6 and 2007/8) among which constructing 3538 was achieved and accounted for 70% of the total plan. Hawassa reported that all units constructed were transferred to users following the transfer criteria set. Out of 1790 condominium housing units produced in 2000 E.C. (2007/8), 1222 (68%) of them were units with one and two bed rooms together confirming consistent results with Addis Ababa. A studio type units accounted only for 21% of the total number.

4.5 Condominium Housing Adequacy and Affordability

Housing adequacy is a much wider and more comprehensive concept which comprises availability, accessibility and affordability of housing units. The respondents' family income and their residential housing related expenditure in Hawassa and Addis Ababa were compared in the study. Main residential housing related expense for renters was a monthly rent whereas expenses for

owners included monthly mortgage (if their residence was attached to Bank), payments to security personnel, maintenance of spoiled utility apparatus, parking tax, etc. About 56% of 1501-3000 Birr income group spent 1000-2000 Birr a month for residential housing related matters. Monthly residential housing related expenditure was moderately distributed for income category between 3001-4500 Birr a month. Housing related expenses were higher for income group with more than 4500 Birr income. Thus, about 48 % of them paid more than 2000 Birr a month for housing related matters.

The results for Addis Ababa indicated variations compared to those of Hawassa. About 61% of the respondents from income group of 1501-3000 Birr were spending less than 1000 Birr per month. Only about 28% of this income group was entered to expenditure category of 1001-2000 Birr. When overall situations were examined more than half (54%) of the respondents were spending less than 1000 Birr a month, and that was less than Hawassa. From the total, only about 26% of the respondents had expenditure category of more than 2000 Birr in relation to residential housing.

The researcher calculated a median income and median residential housing related expenditure for the two cities to investigate if there was difference between the two cities. According to calculated values, a median income for Hawassa and Addis Ababa was 3750 Birr per month implying income similarity in the two cities. However, both cities vary with their residential housing related median expenditure. Residential housing related median expenditure was 1500 and less than 1000 Birr for Hawassa and Addis Ababa respectively. Mean and standard deviation were calculated based on the mean ranks of the two cities and for the two variables (Tables 4a and 4b). Mean family income for Hawassa fell in the category of a little less than 3000 Birr (2.93 mean rank value out of 4) and the mean family income for Addis Ababa fell in the category of less than 3000 Birr (2.66 mean rank value out of 4). The results showed that the mean family income of Hawassa was somehow more than the mean family income of Addis Ababa. The same holds true for the mean housing related expenditure for the two cities. The mean housing expenditure for Hawassa was more than 1000 (2.01 mean rank value out of 3) Birr and for Addis Ababa was less than 1000 Birr (1.72 mean rank value out of 3) confirming with the median results. Again the result shows that housing related expenditure was higher for the Hawassa than the Addis Ababa respondents. Notwithstanding these results, the value of standard deviation for family income rank was lower (0.97) for Hawassa than Addis Ababa (1.051) indicating a higher income disparity in Addis Ababa than in Hawassa. The standard deviation for residential housing related expenditure rank also showed similar results for Hawassa (0.79) and Addis Ababa (0.85) implying the same meaning that expenditure gap was higher for the Addis Ababa than the Hawassa respondents.

Table 4a: Mean Rank and Standard Deviation for Family Income and Residential Housing Related Expenditure in Hawassa, 2015

Variables (Hawassa)	N	Mean Rank	Std. Deviation
Family Income	170	2.93	0.970
Residential Housing Related Expenditure	171	2.01	0.797
Valid N (listwise)	170		

Source: Computed from Field Survey Results, 2015

Based on the results (Table 4a and 4b and Table 5), the model was applied to examine affordability of the residential house. When the relationship between a median expenditure and a median family income was compared, 40% and 27% of the respondents' income were residential housing related expenditures in Hawassa and Addis Ababa respectively.

Table 4b: Mean and Standard Deviation for Family Income and Residential Housing Related Expenditure in Addis Ababa, 2015

Variables (Addis Ababa)	N	Mean Rank	Std. Deviation
Family Income	174	2.66	1.051
Residential Housing Related Expenditure	174	1.72	0.851
Valid N (listwise)	174		

Source: Computed from Field Survey Results, 2015

The result was reversed for median housing rent to the median income ratio. Absolute median rent expense in Hawassa was 1500 Birr (40% of the family income) and in Addis Ababa, it was 2500 Birr (66.67% of the family income) indicating rental housing units of condominium were not affordable in case of Addis Ababa.

Table 5: Comparison between Family Income and Residential Housing Related Expenditure in Birr per Month in Addis Ababa, 2015

Monthly Rent in Birr Per Month	Hawassa		Addis ababa	
	Number	%	Number	%
<1000	9	5.3	10	5.7
1000-2000	57	33.3	9	5.2
>2000	25	14.6	38	21.8
Sub Total	91	53.2	57	32.8
Not applicable	80	46.8	117	67.2
Grand Total	171	100.0	174	100.0

Source: Field Survey Results, 2015

Though arguable, a higher housing related expenditure was observed for Hawassa than Addis Ababa because (Figure 2), the majority of the respondents in Hawassa were renters but the majority of respondents in Addis Ababa were owners and the housing cost was higher for renters than owners. Besides, the effective demand in Addis Ababa was higher than in Hawassa. This means the poor might have applied and got registered to get the houses but in actual terms the economically better income group could own the houses.

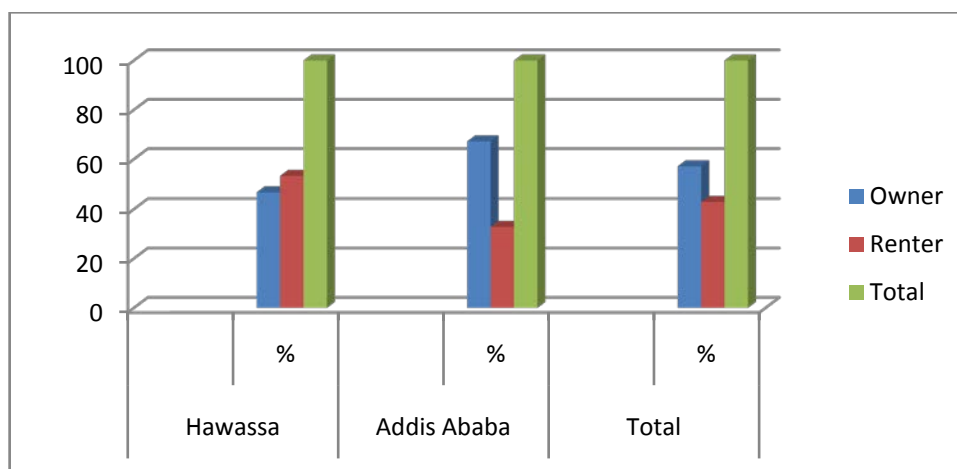


Figure 2: Residential Housing Ownership in Hawassa and Addis Ababa, 2015

Source: Computed from Field Survey Results, 2015

When the expenses of owners and renters were compared regarding residential housing in Hawassa, the result revealed that about 62% of owners fell in the lowest income category, which was less than 1000 Birr and more than 65% of the renters were of the highest expenditure category. In case of Addis Ababa, higher percentage (73.4%) of owner respondents fell in similar lower income category. However, the proportion of housing ownership was higher in Addis Ababa than in Hawassa.

Table 6: Comparison between Residential Housing Related Expenditure and Housing Ownership in Hawassa and Addis Ababa, 2015

Housing Ownership (Hawassa)	Residential Housing Related Expenditure						Total	
	<1000		1001-2000		>2000			
	Number	%	Number	%	Number	%	Number	%
Owner	33	62.3	28	44.4	19	34.5	80	46.8
Renter	20	37.7	35	55.6	36	65.5	91	53.2
Total	53	100.0	63	100.0	55	100.0	171	100.0

Housing Ownership (Addis Ababa)	Residential Housing Related Expenditure						Total	
	<1000		1001-2000		>2000			
	Number	%	Number	%	Number	%	Number	%
Owner	69	73.4	21	60.0	27	60.0	117	67.2
Renter	25	26.6	14	40.0	18	40.0	57	32.8
Total	94	100.0	35	100.0	45	100.0	174	100.0

Source: Field Survey Results, 2015

Household respondents were asked about the major challenges in the condominium housing option. More than half (that is 86 out of 171 or 50.3%) and 44 out of 171 (about 26%) respondents reported lack of effective demand followed by a low supply of land for self construction as major challenges to condominium housing option in Hawassa. This was consistent with interview results of the officials in the city. In Addis Ababa, the same holds true and 100 out of 174 (about 58%) of the respondents reported lack of effective demand as a challenge for the urban poor. However, the second important major factor in the case of Addis Ababa was the pervasiveness of excess demand that accounted for 48 out of 174 (about 28%).

From a total of 171 respondents, 138 (about 81%) reported that the units were not affordable. Nevertheless, the result was different for Addis Ababa where 100 out of 174 (about 58%) stated that the units were affordable. The major factors for the affordability were scanned for those who reported that condominium housing options were unaffordable. As indicated in Table 7, about 28% and 27.5% of the respondents indicated factors impairing affordability such as high building standards and high cost of construction materials. The majority of Addis Ababa respondents disclosed a high cost of construction materials was a major factor compared to high building standards.

There are a number of factors affecting possibility for self constructed housing option. In Hawassa 110 out of 171 (about 64%) mentioned problem of access to land followed by problem of access to finance (about 21%) were rated the major challenges as for 85% of the total respondents. In Addis Ababa, about 52% and 34% of the respondents reported problems of access to land and problems of access to finance as major factors. The Director, General in Hawassa regarded land as a factor in

the housing sector, particularly focusing on the lease policy of landholding. He agreed that a problem of access to land had been negatively affecting the housing sector.

Table 7: Respondents' Opinions about the Major Factors Impairing the Affordability of Condominium Houses in Hawassa and Addis Ababa, 2015

Factors Affecting Affordability of Condominium House	Hawassa		Addis ababa		Total	
	Number	%	Number	%	Number	%
High Building Standard	48	28.1	23	13.2	71	20.6
High cost of Construction Materials	47	27.5	27	15.5	74	21.4
High cost of Infrastructure	17	9.9	17	9.8	34	9.9
High Cost of Labor	3	1.8	3	1.7	6	1.7
Mix of the Above	23	13.5	4	2.3	28	8.1
Not Applicable (Responded Affordable)	33	19.3	100	57.5	132	38.3
Total	171	100.0	174	100.0	345	100.0

Source: Field Survey Results, 2015

The majority of the respondents suggested that either down payment should not be implemented or the percentage share should be reduced. About 47% and 38% of the total respondents suggested that requirement for down payment should not exist in Hawassa and Addis Ababa. About 34% in Hawassa and 35% in Addis Ababa agreed with the idea of a need for down payment requirement but they suggested the percentage should be lowered. Heads of respective enterprises did also agree that down payments were not affordable for low income earners and suggested a need for extended years to settle Bank loans. They also suggested special arrangement of credit facility for low income group.

Respondents reported on the average number of years they had to spend so as to get the condominium housing unit after being registered. Out of 62 owners of 171 in Hawassa, 43 (about 70) of them waited for 2 years and more to secure their units. Likewise, out of 118 owners from 174 in Addis Ababa, 59 (about 50%) spent the same time. Institutional time standards for completion in Addis Ababa and Hawassa were one and half years including requirements for transfer time but on average, it had been taking two and more years indicating that standards were not met in both cases.

4.6 Factors Affecting Condominium Housing Options

The respondents mentioned reasons for the alarmingly higher gap between supply and demand. Out of 171 in Hawassa, and among 174 in Addis Ababa, 153 or about 90% of the respondents in Hawassa responded that the main reason for such the higher gap was increase in the number of the population and existence of backlog demand.

Table 8: Respondents' Opinions about Reasons for Higher Demand than Supply in Hawassa and Addis Ababa, 2015

Reasons for Higher Demand than Supply	Hawassa		Addis ababa		Total	
	Number	%	Number	%	Number	%
Increase in Population	76	44.4	77	44.3	153	44.3
Backlog Demand	77	45.0	40	23.0	117	34.2
Requirement for High Substitutes	11	6.4	55	31.6	66	19.1
Mix of the Above	7	4.1	2	1.1	9	2.6
Total	171	100.0	174	100.0	345	100.0

Source: Field Survey Results, 2015

In the case of Addis Ababa, increase in population was acknowledged by 77 out of 174 (44.4%) and backlog problem, by 23% of the respondents. However, many of the respondents of Addis Ababa stated that a high requirement for substitutions was the main reason for the increased demand as it was reported by 55 (about 32%) of the total respondents in Addis Ababa.

Earlier it was discussed that lack of effective demand (capacity to afford for the given service) was the main problem for the success of the condominium housing option. The results show that the concept of affordability was perceived differently (Table 9). Out of the total 171 and 174 respondents in Hawassa and Addis Ababa 76 (44.4%) and 80 (46%) respondents perceived affordability as an acceptable price followed by loan facilitation respectively. In this regard, respondents were consistent in both cities but respondents of Addis Ababa were serious about physical accessibility as part of the affordability. Interview results for Addis Ababa revealed that there were a number of factors that affected affordability. According to the result, global inflation was one of the responsible factors that affected affordability in contributing to increased cost of construction materials.

Table 9: Respondents' Meaning Attributed to the Affordability in Hawassa and Addis Ababa, 2015

Meaning of Affordability	Hawassa		Addis ababa		Total	
	Number	%	Number	%	Number	%
Acceptable Quality	22	12.9	25	14.4	47	13.6
Loan Facilitation	49	28.7	39	22.4	88	25.5
Physical Accessibility	20	11.7	26	14.9	46	13.3
Acceptable Price	76	44.4	80	46.0	156	45.2
Mix of the Above	4	2.3	4	2.3	8	2.3
Total	171	100.0	174	100.0	345	100.0

Source: Field Survey Results, 2015

4.7 Policy Alternative to Condominium Housing Options

A construction of condominium houses to address residential housing problem is one of contemporary housing policy directions in Ethiopia backed by a program "Integrated Housing Development Program". Respondents' suggestion was inquired to give policy inputs that were geared towards improving the performance of the housing sector. As it can be seen from Table 10, respondents of Hawassa and Addis Ababa shared the idea of the importance of loan facilitation, i.e. 52 (30.4%) from 171 in Hawassa and 87 (50%) from 174 in Addis Ababa.

Table 10: Respondents' Opinions to Improve Supply of Residential Housing in Hawassa and Addis Ababa, 2015

Suggestions to Improve Housing Supply	Hawassa		Addis ababa		Total	
	Number	%	Number	%	Number	%
Exemption from initial deposit	20	11.7	26	14.9	46	13.3
Loan facilitation	52	30.4	87	50.0	139	40.3
Exemption from down payment	32	18.7	43	24.7	75	21.7
Improve land access	44	25.7	17	9.8	61	17.7
Mix of the Above	23	13.5	1	.6	24	7.0
Total	171	100.0	174	100.0	345	100.0

Source: Field Survey Results, 2015

However, the Hawassa respondents attached more importance (about 26%) to a need to improve land access whereas the Addis Ababa respondents attributed more emphases to exemption from down payment. This result was consistent as the Addis Ababa respondents were more comfortable with condominium option of housing than the Hawassa respondents. Interview results showed that heads of the respective cities suggested that the government should foster different alternatives to narrow the existing gap between demand and supply. Creating conducive environment was among the suggested alternatives for individuals who were in a position to construct their own houses. A need to facilitate access to finance was also suggested as a policy input.

More than 70% of the Hawassa respondents expressed their disagreement with ideas of sufficiency of condominium housing options, and about 56% of the Addis Ababa respondents disclosed the same disagreement. Some (28%) of the respondents in Hawassa agreed that the condominium housing option was sufficient, but more than 44% of the respondents in Addis Ababa regarded the condominium option of housing as sufficient.

4.8 Interpretation of Study Results

A condominium option of housing is a major policy direction to provide housing opportunities for the urban poor and the middle income class. Owners of condominiums have regarded this option as the most reliable solution compared to other alternatives unlike initially proliferated negative information about condominiums by some individuals. High indoor privacy has been considered as the main advantage of condominiums though condominiums are not favored for their out-door privacy. No statistically significant relationship between the number of bed rooms and family income was maintained implying that individuals in both cities were forced to have units irrespective of their income. In addition, the study results have shown that benefits from condominium housing is not only housing but also other multifaceted benefit. However, the middle income group is the first beneficiary as far as housing is concerned. According to the respondents, a problem of land access was one of the major factors that aggravated affordability. Lack of effective demand was regarded as a challenge in Hawassa and Addis Ababa. Nevertheless, in Addis Ababa backlogs are also major problems influencing affordability.

Urban housing program needs to be an integrated venture so that it is attached to many other opportunities other than producing housing units. Respondents suggested a need to add loan facilitation, access to serviced land, and to exempt the poor from down payment to bridge issues that are not yet addressed in the urban housing policy.

5. Conclusions and Recommendations

5.1 Conclusions

A government initiated condominium housing option is taken as a fundamental policy direction to provide housing for the urban poor. The program was started under the umbrella of the strategy named Integrated Housing Development Program. The program benefited citizens from different perspectives though eventually houses were found to be unaffordable for the poor. There exists a huge gap between demand and supply mainly because the demand side is growing at a faster rate than the supply side, presence of backlog and poor contract management. The study results revealed that problem of access to land, high cost of construction materials and lack of effective demand are constraining the efforts of the supply side. The comparison between residential housing related expenditure ratio to median income ratio, and a median rent to a median income ratio all proved that the condominium option of housing is unaffordable.

5.2 Recommendations

5.2.1 Recommendations for Action and Further Study

The Ethiopian government needs to address issues of housing which include physical availability, accessibility, and affordability of the units. The respective city administrations should rule out restrictions that ban selling of the units by owners of condominiums before five years because the restriction is not preventing the owners from selling the houses, but it has been complicating the legal transfer procedures by encouraging informality and rent seeking. Governments of both tiers should look into diverse approaches to the housing supply to curb unpredictably growing demand rather than supply. Equally significant would be involving pro-poor charity organizations, allocation of special fund for subsidy, and addressing an issue of the down payment. Measures need to be taken for improving construction technology, contract administration, level of efficiency during transfer so as to address affordability problems. This research was initiated to assess policy provisions and practices of the housing sector focusing on the government condominium housing program. A detailed research is recommended to explore the impact of the urban land lease policy on residential housing in Addis Ababa and other secondary cities of Ethiopia.

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Post-Occupancy Management of Condominiums and Roles of Unit Owners' Associations in Akaki-Kaliti Sub-City of Addis Ababa

*Tesfaye Teshome**

Abstract

The study focuses on five sites of condominiums in Akaki-Kaliti sub-city and attempts to identify post-occupancy management problems, evaluate the extent of execution of powers and duties of unit owners' associations and causes of potential problems. In the light of this, primary data were collected using questionnaires distributed to leaders of unit owners associations and sample households, and photographs taken during the field survey. Secondary data were obtained from relevant documents of government organizations, unit owners associations and other related sources. The collected data were scientifically analyzed employing both qualitative and quantitative approaches using descriptive statistical techniques. The study revealed five categories of post-occupancy problems: (1) problems in relation to rules and regulations; (2) use of common elements and maintenance; (3) neighborhood environment; (4) crime prevention and safety; (5) social cohesion. In conclusion, the post-occupancy problems were caused by geologically hazardous location, lack of monitoring during construction, reluctant occupants who were unwilling to comply with rules and regulations and inability of the owners' associations to fully execute their powers and duties.

Key words: Akaki-kaliti, Condominium, Unit owners' Association, Power, Duty

1. Introduction

In Ethiopia the dominant player in the housing sector is the state manifested through its various structures such as regional governments, zones, *weredas*, and *kebeles*. The state controls the majority of the rental accommodations and it influences the supply of new housing through active involvement in material production and importation, land supply, and housing finance. (UN-Habitat, 2011:4).

Addis Ababa's administrative structure comprises 10 sub-cities and 116 *Woredas* (lowest administrative structure). Four of the sub-cities i.e. *Arada*, *Addis Ketema*, *Lideta* and *Kirkos* constitute the inner most part of the city surrounded by the rest six sub-cities. The peripheral sub-cities are *Yeka*, *Bole*, *Akaki-Kaliti*, *Nefas Selk-Lafto*, *Kolfe-Keraneo* and *Gulele*.

The city witnessed different key players in the housing sector under different political systems. During the imperial era, the private sector was the dominant supplier where land was privately owned. Individuals (formal and informal) and cooperatives appeared as major players during the *Derg*. Real estate developers and the State (public) through its Integrated Housing Development Program are key players under the current government. Particularly condominium housing the product of Integrated Housing Development Program is unique from the other houses built by the above and other concerned actors.

The introduction of condominiums in Addis Ababa marks a transformation from ground single storey and/ or attached housing units to tall buildings, i.e. apartments or multiple family buildings. This led to an increasing number of people with diverse backgrounds living together in condominiums allowing them to adopt a new style of life and enhance the importance of owners'

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association. Following the implementation of IHDP projects since 2006 in Addis Ababa, a total of 78,000 units have been constructed, and out of these 53,000 were transferred to residents living in all sub-cities (UN –Habitat, 2011). Based on the number of transferred units, approximately over 200,000 residents of the city began a new style of life dictating the future trend of housing.

Akaki – Kaliti is one of the peripheral sub-cities and potential expansion sites for large scale housing development of the city at large. Thus, it is found indispensable to explore the role of owners' associations in the post-occupancy management of condominiums particularly on issues such as community cohesion, management of jointly owned facilities, prevention of crime and maintaining safety of the residents and exercising their powers and duties. In addition, challenges encountered by owners' associations and their basic causes need to be properly investigated. Based on the general objectives explained above, the study attempted to seek answers to the following questions. Are the owners associations effective in exercising their powers and responsibilities? What do the owners associations perform to maintain community cohesion? What are the roles of owners associations in crime prevention and maintaining the safety of condominium dwellers? Are the owners' associations successful and effective in the management of common facilities? What are the causes of post-occupancy management problems faced by the owners associations?

Thus, this study was aimed at identifying and assessing the post-occupancy management problems of condominiums in the study sites. Section 1 presents introduction to the study. In Section 2, as part of the literature review conceptual definitions of condominiums, unit owners' associations, functions of unit owners' associations and county experiences in the management of condominium housing have been discussed. Data and methodology employed to collect and analyze the data have been explained in Section 3. Section 4 contains the analysis and interpretation of both primary and secondary data regarding the study area, tenure, gender and educational background of the sampled households, unit owners' associations and post – occupancy management problems. Finally, in Section 5, the conclusions dealing with the findings of the research and recommendations are presented.

2. Review of Related Literature

In this part, an attempt has been made to present a brief review of related literature to explain definitions of important terms and concepts, explore the functions of owners' associations and experiences of Canada, the USA, Hungary, Romania and Ethiopia. Besides, international experiences regarding causes of post – occupancy management problems and how to deal with the problems have been explored.

2.1. Conceptual Definition

2.1.1 Condominiums

Defi.1: The term “condominium” (“Strata” in British Columbia) refers to a legal form of ownership that combines private and shared ownership (CHO¹⁵ 2013).

Defi.2: The term condominium refers to a type of property ownership rather than to any distinct particular style of building. The term “condominium” does not refer in any way to the physical structure of the building or building complex. What makes it “condominium” is not its physical structure but the way in which owners have agreed to share the ownership of the common elements of the property, while retaining individual ownership of parts of the property which constitute their units (Audrey M. Loeb, 2008).

¹⁵ Canadian Housing Observer

Defi.3 Condominium housing is a name given to the form of housing tenure where each resident household owns an individual unit, but equally shares ownership and responsibility for the communal areas and facilities of the building, such as hallways, heating systems, and elevators. There is no individual ownership over plots of land. All of the land on a condominium site is owned by all homeowners (UN-HABITAT, 2011:14).

As explained in definition- 1, this housing typology is known by two different names, i.e. “condominium” widely used in Europe and “strata” in British Columbia. Despite the differences in terminology, all the three definitions disclose the presence of dual type of ownership. This means that the type of tenure combines both private ownership of units and shared ownership of common elements.

2.1.2 Owners’ Association

Def.1: Owners’ Association is defined as a legal body established with the legal authority to act on behalf of all the owners of the condominium (ECE 2003)

Def.2: A condominium/strata corporation is a method of property ownership. It is created solely to manage the affairs of the condominium corporation. A condominium’s affairs are regulated by the *Condominium Act* and documents known as the *Declaration, Description, By-laws and Rules* (Audrey M. Loeb, 2008). Both definitions explained above indicate that the management of condominiums is run by a legal body known as Unit Owners Association and or Strata Corporation. The international experiences reveal that unit owners’ association/strata corporation is an elected legal body by the members.

2.2 Functions of Owners’ Association/Strata Corporation

National laws, internal statutes and agreements govern owners’ associations in condominiums. Countries view differently what degree of detail should be included in the national laws and what regulating powers should be left for the owners’ association to agree internally (ECE¹⁶ 2003).

The primary objective of the owners’ association /corporation is to manage the condominium property. Owners and residents are required to comply with the regulations which govern a condominium association/corporation. The association/corporation or individual owners may enforce the Act, declaration, by-laws or rules either through mediation and/or arbitration or in some circumstances by going to court. The sound management of the jointly owned parts is not possible without an owners’ association. The external maintenance of the roof and walls are usually undertaken by a condominium association that jointly represents ownership of the whole complex, employing strict management to ensure funding from each homeowner. This association consists of representatives of all condominium residents who manage the site through a Board of Directors, elected by association members (UN-HABITAT: 14, 2011). Based on the above stated legal grounds, preserving the interests of the owners in the jointly owned property is the ultimate role of owners’ associations.

2.3 Country Experiences

In this part, a brief assessment of condominium housing in Canada, the USA, two countries from Central and East Europe and Ethiopia is presented to disclose its growing importance as an alternative housing supply strategy.

¹⁶ Economic Commission for Europe

2.3.1 Canada

The Canadian Housing Observer (2013) explains the status of condominium housing in the country. According to the document, Condominiums nearly quadrupled their share of the homeownership market to 12.6% of owner-occupied dwellings in 2011 from 3.3% in 1981. In addition the same source indicates that, from 1981 to 2011, the number of owner-occupied condominiums in Canada increased from about 171,000 to 1,154,000, more than nine times faster than other owner-occupied homes. There were 461,000 rented condominiums in 2011, bringing the total number of occupied condominium units in Canada to 1,615,000.

2.3.2 The USA

In 2011, there were 9.4 million condominium units in the United States, of which 8.7 million were classed as year-round residences. The 4.4 million owner-occupied condominiums represented 5.8% of owner-occupied housing in the United States, a lower percentage than in Canada (12.6% in 2011). Condominium rentals in the United States (occupied units plus vacant units for rent) accounted for 37.0% of condominiums excluding seasonal units (CHO, 2013). According to the US Bureau of Census, 2011 the New York City Housing and Vacancy Survey study condominium houses constitute for 3.54 percent of the City's housing stock which is predominantly renter occupied (HSR¹⁷, 2015).

2.3.3 Central and East European Countries

The condominium development program in the former socialist countries of Central and East Europe introduced following the transfer of ownership of the multifamily housing stock from the state to the apartment tenants, together with the responsibility for maintaining and operating the buildings in the 1990s. The experiences of Hungary and Romania by Carol S. Rabehorst (2012), are summarized and presented as follows.

2.3.4 Hungary

Hungary is unique among the former communist countries of Central and Eastern Europe in that it had privately-owned condominium property and a functioning condominium law throughout the socialist period. This meant that many people, at least in larger towns and cities, had some familiarity with privately owned multifamily buildings that had homeowners associations, even if they themselves were tenants of the state and never intended to live in such a building. The Condominium Law of Hungary (first passed in the 1920s and revised numerous times through the years since, with a major post-privatization revision passed in 1997) also provided that a homeowners' association must be formed in any building before it could be occupied and the property registered as a condominium. These differences gave Hungary a major advantage over its neighbors, where this form of ownership and management by owners was virtually unknown during the socialist years.

Privatization of state-owned housing in Hungary proceeded quickly and pervasively in the early 1990s. In 1991 the rate of privatization was 21.5 percent or 154,841 units and reached to over 97 percent or 721,000 units by 2011. The condominium development program following privatization received substantial assistance from the United States Agency for International Development (USAID), including help with rewriting the Condominium Law in 1997. Training programs and manuals were created for condominium leaders and property managers, and experts worked with lenders to encourage the creation of loan products for condominium renovation. The Home Owners

¹⁷ Housing Supply Report

Associations and property managers were also developed and supported until the end of the 1990s, when USAID phased out its technical assistance programs in Hungary (Carol S. Rabehorst, 2012).

2.3.4 Romania

Privatization of state-owned housing became legally permissible in Romania in the 1960-70s, but proceeded very slowly and only among the wealthy or politically powerful until the passage Decree-Law 61/1990. The 1990 law enabled the sale of public housing units to tenants, usually with a small down payment (10% of a modest purchase price) and a 25-year loan from the government on extremely favorable terms. Many of the least desirable housing units were given away. The Housing Law of 1996 mandates that Home Owners Associations be formed in each owner-occupied apartment building, and amendments enacted to the law in 2007 reinforced this provision. Home Owners Associations, once formed, must be registered as a legal entity. The law also requires that each municipality have an office to assist owners with condominium matters, or at least a designated staff person in smaller towns. This part of the law is generally complied with, so there is some support available for owners who wish to organize and register Home Owners Associations. The extent of housing privatization in Romania began with extremely low rate, 0.001 percent of the existing stock in 1990, approximately 4,500 units. In 1993, 2.7million unit (72%) were privatized and currently over 3.6 million units (96%) of the total state owned units are privatized and led to the introduction of the new tenure system i.e. condominium housing (Carol S. Rabehorst,2012).

2.3.4 Ethiopia

Since 2005 Ethiopia has been implementing an ambitious government-led low and middle-income housing programme: The Integrated Housing Development Programme (IHDP). The initial goal of the programme was to construct 400,000 condominium units. The IHDP has been successful in many respects. Although the large-scale programme has not met all of its original targets, it has built 171,000 housing units to date, a significant achievement considering the previously limited capacity of the Ethiopian housing sector (UN-Habitat, 2011).The nationwide introduction of the new tenure system reflects the intention of the government to meet the need for adequate housing to the majority of the urban dwellers.

2.4 Management of Post Occupancy Problems of Condominium Housing

Studies made on condominium housing revealed that post-occupancy problems are caused by home owners, board of managers and owners associations. Where there are problems, they result from lack of enforcement of the legal requirements by the governmental authorities and insufficient power on the part of the owners or the Home Owners Associations to enforce rules within the building (Carol S. Rabenhorst, 2012).

2.4.1 Problems with Home Owners

A condominium owner's rights of ownership are more restricted than other homeowners. According to a study made by Audrey M. Loab (2008) post-occupancy problems caused by owners emanate from the following conditions: (a) failure of owners to abide by all the provisions of the *Condominium Act* the corporation's *declaration, by-laws and rules*; (b) undermining the regulation that prohibits owners from damage or neglect his or her unit. To do so depreciates the value of the condominium property as a whole; (c) neglecting *declarations* for residential condominiums specifying that units can be used only for residential purposes in accordance with the zoning by-law and not for commercial purposes; and (d) when the owner is forbidden from any actions which could threaten the project's insurance coverage (like having a barbecue on the balcony, for example), making any structural changes to a unit or changes to the common elements without the consent of the condominium's Board of Directors.

2.4.2 Problems with Board of Managers

Some home owners came to realize that the Boards of Managers are difficult to deal with. A study made by the State of New York, Real Estate Finance Bureau (2008), identified a number of problems and suggested possible solutions. Typical instance are confusion about how much power the boards of managers entrusted with, where to get original by-laws, and declaration, change of rules, failure to provide offering plan, by-laws and declaration, inability to disclose information contained in by-laws and declarations clearly, failure to comply with rules and regulations, and lack of response up on request/complain.

2.4.3 Problems with Home Owners Associations

The study made by the State of New York, Office of the Attorney General (2008) indicates the main problems with owners associations as follows. The primary purpose of the association is to protect and preserve the value of the privately and commonly used property. In furtherance of that goal there may be restrictions concerning pets; requirements as to fence height; or limitations on the number of cars allowed in the driveways. These rules often conflict with the desires of an individual owner but exist for the general good of the entire community. In addition, the association may have the responsibility to repair and maintain portions of the community, such as roads, roofs, and recreation facilities. Perhaps, repairs are neglected and the snow is not removed as quickly as expected. Or a nuisance created by a neighbor is allowed to continue. Maybe, one owner is allowed to build a deck and another is refused permission to do the same thing. Regarding the above stated problems of owners' associations, the Attorney General office of the State of New York (2008), advises owners an attempt to influence the board is always more persuasive if it is presented by a significant number of members. If it is so, and the attempt to change the situation is not successful, the organized group can always seek to elect new directors at the next annual meeting.

2.5 Lessons Learned

In Canada and the USA condominium housing is one type of tenure and claims a significant share from the national stock as explained earlier. In both countries the housing market is well developed based on the free market principles in which the private sector plays the leading role than the governments.

In Hungary and Romania following the collapse of socialism, condominium is considered the ideal tenure type in the post- privatization of state owned multiple family buildings. This was supported by introducing condominium law and organizing Home Owners Associations to facilitate the management of condominiums in addition to government support as required.

Ethiopia, as a developing country, has quite a lot to learn from the well developed housing sector of both Canada and the USA. Particularly, regarding condominium housing management, Ethiopia is a beginner and motivated by meeting the shortage of adequate housing for the majority low and middle income urban dwellers which is government sponsored. A similar international technical assistance provided to Hungary by the United States Agency for International Development (USAID) to improve the management and mitigate post-occupancy problems is essential to Ethiopia as well.

Finally, the experiences of the Attorney General Office of the State of New York in identifying the post occupancy problems and potential ways of dealing with the problems are found to be important lessons to all countries. Particularly countries like Ethiopia definitely benefit from them in addressing post-occupancy problems emanating from the interests of home owners, incompetent board of managers and weak owners' associations.

3. The Methods

3.1 Data Sources and Sample size

The type of research employed for this study is a case study and the study focuses on five condominium associations in Akaki Kaliti Sub-city as shown in Table-1 below. There are a total of 5887 households living in 200 blocks. A total of 162 sample households were taken by employing the following formula (Kothari, 2004).

$$n = \frac{z^2 pq}{e}$$

Where:

N = size of population

n = size of sample

e = acceptable error (the precision)

p = standard deviation of population

z = standard variate at a given confidence level, $q = 1 - p$

Therefore, at 93 percent level of confidence the corresponding standard variate $z = 1.81$ and the desired level of significance is 0.07. Since the target population number is less than 10,000, 50% is recommended to use. The value of $p = 0.5$ in which 'n' would be the maximum and the sample would yield at least the desired precision. Thus, $p = 50\% = 0.5$ and $q = 1 - p = 1 - 0.5 = 0.5$. Therefore, the sample size is given by:

$$n = \frac{(1.81)^2 (0.5) (0.5)}{(0.07)^2} = \frac{3.276 * 0.25}{0.0049} = \frac{0.8190}{0.0049} = 167$$

To get the actual sample size, for the population less than 10,000 the sample is determined by the following formula,

$$n = \frac{n}{1 + n/N} = \frac{167}{1 + 167/5887} = \frac{167}{1 + 0.028} = 162 \text{ actual sample size}$$

The 162 sampled households were divided proportionally among the five owners' associations based on the total number of households as indicated in the distribution in Table 1. Finally, the sampled households were selected using a random sampling technique from each association.

Table 1: Distribution of Sample Households and Association Leaders

Name of Owners' Ass.	Site location /woreda/	No. of Blocks	No. of HHs	Sample HHs	Sample leaders
Comet	6	15	554	13	1
Kaliti-Gebriel	7	6	198	5	1
Cheralia	7	6	240	6	1
Total	8	9	350	8	1
Gelan (1&2)	4	164	4545	130	1
Total		200	5887	162	5

Source: Field Survey

Both primary and secondary sources were used to produce the required qualitative and quantitative data. Primary data were collected through questionnaires and secondary data from government documents and owners' association archives. The following sources were used to generate the required data: (a) *primary sources*: Leaders of Owners' Associations and sample households as indicated in the table are sources of primary data. Questionnaires were distributed to five (5) association leaders and 162 sample households; (b) *secondary sources*: Documents on

condominium houses from housing development office of the Akaki- Kaliti sub-city and from the archives of the respective owners' associations included in the study; and (c) *photographs*: used to provide the visual dimension of the existing condition of condominium apartments to show the post-occupancy management problems as an expression of the qualitative analysis.

3.2 Data Analysis

Both qualitative and quantitative techniques were employed to analyze the data collected from the sources mentioned above. The qualitative analysis was employed in relation to rules and regulations, use of common elements and neighborhood environment with supporting photographs. Besides, the execution of powers and duties of unit owners association as per Proclamation No. 370/2003, and bylaws were evaluated. Finally, the quantitative analysis was conducted to figure out the distribution and variability of the identified problems under each major classification using descriptive statistical techniques such as tables and percentages.

4. Results and Discussions

4.1 The Study Area

The study area includes five condominium sites located in *Akaki-Kaliti* sub-city as indicated in Table 1. As indicated in the same Table *Gelan* (1 and 2) is the largest sight constituting 164 blocks and over 4545 households. The rest are much smaller in size as indicated in the same table. When compared to others, the large size of Gelan site is due to its location in the expansion sight of the City.

4.2 Tenure, Gender and Educational Status of Households

Tenure: A total of 162 household heads were interviewed in the five study sites. Out of these 56.8 percent were owner occupants and the rest 43 percent were renters. Renter households constituted a significant proportion of the residents in the study sites.

Gender: The sex distribution of the respondents revealed that 52.5 percent are male and the remaining 47.5 percent are females. The composition of male and female headed families is more or less balanced. This could be attributed to the special opportunity offered to women to access condominium units.

Education Status: Regarding the education status of the residents of the study sites, 42.7 percent of the respondents had Secondary/TVET education. Those having primary and university education accounted for 23.9 and 17.2 percent respectively. The percentage of people who could read and write only was also significant and close to those having university education i.e. 16.2 percent. The educational status of the occupants indicated the presence of diverse people with different educational backgrounds ranging from reading and writing only to university education.

4.3 Unit Owners' Association

As stated in Proclamation No. 370/2003, article 10, "The unit owners' association is an association established with a view to obtaining mutual benefits other than securing or sharing of profits." In the light of this, the activities of unit owners' association are explained in the objectives stated in article 11 of the proclamations. According to article 11, the unit owners' association shall have the following objectives: (a) manage the condominium on behalf of unit owners; (b) ensure the peace and security of residents in the condominium; (c) ensure that unit owners, occupiers of units, lessees of the common elements comply with this proclamation, declaration, description, bylaws and rules; and (d) perform other necessary activities in the interest of unit owners' mutual benefit.

In addition, article 19 of the proclamation enables the unit owners' association to have bylaws and rules derived from the proclamation. Based on this right, the unit owners associations in the study sites have adopted administrative structures with corresponding powers and duties. Among the different structures, it is found important to explain the powers and duties of two important bodies, i.e. the General Meeting and the Executive Committee.

General Meeting: as indicated in the bylaws, it is the highest governing body and entrusted with the following powers and duties. These are meant to approve the annual plan and budget, decide on activity and audit reports of the association, elect and remove members of the executive, audit, development and technique committees, decide on matters as may be presented by the executive committee and decide on the amount of transport allowance, per diem and other expenses

The Executive Committee: next to the General Meeting, the Executive Committee is responsible for running all the functions of the unit owners' association. Among the many powers and duties indicated in the bylaws of unit owners' association article 8 sub-articles 8 and 19 are worth mentioning in relation to the objectives of the study. According to sub-article 8 the Executive Committee is entrusted with the power to sue those residents who fail to comply with the regulations in relation to the use of common elements. On the other hand sub-article 19 clearly states monitoring illegal constructions and halting all activities that damage the buildings is the power and duty of the Executive Committee.

4.4 Post – occupancy Management Problems

The post occupancy management problems are divers in their nature. In this study the major post-occupancy management problems are classified in relation to the following types. (a) Rules and regulations, (b) Use of Common Elements and, Maintenance, (C) Neighborhood Environment, (d) Crime Prevention and Safety and (e) Social Cohesion. Under each type there are a number of problems identified and explained with supporting data and photographs. Besides, the arrows in the figure indicate the interrelationship among post-occupancy problems.

4.4.1 Rules and Regulations

Among the different post-occupancy problems, a number of issues are identified and equated to rules and regulations. The major post occupancy problems (Table-2) were of two types. The first group of problems was noticed by its outcome. It includes putting solid waste into septic tank (39%) clogging the normal disposal of liquid waste, coffee grinding using traditional utensils (44.1%) violets article 5, sub article 5 unwilling to be a member of the association accounting for 39.8 percent violating article 12 of Proclamation No.370/2003. The proportion of non-member residents is quite significant and large, noise pollution from TVs., radio and players (26.3%) violets the provision in article 5, sub article 1, that prohibits letting high volume noise from T.V., radio and players and the least one failure to pay monthly membership fee (24.6 %) violate article 17, sub-article 1 of the Regulation.

Table 2: Household responses on Post-occupancy Problems

Problem Type	Response	No.	%
Unwilling to be member of owners' association	Yes	26	16.1
	No	136	83.9
	Total	162	100
Failure to pay membership fee	Yes	40	24.6
	No	122	75.4
	Total	162	100
Failure to attend meetings	Yes	82	50.8
	No	80	49.2
	Total	162	100
Reluctance to protect & properly use common elements	Yes	59	36.4
	No	103	63.6
	Total	162	100
High volume of noise from TV. Radio & player	Yes	43	26.3
	No	119	73.7
	Total	162	100
Coffee grinding using traditional utensils	Yes	71	44.1
	No	91	55.9
	Total	162	100
Slaughtering of animals in prohibited places	Yes	54	33.1
	No	108	66.9
	Total	162	100
Pouring liquid waste down stair	Yes	81	50.0
	No	81	50.0
	Total	162	100
Keeping pets	Yes	40	24.6
	No	122	75.4
	Total	162	100
Unable to empty septic tank timely	Yes	69	42.4
	No	93	57.6
	Total	162	100
Random disposal of solid waste	Yes	78	48.3
	No	84	51.7
	Total	162	100
Lack of proper protection of plants	Yes	71	44.1
	No	91	55.9
	Total	162	100
chewing of “ <i>chat</i> ” and smoking of “ <i>shisha</i> ” in group	Yes	32	19.5
	No	130	80.5
	Total	162	100
Harassing young females	Yes	10	5.9
	No	152	94.1
	Total	162	100
Putting solid waste in to septic tank	Yes	63	39.0
	No	99	61.0
	Total	162	100
Stealing of washed cloths	Yes	103	63.6
	No	59	36.4
	Total	162	100

Source: Computed From Survey Data



Figure 1(a): A Newly Born Pup on the Ground floor under the up Stairs

Figure 1(b): Unauthorized Advertisements Posted on the Wall



Figure 1(c): Wood and Metal Workshops on the Ground Floor of Residential Apartment Incompatible Uses



Figure 1(d): Partial View of Satellite Dishes Fixed on Condominium Buildings

Some of the post occupancy problems are visible as can be observed from the pictures (Figs. 1(a), 1(b) and 1(c)). Article 13, sub-article 1 of the Owners Association bylaws prohibits the keeping of pets but as indicated in Fig. 1(a), residents keep pets violating the regulations, 24.6 percent. On the other hand, some people used walls to post unauthorized business advertisements spoiling the common element (Fig. 1(b)) disregarding article 7, sub-article 8. As indicated in Fig. 1(c), the presence of wood and metal workshops signifies incompatible uses that harm the safety and health of the residents in a purely residential apartment besides violating the regulations. Fixing satellite dishes on buildings is also a common problem in all sites disregarding article 7, sub-article 5 of the regulations (see Fig. 1(d)).

4.4.2 Use of Common Elements and Maintenance

Based on the nature of the common elements two aspects were identified. They are in-door and outdoor common elements. The pictures taken during the field survey depict damages inflicted by the occupants (Fig. 2(a)), structural damages due to poor construction capacity (Fig. 2(b)) and geological or inappropriate site selection (Fig. 2(c)). The photographs in Fig. 2(a) clearly show reluctance of the occupants and the management regarding the proper use of the corridor an important part of the indoor common elements. The deliberate removal of the tiles causes a physical damage on the building and is against the regulation that provides for the protection of common elements by all residents. According to article 27, sub-article 2 of Proclamation No.370/2003 it is the responsibility of the unit owners association to maintain common elements. But the management of the association is found to be passive unable to stop such wrong and distractive actions of some occupants. The response rate of sample households, 36.4 percent (Table 2) proves that reluctance to protect and properly use common elements was a visible problem.



Figure 2(a): Dilapidated Corridor, Floor Tiles are Removed, **Figure 2(b):** The Removed Tiles are Used for Foot Path



Figure 2(c): Dilapidated Corridor, Pipelines are Seen Exposed and Floor Tiles are Totally Removed

The structural damage due to poor construction as shown in Fig. 2(d and e) due to the pressure from the upper floors depicts the damage on the ground floor, and was a source of threat to the occupants' safety.



Figure 2(d): A crack line between the roof and the wall of the ground unit and upper floor
Figure 2(e): Cracked Wall in one of the Units (both pictures show the same unit) (Pic. on the right)



Figure 2(f): Cracks on Stair Case Joint between two Adjacent Condominium Blocks

As shown in Fig. 2(f), the cracks on the staircase that connects two adjacent blocks was getting wider and detaching from one of the blocks. The problem was a threat to all up stair occupants. Although the maintenance of the common elements was the responsibility of the owners' association as stated in the proclamation, the condition of the buildings in the pictures proves it is beyond the capacity of the management. The dismantled PVC¹⁸ pipes (Fig. 2(g)) signify poor quality construction at the finishing phase.

¹⁸ Polymerizing Vinyl Chloride



Figure 2(g): Dismantled PVC Pipes

Fig.2(h) indicates the most serious post-occupancy problem discovered associated with inappropriate site selection. The twin photographs both side and front views show water emerging from underground (spring water) or from the basement of one of the condominium blocks. This condition violates the provisions stated in UN-Habitat (2009), Goal 1 Indicator 1.1 & Goal 11, Indicator 3.8 ‘durable structures’ and ‘hazardous location’. Both Agendas call for the promotion of the right to adequate housing implying that housing units considered as ‘durable’, i.e. built on a non hazardous locations. However, as indicated in both pictures, while this study was being conducted, the location of one of the condominium blocks was exactly in geologically hazardous area proving a failure to meet the Habitat Agenda.



Side View (i)



Front View (ii)

Figure 2(h): View of Underground Water Leaking out from the Basement of a Condominium Block

The outdoor common facilities include car parking, playing ground, solid waste collection and deposition, washed cloth drying and traditional kitchen. Based on the responses of the sampled households 71.2 percent and 80.5 percent of the sample households claimed that there were no car parking and playing grounds. The arguments were supported by photographs in Figs 2(a – i). As indicated in the pictures, both outdoor facilities were not clearly identified and facilitated for the desired objectives. In all sites where this study was conducted, the available open spaces was largely covered by cobblestone and boys were forced to share these open spaces for playing games with cars around them.



(i) Mixed Use



(ii) Lack of a Proper Playing Ground

Figure 2(i): Mixed Use of Playing Ground and Car Parking

Table 3: Distribution of Outdoor Common Elements, Response by Sample Household Heads

Type of outdoor common element	Response	No.	%
Car parking	Yes	47	28.8
	No	115	71.2
	Total	162	100
Playing ground	Yes	32	19.5
	No	130	80.5
	Total	162	100
Solid waste collection & deposition	Yes	80	49.2
	No	82	50.8
	Total	162	100
Cloth washing & drying	Yes	45	28.0
	No	117	72.0
	Total	162	100
Traditional kitchen	Yes	91	55.9
	No	71	44.1
	Total	162	100
Slaughter house	Yes	114	70.3
	No	48	29.7
	Total	162	100

Source: Computed From Survey Data

On the other hand, outdoor facilities such as washed cloth, drying and solid waste collection and deposition facilities were found to be insufficient. This was supported by the responses of the residents, 72 percent and 50.8 percent respectively disclosed that the existing facilities were insufficient (Table 3). In addition, it failed to meet the Habitat Agenda Goal 5, Indicator 1.12 ‘promote access to basic services’.



Figure 2(j): Washed Cloths



Figure 2(k): Solid Waste Deposition Tanker

4.4.3 Neighborhood Environment

The neighborhood environment was affected by the activities of the residents both negatively and positively. Here the adverse impacts of human activities as causes of post occupancy problem were assessed. In this part, the main environmental problems affecting the residents of the study sites and people of adjacent neighborhoods were identified. Among the identified problems were improper liquid waste disposal (50%), random disposal of solid waste (48.3%) violating article 11, sub-article 6 of bylaws and Habitat Agenda Goal 11, Indicator 3.7, ‘regular solid waste collection’, poor environmental sanitation and protection of plants (44.1%), violating sub-articles 1 and 2, inability to empty septic tank timely (42.4%) and slaughtering of animals in prohibited places (33.1%), violating sub-article 3 of the bylaws (Table 2).



Figure 3(a): Improper Solid Waste Deposition at the Gate of a Block (pic. on the left)

Figure 3(b): Open Space between Blocks but not Used (pic. on the right)



Figure 3(c): Random Disposal of solid Waste at the Backyard of Condominium Blocks

Figure 3(d): Accumulated Liquid Waste from Liking Septic tank Leading to Environmental Pollution (pic. on the right)



Figure 3(e): Unclean Slaughter House and Improper Disposal of Liquid Waste from the Slaughter House Through a Hole

The pictures in Figs. 3(a, b, c, d, e) show neighborhood environmental problems as a result of improper solid waste collection, deposition and disposal, unprotected open space, accumulated liquid waste from a liking septic tank and unclean slaughter house. This is against the provisions stated in Habitat Agenda Goal 1, Indicator 1.11, and ‘access to improved sanitation’. The combined impact of the above conditions adversely affects the health of condominium residents and people in the adjacent neighborhoods as well. The UN-Habitat (2009), Indicators 1.11 and 3.7, Habitat Agenda Goal 5 and goal 11, provide for access to basic services. The pictures in Fig. 3(a-e) signify insufficient capacity to hygienically separate randomly disposed solid waste, accumulated human excreta from a liking septic system and liquid waste discharged from unclean slaughter house proving the failure to meet both agendas.

4.4.4 Crime Prevention and Safety

As observed during the field survey, the compounds of the study sites were not fenced by a permanent structure except the temporary barbed wire fences. Despite the presence of permanently employed guards at the gates of all sites to protect the safety and property of the residents such fences could not prevent unwanted intrusions from outside. In this study an attempt was made to identify threats to the safety of the occupants and their property. Based on the responses obtained from the residents, stealing of washed clothes was the main property related crime accounting for 63.6 percent (Table 2). Regarding the safety of occupants particularly women and young girls, the responses indicate that the magnitude of the problem was quite insignificant i.e. 5.9 percent. In addition to the guards in place, both the association leaders and sample household heads proved support from the nearby police was the other alternative means of protecting the safety and property of the occupants (Table 4). As indicated in the same table, more than a fifth of the sample residents

(21.2%) responded that they felt indifferent. These households excluded themselves from all affairs that brought them into contact with other occupants and the management.

Table 4: Crime Prevention and Safety Protection Mechanisms in Place Based on Household Head Responses

Description	Gelan	Total site	Cher.	Kaliti–Geb.	Comet	Total	%
Employing Trained Guards	36	6	4	3	8	57	34.7
Reporting to Police	41	0	2	2	3	48	29.7
Same to others	21	0	0	0	2	23	14.4
Indifferent	32	2	0	0	0	34	21.2
Total	130	8	6	5	13	162	100

Source: Field Survey

4.4.5 Social Cohesion

The issue of social cohesion refers to the degree of mutual relationship among the occupants of condominium houses. It is a function of different cases that affect smooth relationships. Based on the interview held with unit owners' association leaders, they unanimously agreed that no plan was prepared and implemented to bring social cohesion among the residents. As a result of lack of plan regarding the social life in the condominium sites, certain problems with their typical characteristics were affecting the community. For instance, over 63 percent (Table-2) of the occupants living in the study sites agreed that they were suffering from stealing of washed clothes. This problem negatively affected the social relation or community cohesion since the affected ones were suspicious on their neighbors.

On the other hand, the proportion of people unwilling to attend meeting accounted for 50.8percent slightly more than half of the total. This figure signifies that half of the population was unwilling to participate in issues demanding their involvement despite the obligations stated in article 17, sub-article 1 of the regulations. Some residents maintained special/exclusive relationships expressed by a unique practice such as chewing *chat* and smoking *shisha* in groups (19.5 %). The study also discovered the presence of households who were unwilling to be members of the unit owners' association (16.1%) despite the provisions stated in article 12 of Proclamation No. 370/2003. According to the article, "*every unit owner in a condominium shall be a member of the respective unit owners association*". Thus, in the study sites stealing of washed clothes, unwillingness to attend meetings, forming special/exclusive groups and unwillingness to be a member of the unit owners' association remained serious factors of weak community cohesion.

5. Conclusions and Recommendations

5.1 Conclusions

The post-occupancy management problems identified, classified and explained in the preceding sections of this paper were caused by the following factors.

5.1.1 Lack of plan

The explanations in Sub-section 4.4.5, disclosed the lack of plan to improve and strengthen the social life by owners' association led to problems expressed in different ways. For instance, stealing of washed clothes affected the smooth social relationship, unwillingness to attend meeting signifies lack of interest to meet with other people, forming and participating in special/exclusive groups (chewing *chat* and smoking *shisha*) undermined the broader community life and caused unwillingness to be a member of the unit owners' association defying the regulation remained serious factors of weak community cohesion. As discussed in Sub-section 4.4.4, to prevent crime

and protect the safety of the residents, the unit owners' association employed professional guards and worked in cooperation with the local police. Despite this, as indicated in Table 5, over a fifth of the total respondents are indifferent (21 percent) about the means of crime prevention and protection of the safety of the occupants and this requires a further investigation. This remains a serious challenge to the management of owners' associations.

5.1.2 Lack of Proper Site Selection

Lack of proper site selection during pre construction led to the construction of condominium buildings in a geologically hazardous location as indicated in both side and front views of Figure 2(h). On the other hand, lack of monitoring during and post-construction period of the condominium buildings by the concerned bodies resulted in problems presented in part of Sub-section 4.4.2, Fig. 2(d, e, f & g). In both cases, the pictures show the problems are visible and threatening the safety of the occupants.

5.1.3 Inability of Owners' Associations to Execute Their Powers and Duties

Inability of owners' associations to execute their powers and duties as per the proclamations, bylaws and regulations was observed in the study. This is proved by the presence of those problems explained under the major categories in Section 4.

5.1.4 The Reluctance and Failure of the Occupants to Comply with the Regulations

The reluctance and failure of a considerable proportion of the occupants to comply with the regulations and bylaws are best explained in sub-section 4.4.1, 4.4.2, 4.4.3 and 4.4.5 regarding problems in relation to rules and regulations, use of common elements, neighborhood environment and social cohesion with supporting data and photographs taken during the field survey.

5.2 Recommendations

Based on the findings and conclusions of the study, the following points have been recommended to mitigate the impacts of post-occupancy problems and to enable unit owners' associations to play their due roles.

- Plan to achieve strong social cohesion: As discussed in section 4, all unit owners' associations did not incorporate issues of social cohesion in their annual plan. In compact settlements such as these ones, achieving social cohesion promotes cooperation. Above all, a strong social cohesion promotes coexistence among people with different social, economic, ethnic, religious and educational backgrounds.
- Introduce effective property and safety protection system: To mitigate typical problems with the management of unit owners associations should get the cooperation and confidence of the residents, fence the compounds with permanent structures and encourage the employed guards to give due attention to properties found in the compound.
- Avoid geologically hazardous location and apply pre and post- occupancy monitoring: this refers to the importance of identifying and selecting appropriate site free from all natural hazards (landslides, earth quakes, flood, etc). In addition, to avoid structural damage following poor quality construction, there must be a regular monitoring of the buildings during the construction phase.
- Improve the capacity of unit owners' associations: a capacity building program definitely enables leaders of unit owners' associations to properly execute their powers and duties as stipulated in the Proclamation N0.370/2003 and bylaws.
- There must be a regular program to enhance proper awareness of bylaws and regulations of condominium housing to the occupants. This would help to reduce problems resulting from reluctance and failure to comply with rules and regulations.

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The Evaluation of Building Permit Issuance and Customers' Satisfaction in Addis Ababa: The Case of the Municipality, Bole and Lideta Sub-cities

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Abstract

The purpose of this study is to evaluate building permit issuance, customers' satisfaction and potential challenges in Addis Ababa Municipality, Bole and Lideta Sub-cities. It addresses issues of efficiency and effectiveness, service quality, customers' satisfaction, and major challenges and measures. Both qualitative and quantitative approaches were used with descriptive research method. The study sites were purposively selected, and primary and secondary data were collected analyzed qualitatively and quantitatively. The findings revealed that the performance of the service providers was inefficient and ineffective. Both SERVQUAL and Common Measurement Tools were applied to evaluate the service quality and customers' satisfaction and they showed negative results, indicating the service is not quality and does not satisfy many of the customers' needs. A longtime appointment and absenteeism were the major challenges. Finally, the researcher recommended concerned bodies to apply SERVQUAL and Common Measurement Tools to identify the gaps in the service delivery and exerting concerted efforts to improve the services and to scale up customers' satisfaction.

Key words: *Building permit issuance, efficiency, effectiveness, service quality, customers' satisfaction, SERVQUAL, and common measurement tools*

1. Introduction

Construction is one of the dominant sectors in urban areas that absorbs significant size of labor force and contributes a lot to the GDP. Besides, good construction regulation and related services matter for public safety, the growth of the construction sector and a country's economy as a whole.

Urban centers are areas where construction boom has been observed. Since 2007, 50 percent of the world's population has been living in urban areas, thereby generating more than 80 percent of global Grows Domestic Product (McKinsey Global Institute, 2011; and World Health Organization, 2010). There are different services provided by both the public and private parties related to this huge sector. Building permit issuance service is one of the services provided by the public in the construction sector. Hence, the efficiency and effectiveness of issuing building permit would have an implication on GDP.

Nonetheless, a 2009 survey of 218 companies in 19 APEC member economies identified that time and procedures in construction permitting as the biggest "regulatory impediment" to doing business (Singapore Business Federation, 2009). For many entrepreneurs, construction regulations are critical factors when deciding on where to establish their businesses. According to KPMG (2009), construction costs and the permitting process were among the top 20 factors in determining the location of a start-up in the US. KPMG is a firm formed in 1987 in order to offer audit, tax and advisory services to member (non-profit) firms, which include business corporations, governments and public sector agencies and operates in 155 countries with a primary objective of enhancing the quality of the firms.

In developing economies, it has been estimated that 60–80 percent of building projects were undertaken without the proper permits and approvals. In the Philippines, 57 percent of new

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construction is considered illegal. In the Arab Republic of Egypt, this share might reach 90 percent. In Georgia, before the new permitting process that was initiated in 2005, fewer than 45 percent of construction projects had legal permits (De Soto, 2000 cited in World Bank Group, 2013).

Ethiopia was ranked 55th of more than 150 countries on the Doing Business website. The site indicated only nine required procedures to build a warehouse. Addis Ababa city, for instance, has a building code with an established autonomous authority; Building Permit and Control Authority to make the service of building permit ease. The building permits issuing procedure and other related standards have been publicized at different times in different publications like magazines and manuals, such as the Federal Negarit Gazeta. For instance, the building permits procedures and related standards publicized by Federal Negarit Gazeta in 2009 and also in 2011. Other than these, there are certain manuals prepared by MUDC in 2011 at the level of Addis Ababa, in 2012 by Land Development and Management Bureau, and in 2013 by Addis Ababa City Administration Land and Development Management Office (AACALDMB).

The building code has detailed information related to the procedures to follow by both the service providers and service seekers. Among these are the type of material, the human resources, and the time given to accomplish different services in different stages for different types of buildings plus the fee payable for different building permit types included. The code also categorized buildings into three according to the section where building permit services could be performed.

The following table shows the building categories, the specific time given to every service, and the section where the issuance of the service could be rendered.

Table 1: Building Category, the Time Needed and the Place they performed

Building category	Type of building	Specific service time	Section where issued
Category 'A'	A one story building with a span of 7 meters or less between two reinforced concrete, steel ... any dwelling house not exceeding two stories.	5 days	Woreda level
Category 'B'	A building with a span of more than 7 meters between two reinforced concrete, steel ... or of two or more stories not covered in category 'C' or a real estate development of category 'A'.	7 days	Sub-city level
Category 'C'	Any public or institutional building, factory or workshop building ... height of more than 12 meters.	21 days	Municipality

Source: AACALDMB, 2013 and Federal Negarit Gazeta, 2009, p. 4674.

Note: The sub-city has an authority to give all types of plan consent, and the time given for this service is 45 minutes.

In order to evaluate the quality of the services, identify their gap and improve the situation, organizations in different countries applied different models. SERVQUAL and CMT are the two prominent instruments. The application of SERVQUAL dates back to 1985 by Parasuraman, Leonard Berry and Valerie A Zeitham, and has been improved at different times (Arash, 2004). CMT was first introduced and applied in Canada in 1998 (Information Victoria, 2010).

Addis Ababa, as a capital city of Ethiopia and the seat of national and international organizations, is a center of agglomeration for different activities and attractions for internal migration. The demographic dynamics associated with major socio-political and economic reforms in the last few decades has contributed to the boom in the construction sector. Moreover, Addis Ababa's charter mandates the city to provide its residents, citizens and foreigners who want to invest and/ or live in the city with efficient and effective public services (Addis Negarit Gazeta, 2012, p. 49).

Efficient and effective public service delivery has become the norm of the day, and major reform tools have been introduced and tried to realize the desired quality service provision. However, the growing demands from the public and the implementation capacity of the service providers have remained areas of interest. The vibrant construction sector in the city has resulted in a dramatic rise in building permit demand. Basically, problems associated with the service delivery bottlenecks that hinder the process of addressing the demand and achieving service quality are still rampant. Addis Ababa is not an exception to this reality.

Public service deliveries in different themes have been studied extensively (Loop et al. 2002; Mesfin, 2009; Mesfin and Taye 2011; and Emnet and Habtamu, 2011) though research knowledge on the particular subject of building permit is still scanty in Ethiopia. The researcher did not find a single research output evaluating the quality of the services and customers' satisfaction with the permitting service. It is necessary to study the issue with reference to the actual situations and customers' satisfaction in issuing building permit in the Addis Ababa city. Hence, this study is supposed to complement the existing research outputs in public service provision area. Specifically, it can help concerned bodies in the sector to address the gaps and further enhance the service provision.

The purpose of this study is to evaluate the building permit issuance process in terms of the service quality and customers' satisfaction in Addis Ababa and to recommend possible solutions to concerned bodies for the improvement of the service. Of course, the complaints from service seekers and experts' opinions make the issue worth to be investigated. The service seekers are the main group who are affected highly by the quality of the service rendered by respective institutions. They have been affected by lengthy and time consuming procedures, lack of information, rent seeking and corruption. Specifically, this study focused on the following specific objectives: (1) to assess the efficiency and effectiveness of the existing service delivery against the set standards; (2) to evaluate the service quality and customers' satisfaction; (3) to scrutinize the demand and supply side challenges in the service delivery process and measures that should be taken; (4) to indicate the potential way forward as policy implication for a better service delivery in the sector.

2. Review of Related Literature

2.1 Definitions and Concepts

In order to get the building permit from the authorized institution or office, one needs to have plan consent. According to the Federal Negarit Gazeta, 2011, plan consent is defined as follows:

Plan consent means a document verifying the compliance of a proposed construction plan with that of the plan, the type of permitted buildings and services prohibited, permitted heights of buildings to be constructed in a given topology, or indicating the adjacent infrastructures, as well as the size of existing and planned buildings on the area (Federal Negarit Gazeta, 2011, PP. 5891-5892).

Building/ Construction permit 'means a document verifying the permission given to a person to construct a building upon fulfillment of necessary requirements of the plan.' (Federal Negarit Gazeta, 2011, P.5892).

2.2 The New Public Management Concept for Efficient and Effective Service

Studies related to public administration indicate that traditional administrative system is ineffective, insensitive, inefficient, rigid and often hostile to the service seekers whom they are supposed to serve (Hood 1991; Pollitt, 1990; Osborne and Gaebler 1992; Osborne and Plastrik 1997; Rhodes 1997). This reality, together with the quest of promoting productive and allocate efficiency and

maintain public agencies responsiveness to the demand of citizens, forced restructuring and reshaping of the public sector service providers' organizations in the last three or more decades. As such, a set of different management techniques and practices collectively called New Public Management (NPM) have been firstly adopted by English-speaking nations. It is a performance based and an efficiency-oriented public management approach. One of its elements is more attention to the public service quality and great respect for the interest of the service users as customers in public services (Larbi, G.A., 2003).

Ayana (2015) defined the NPM as the public management with the new and modern bureaucratic methods by considering the existing environment and making the development sustainable. According to Brooks (2010), NPM has four models: efficiency model, downsizing and decentralization, model of excellence, and the public service model (Stephon Brooks, 2010 cited in Ayana, 2015).

Larbi (2003) mentioned that, in the traditional management, there were waste, over expenditure, focused on delivery than productivity and efficiency, unresponsive to service users, officials attention was in their self-interests rather than the public interest, monopolization of the public service, the poor information dissemination about the services, bureaucratic hierarchy, planning, centralization, direct control and self-sufficiency, and the incompetency abilities and interests of public employees, which were forced to reform and the emergence of the NPM model, and also put the exposure of the public services to greater competition as one of the solutions.

Concerning the NPM model, as Larbi (2003) stated, some of the major components of the new model are splitting of huge bureaucracies into a separate agencies by contractual agreements like the strategic policy core and operational arms of government, replacing traditional hierarchies with flatter, flexible and more responsive structures; separation of funding and purchasing from provision of services; avoiding centralization and give authority to managers with clear responsibility; and transform from input to output orientation and performance, which are almost opposite of the traditional approach.

Different countries have applied the NPM model in different times. For instance, UK created the executive agency through decentralizing the parent ministry and privatized some agencies in 1988; New Zeland has separated policy functions from operational agencies; Singapore since the 1970s, creating autonomous agencies and organized its civil service with the concept of statutory boards, and quantifiable and measurable target outputs were its base to assign the ministries and departments for budgets operation; Korea has created the executive agencies in 1999; Ghana, Uganda, Kenya, Tanzania, Jamaica, and Latvia have created the executive agencies from the already existing ministries (Ibid).

The application of the NPM has not been smooth as one expects. There are different factors, which need great attention and thinking before decision. The following are some of the factors or risks. These are: external agencies' influence related to support and preparedness, the design and content of the reform may be influenced by the knowledgeable external agencies and experts, and the inadequate local involvement, understanding and commitment may affect the successful institutional reform (Larbi, 2003).

NPM has also evolved along the lines of the New Public Service (NPS) being a mutually reinforcing and normative model of managing service delivery in the public sector. NPS is beyond the usual quality service delivery; it suggests that citizens need to be effective and responsible, whereas administrators should be responsive to the voices of citizens. On the other hand, values such as efficiency and productivity should be placed in the larger context of democracy, community and the public interest (Denhardt and Denhardt, 2007). Client-oriented, mission-driven, quality-enhanced and participatory management to heighten efficiency and effectiveness of public service

delivery is fashion of the day. Satisfaction of the needs of the citizens is, therefore, the core element of the public sector reform, and it led to private sector practices initiated mechanisms which focus on the quality of the services to be delivered to the citizens (Jahangir, 2008).

Regarding the Ethiopian experience, according to Brooks (2010) cited in Ayana (2015), the government of Ethiopia has been implementing the NPM. However, the different leadership problems and also the awareness of the service servants about the major components of the NPM such as transparency, integrity, justice, participation, accountability, rule of law, fairness, right to obtain reasons for official decisions, and serving the public interest made the implementation challenging and complex.

The Ethiopian government launched civil service reform program under the structural adjustment program at different times. As Fekadu (2014) and Ayana (2015) stated, the main focus of the first reform phase, which was from 1991 up to 1996, was about the restructuring of government institutions and retrenchment program, the second was launched in 1996 and under this service delivery ethics was one of the programs. The service delivery further sub-divided into six projects and development of service delivery policy, grievance handling directives, award system in the civil service, methods integration of related public service (center links), and preparation of technical directives for improving civil service delivery, and service delivery standard directives were the six projects. However, as Fekadu (2014) mentioned, because of giving more emphasis to technical aspects rather than attitudinal change of the workers, implementation without fulfilling the prerequisite, and the commitment of the political leaders, was not successful (Mesfin, 2009 cited in Fekadu, 2014).

In order to improve scale, efficiency and responsiveness of public service delivery, the government established Ministry of Capacity Building at different governmental levels in 2002. The Public Sector Capacity Building Program emerged in 2004 and civil service reform was one of its six programs. In the year 2005, BPR was launched by the Ministry of Capacity Building, but the implementation was not satisfactory and as a result BSC was introduced in 2008 as performance management tool. Nevertheless, concerning its implementation, there was a big gap. Some of the limitations which were obstructing its implementation were lack of details for its application in different organizations, unknown responsibilities, and experts were not well experienced about the reform tool (Mesfin, 2009 cited in Fekadu, 2014).

The major developments in the area of public service delivery include the introduction of charter approach to service delivery usually on the basis of the NPM. United Kingdom introduced Citizens' Charter in the late 1980s as an effort to respond to growing demands for accountability, transparency and efficiency, and pressures from the community for more and better services. Fekadu (2014) states that several countries have formulated their own charter: South Africa (People First, 1997), India (Citizen's Charter, 1997), Tanzania (Customer Service Charter, 2001), US (Customers First, 1994) and most recently in Ethiopia the Ministry of Civil Service launched Citizens' Charter in February 2012 for the sake of providing better service to the public (Citizens' Charter, 2012).

The major objective of the Ethiopian citizens' charter is citizen empowerment in relation to public service delivery, which was focused on the improvement of the quality of services, address the needs of citizens' rights and set clear standards, and also provide information about government services, the cost of the service, time required to get that service and other relevant information (Rojina Tamrakar, 2010 cited in Aklilu, 2015). As Centre for Good Governance (2008) mentioned and cited in Aklilu (2015, p. 2), the six principles of the Ethiopian Citizens' Charter are the following: (a) *quality*: improving the quality of services; (b) *choice*: providing choice wherever possible; (c) *standards*: specify what to expect and how to act if standards are not met; (d) *value*:

add value for the taxpayers' money; (e) *accountability*: be accountable to individuals and organizations; and (f) *transparency*: ensure transparency in rules and procedures.

Good governance in public service delivery has become a norm of the day since its first appearance in the 1989 World Bank Study “Sub-Saharan Africa – from Crisis to Sustainable Growth”. Different organizations (World Bank, 1989; 1992; AsDB 1995; UNDP 1997; AfDB & ADF 1999) have tried to formulate what constitutes good governance. Nonetheless, accountability, transparency, legal framework/rule of law/ predictability and participation are common elements that constitute good governance is found to be common to all definitions forwarded. Hence, quality and effective public service would be manifested via the service providers’ adherence and practice of the key elements indicating good governance.

Developed and developing countries are not the same in terms of service provision, especially in the public sectors. It is because of the knowledge and skill gaps and also the limitation of capacity to fulfill the necessary materials and equipments to deliver quality service and satisfy their customers, plus scant research output related with the issue, it is difficult to compare the service delivered by developed countries with developing like Ethiopia. The service sectors, especially in relation to the construction are not well developed and yet not fully understandable, for example, as to how to deliver the service effectively and efficiently. Due to the knowledge gap concerning issues on how to identify their strengths and weaknesses, some problems have been left unattended. Therefore, this study can help the sector to fill in the gap with relevant data about how they can evaluate their service delivery by applying different approaches so as to satisfy their customers.

2.3 Operational Definition of Key Terms

There are different key words that should be clear for the readers of this paper because without the full understanding of these words, it is difficult to understand the idea. *Building permit* is a permit issued for an individual, company or organization to build residential and public buildings. *Public building* refers to any building which is serving for the public including buildings constructed for investment. *Service quality* is the collective effect of building permit issuing service performance which determines the degree of satisfaction of service users. *Standard* is the time, material and human resources, level of quality and cost assigned to issue building permit for different service seekers. *Service seeker* is defined as an individual or any institution who wants the building permit service. *Service provider* is the building permit service giver, that is, the Building Permit and Control Authority at the municipality (central level), Bole and Lideta sub-cities. *Customers’ satisfaction* is a measure of the gap between customers’ expectation of the service and the actual performed service provided by the service providers.

3. The Methods

In order to achieve the overall and specific objectives of the research in line with the statement of the problem, the researcher designed methods to collect reliable and valid data, and to analyze and present the data properly. Therefore, the study included both qualitative and quantitative research approaches with a descriptive survey method.

The researcher purposively selected the three study areas: Bole sub-city from expansion area, Lideta sub-city from inner city, and Municipality because of some services only delivered at a central level. Primary data were collected from all building permit service seekers who obtained and who were in process in the data collection period, and from service providers (115 service seekers, 9 experts, and 3 officials) by using the data collection instruments - questionnaire, semi-structured interview, and researcher own observation.

Secondary data were collected from published and unpublished documents. One of the sources of secondary data was office registry book. The researcher selected 395 cases out of 3464 cases by employing both stratified and systematic sampling methods and the target population included those who obtained the service from July 2012 to May 2014. Both qualitative and quantitative data analysis techniques were applied. SPSS software, descriptive statistical analysis method, document analysis, narration and summarization were used to analyze the collected data. And then the analyzed data were presented in tables, figures and in text form.

3.1 Public Service Evaluation Approaches

The researcher adopted both SERVQUAL and the CMT approaches as service quality and customers' satisfaction measurement tools. This was because efficiency and effectiveness are the two major determinant factors that affect the performance of an institution to deliver quality service. They are also affected by different challenges come from both the service seekers and providers sides. The satisfaction of the customers' was also determined by the level of the service quality. Therefore, for this study in order to evaluate the quality of the building permit service and customers' satisfaction, the researcher found out that the model of SERVQUAL and the Common Measurements Tools (CMT) were better approaches. They are the most widely applied service quality and customer satisfaction measurement instruments (Wisniewski and Donnelly, 1996 cited in Prabha, 2010; and Robinson, 1999).

SERVQUAL is a model which is important to measure service quality by identifying the gap between the customers' expectation and their perception about the service. The model has five service quality dimensions and 22 factors or statements. The five service quality dimensions are the following: (a) *tangibles* - physical facilities, equipment, staff appearance, etc.; (b) *reliability* - ability to perform service dependably and accurately; (c) *responsiveness* - willingness to help and respond to customer need; (d) *assurance* - ability of staff to inspire confidence and trust; and (e) *empathy* - the extent to which caring individualized service is given.

Under the umbrella of the above five dimensions, there are 22 factors or statements. (Parasuraman, Zeithaml, & Berry, 1990, p. 24 cited in Chris Gibson, 2011, p. 28; Chingang N. and Lukong P. B. and Lukong P. B., 2010, p. 41).

CMT is a question bank and its purpose is measuring customers' satisfaction. The core issues are satisfaction, performance and outcome, and under the umbrella of these issues are time, accessibility, fairness, information dissemination, extra mile, knowledge and competency of the staff, waited time, the service output, and the overall service quality used as drivers/ indicators and outcome measures.

The researcher applied all the five dimensions and 22 statements of the SERVQUAL model as they are important and the right instruments for this study, and for CMT, the researcher selected the nine drivers that are important for this study with a five point Likert scale of measurement.

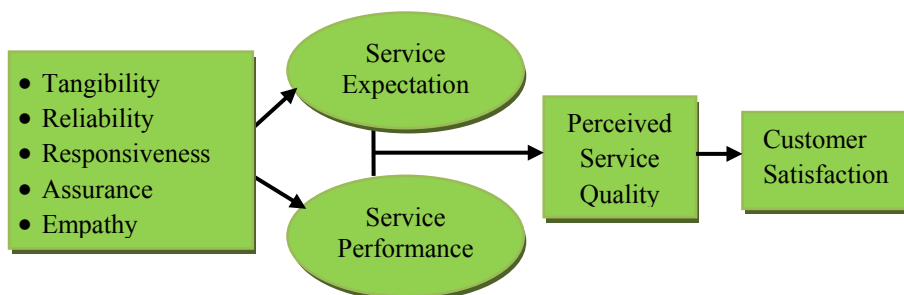


Figure 2.1: **SERVQUAL Framework**

Source: Adopted from Chingang and Lukong (2010, p. 47)

4. Results and Discussions

The primary sources of data for this research were service seekers and providers. Regarding the service seekers, the majority of the respondents categorized under the age group between 30 and 39, 95 of them are male, and the majority of the respondents were married. Regarding educational status, 65 out of 115 were degree holder and above; 83 of the respondents ran their own business; the majority earned income between 3001 and 6000 per month; 86 respondents engaged in business activity and 64 were owners of the organizations.

4.1 Standards versus Existing Facilities

Every institution has its own appropriate set up so that it can achieve its target properly. Regarding the institutional setup of the building, permit service providers as related work process owners, were separated in different offices and places but after 2004 E.C., they began to render services together in one office, and this facilitated the service process, the time became shortened, and the burden of the customers was minimized. Experts replied that BPR, as a change management tool, was being implemented in the three offices. Nevertheless, they could not link BPR with BSC because of a wide knowledge gap of the staff about BSC and its implementation.

There are different services provided by the service providers under the umbrella of this sector. The service seekers basically requested the service for both the public (including investment) and residential buildings. Out of the total (100 percent), 54.8 percent were for public and the rest for residential buildings, and from the total of the permit requested, 76.5 percent were for new building, following expansion or extension, which accounted for 12.2 percent and the rest 11.3 percent for maintenance of the existing building.

Standards are usually set to evaluate and assure the quality or the performance of service providers. They are good instruments for the administrators or managers to measure the performance of their organizations. Therefore, to evaluate the efficiency and effectiveness of the service, the researcher discussed about the procedures and related legal aspects to get the service, compare the standard and the existing office materials, human recourse and the time to get the service. In addition, the service cost, participation and attitude of the customers have been discussed.

Every service provision should be supported by laws, regulations, proclamations and directives with the appropriate procedures. One can issue the building permit if he/ she should get the plan consent, submit the application, review the plan by the expertise, thereby incorporating the comments (if any), and full address of the professionals who prepared the building plan and who basically should be there. If the building plan did not fulfill all these, it can be rejected by the building officer (s). In addition, building proclamation, regulation and directives, lease directive number 11/2004 E. C., ownership directive number 12/2004 E.C. and any building related legal document formulated at a federal level, for example, the Citizen Charter should be available in the three study areas and should be accessible to the users, both service providers and service seekers (AACALDMB, 2013, pp. 72 - 73). Nonetheless, the aforementioned documents were not fully available in the study areas.

There should be compliance handling mechanisms, good office layout, and offices should be well equipped with a good working environment, but actually the existing situation was not good and they performed, on average, less than half of the standard set, and the situation rather forced the experts to quit their work. As for, two-third of the respondents, the offices build the capacity of the experts through training. However, most of the experts were not interested in their work and they were not punctual.

When the expected and the actually available human resources in the three study areas were compared, there is a significant gap was observed. At the municipality, out of the total of 27

expected human resources, only 59.3 percent was available in the office. In the case of Bole and Lideta sub-cities, out of the total 12 (100 percent) expected human resource for each, 83.3 percent of them were available.

4.2 Standard and Actual Time to Get the Service

Regarding the time allowed as standard and the actual time (days) fixed for service seekers, there was a big gap. As it is fixed by the standard, it is only 45 minutes to get the plan consent for all types of buildings, and the minimum and maximum days needed for construction permit were 5 and 21 for categories 'A' and 'C' and real estates of category 'B' respectively. With regard to the reality in the three study areas, only less than one-third of the service seekers issued the plan consent and building permit within the standard time, but others waited even for more than a year. The respondents said that the reason was not only related to the service providers' but also the service seekers who are responsible as customers without exact timing and relevant documents.

Table 2: Standard Periods to Get the Building Permit

Service type	Type of building	Standard Time
Plan consent	All types	45 minuets
Plan review and then	Category 'A' excluding real estate	5 days
Construction permit	Category 'B'	7 days
	Category 'C' and real estates of category 'B'	21 working days

Source: Federal Negarit Gazeta, 2011; AACALDMB, 2013

Table 3: The Actual Period to Get the Permit in the Study Areas

Type of service	Municipality		Bole sub-city		Lideta sub-city	
	Max	Min	Max	Min	Max	Min
Construction permit	360 days	8 days	572 days	1 day	392 days	1 day
Plan consent	More than 95 percent finished within a day, the rest maximum 2 days - power interruption and computer problem are the reasons					

Source: Compiled from Unpublished office Documents, 2004, 2005, and 2006 Reports

Though the amount of money varies for different services, every service has its own service charge and every service seeker has to pay the service charge. The amount of money, as service charge, for different building permit types in different stages is fixed by AACALDMB (AACALDMB, 2013). According to Federal Negarit Gazeta (2011), the building permit service seekers have to pay 300.00 Ethiopian Birr for all types of plan consents. For the building permit fee, it shall be calculated per meter square, and for the plan approval fee, the service seekers shall pay 10 percent of the plan review fee. The service fee was costly for 33.9 percent of the respondents, and was average for 59.1 percent, and low for 7 percent respondents.

4.3 Customers' Participation

Public participation is crucial and mandatory to successfully implement any plan, strategy or policy. It is a major instrument of improving the quality of the services provided, and minimizing the cost of an organization, managing properly through monitoring and evaluation, satisfying customers, and finally developing the country as a whole as an important instrument of development. Actually, most of the time in most developing countries, the proper application is missing. As regards the three study areas, only 7 percent of the service seekers participated in the process. They stated that, if they got a chance to participate they could change the situation or add value to

improve the service provision. On the other side, the officials said that there was a public forum once within 6 months, but that was indirect participation, unattractive, and inadequate.

4.4 Service Quality and Customers' Satisfaction

4.4.1 Service Quality

Service delivery is the most important aspect that highly affects the quality of the services given by the service providers and determines the satisfaction of the customers or service seekers. One can measure the quality of the service provided by organizations based on customers' satisfaction determined by the difference between their expectation about the service prior and the actual service performed by the service providers.

The service delivery status of Bole and Lideta sub-cities and the Municipality was evaluated by the customers, i.e. by applying the SERVQUAL model based on the five dimensions and the 22 statements. The results have been described as follows.

Table 4: Summary of the SERVQUAL Score of the Three Study Areas

Statements	Performed		Expected		Mean Gap
	Mean	SD	Mean	SD	
Tangibility	2.757	1.702	5.635	1.641	-2.88
Reliability	2.702	1.771	5.702	1.765	-3.0
Responsiveness	3.912	1.929	5.830	1.645	-1.918
Assurance	2.982	1.843	5.647	1.777	-2.67
Empathy	3.106	1.900	5.802	1.685	-2.633

Note: Average SERVQUAL Gap Score = Total / 5 = -13.156/ 5 = -2.6312

SD – Standard Deviation

Source: SPSS result, 2014

As noted in Table 4, the five dimensions and 22 factors of SERVQUAL and overall service quality, the average gap score of the five dimensions is -2.6312; it is high and implies the services provided by the offices was not quality and did not satisfy the customers. Besides, concerning the comparison of values of the five dimensions, the highest gap score was recorded in the reliability dimension, which is -3.0, the next was of tangibility (-2.88), the third was of assurance (-2.67), the fourth was of empathy (-2.633), and the last was of responsiveness (-1.918), but here one has to underline that the negative values here are discouraging. The implication of the results is that all dimensions need great attention from the offices but the reliability dimension needs more attention than all of the other dimensions. It is a major dimension and deserves more attention to improve services and satisfy customers.

4.4.2 Customers' Satisfaction

Customers' satisfaction is the most important issue and a part of service providers' missions to sustain the existence of their organizations. In order to measure the quality of the service delivered by an organization, customers' satisfaction measure is the most important tool as the organizations tool kit. In order to measure the service seekers satisfaction, the researcher applied the CMT. Accessibility, fairness, information dissemination, extra mile, knowledge and competency of the staff, time spent, the service output, and the overall service quality were used as indicators and outcome measures. As a result, the majority (80.9 percent) of the respondents disclosed the poor performance of the service givers and they were dissatisfied by the quality of the service delivered.

4.5 Major Challenges

Nearly one-third of the respondents obtained some good quality of building permit from the service providers and they appreciated the quality of some of the office workers. However, there were different multifaceted challenges in the provision of the service both for service providers and service seekers. According to some of the service seekers, the challenges were longtime appointment and absenteeism, unfair treatment, lack of responsibility, information gap and documentation problem, corruption and rent seeking, insufficient human resource, absence of clear directives, and knowledge and skill gaps. The respondents repeatedly confirmed that there were lots of corruption and rent seeking practices in the offices, especially if the plan prepared by another professional (out of the office), to get the approval of the plan and at a final stage of the process, to get the approval of the construction permit, issuing the construction permit without corruption is impossible.

Some of the experts mentioned that the major challenges came from the service providers. Challenges, such as shortage of man power, transport problem for field work, regulations gap, knowledge gap about manuals and legislations, unattractive and poor working environment, unnecessary intervention by different offices (For instance, land management office), lack of confidence by officials (especially managers), static policy and regulation, incomplete manuals and regulations along with the available once are also general (not specific) so that left the decision to the experts. In this regard, the building officer of the Municipality responded that the office was under the bureau of land development and management, and this was a bottleneck for work which was not usually accomplished on time.

Experts also listed the challenges that came from the service seekers side. These were knowledge gap about the standards, inability to fulfill and bring all the necessary documents, impatience, limited or no knowledge about their rights, information gap (for example, covering the whole plot with a building without leaving a space for car parking as in building a hotel), and customers' resistance to accept the comments on their plan rather than being complainants.

Service seekers mentioned their own problems stating that, instead of requesting and getting the service in the right procedure, they wanted to get the building permit in a short and illegal way. They did not want to ask the right information from the right person; they wanted to get unnecessary benefit illegally, and most of them did not know the standard set and the document they should bring and the like.

4.6 Measures that should be Taken

The service seekers and providers were asked to suggest measures that should be taken in relation to both the service providers' and service seekers' sides in order to address the aforementioned challenges and improve the quality of the services to satisfy customers' needs. Among the service seekers, many (54.9 percent) of the respondents suggested some measures. These were, first the offices should establish supervisors' team and involve the public in monitoring and evaluation, and the team should set criteria for employees, hire responsible, ethical, and knowledgeable and skillful employees; there should be continuous training to upgrade the knowledge and skill of the employees and conduct experience sharing discussion programs with senior experts, thereby taking correction mechanisms. Then, rewarding or penalizing the office workers, making the office environment conducive, assigning merit based qualified officials with attractive salary, along with a well structured information desk, and a service charge commensurate with low income groups need to be considered.

Furthermore, according to many of both the service seekers and providers, the service seekers should know the rules, regulations, standards and the necessary documents; they have to apply with

full documents, should prepare their plan by the right professionals, know their rights and responsibilities, pay the service charge to the right person (cashier), and have to be patient and be there exactly in their appointed time, communicate the problem (if any) to the right person, and gather feedback (comments and suggestions) thereby fighting corruption and rent seeking. In doing so, they can address the problems, deliver quality service, and satisfy their customers.

5. Conclusions and Recommendations

5.1 Conclusions

5.1.1 Standards Vs Service Efficiency and Effectiveness

Efficiency and effectiveness are the most important and widely used parameters to evaluate service providers and how they deliver the service to the customers and their performance. One can measure the efficiency and effectiveness of services provided to customers based on the relevance of the service to the set standard through the appropriateness of the procedures and legal issues, and by assessing the standard and actual office equipments, human resources, time, and the affordability of the service charge.

Regarding the legal documents, let alone access to the customers, more than three fourth of the standard and legal documents were not available even in the offices. The other instruments to measure the efficiency and effectiveness of the offices were the comparison of the standard and actual office equipments, human resources, and the time given to get the building/ construction permit. In this regard, the comparisons of the standard and the actual available equipment in the three offices indicated that the two sub-cities fulfilled around half of the requirements, while in the municipality the status was less than one fourth of the standard.

In the case of the human resource at the municipality, 60 percent and in the two sub-cities, 83 percent of the required human resource was fulfilled. In relation to the time service seekers should spend waiting for plan consent, the standard time was 45 minutes but actually, on average, they spent a full day. For categories 'A', 'B' and 'C' buildings, the standard time was 5, 7 and 21 days respectively, while in the study areas they spent, on average, 184, 286, and 196 days at the Municipality, Bole and Lideta sub-cities respectively. As to the amount of money the service seekers should pay for a plan consent and building permit, it was high for one third of the respondents; for more than half of them, it was average; less than ten percent of the respondents replied it was low. More than 90 percent of the service seekers did not participate in the preparation period and in the performance evaluation of the offices.

In general, concerning the performance of the three building permit service provider offices based on the difference between the standard and their actual performance, one can conclude that the offices had a low efficiency level and they did not effectively. Perform the services.

5.1.2 Service Quality and Customer Satisfaction

In order to measure service quality and customer satisfaction, the researcher applied the two most commonly used instruments in different countries, the SERVQUAL by using the five dimensions and 22 statements, and CMT. The mean gap result of the SERVQUAL indicates that the gap score for the whole dimensions is negative with the average gap score of -2.6312. That means, customers' expectation was more than what the service providers performed. Even though there is no big difference among the five gap scores, the reliability dimension gap is wider than the others, and implies that all need great attention from the service providers who need to have more emphasis on the reliability dimension to improve and provide quality services for customers. The situation was also similar to that of some countries, for instance, the Catering company (Arash, 2004) and Maharashtra in India (Jyotsna Hirukhe, 2012). The majority of the customers responded that the current service is worse than the previous one.

Regarding the CMT, the researcher used the time, accessibility, fairness, information dissemination, extra mile, knowledge and competency of the staff, wait time, the service output, and the overall service quality as drivers/ indicators and outcome measures. The result indicates that more than three-fourth of the service seekers was not comfortable and dissatisfied with the performance and service output given by the building permit service providers. Most of the customers were not satisfied with the overall quality of the services given by the three study areas. The level of satisfaction measured by the customers was worse in the Municipality and Bole sub-city but relatively better in Lideta sub-city.

5.1.3 Service Providers and Service Seekers Challenges

The service seeking respondents mentioned a number of challenges they faced. Among the major challenges were longtime appointment and absenteeism, unfair treatment, lack of responsibility, information gap and documentation problem, corruption and rent seeking, and insufficient human resource and work load. The three building officials agreed with the prevalence of some of the above office challenges, especially rent seeking. They also added the general nature of the rules, regulations and proclamations as problems together with the knowledge gap which created implementation problems.

Experts from the three study areas listed the challenges that emerged from the offices. These were shortage of man power, transport problem for field work, knowledge gap in manuals and legislations, and lack of incentive for civil servants. They also mentioned the challenges came from the service seekers' side. Knowledge gap in the standards, inability of service seekers to fulfill criteria and bring all the necessary documents, impatience, customers' awareness problems about their rights, and resistance to accept comments on their plan and being a complainant were some of the challenges.

5.1.4 Measures that should be Taken

The measures that should be taken from both sides were mentioned by all the respondents. Establishment of supervision team, setting criteria, capacity building, creating conducive office environment, performance based rewarding and penalizing, well structured information desk, encouraging service seekers to bring the necessary documents fully, teaching service seekers to know their rights and responsibilities, and assigning the right person in the right place were some of the measures mentioned by most of the respondents.

5.2 Recommendations

Nowadays organizations are supposed to be well equipped with fast, efficient, effective and sustainable service and information as they are in the era of globalization and a great competition. The competition is not only among different organizations, urban areas or regions, it is also among countries and international organizations as well. In order to win the competition or at least to survive, service providers need to provide quality services and satisfy for their customers.

Therefore, based on the conclusions above, the researcher suggested the following points to the policy and decision makers, and service providers so that they can identify their gaps, improve their services, and provide quality services to satisfy needs of their customers.

- There should be a continuous capacity building to office employees, especially to experts through continuous short and long term trainings;
- Legal documents should be publicized and accessible;
- There should be public participation in all stages, the preparation and revision of the standards, and also at the time of evaluation period, so that concerned bodies can fight corruption and rent seeking;
- Research on customers' needs or customers' needs assessment should be encouraged;

- Services should be computerized and offices need to have their own websites to communicate with the service seekers for different online questions including online application;
- There should be compliance handling desk in all offices in order to understand and solve problems immediately;
- Concerned bodies should apply the NPM, SERVQUAL and CMT instruments to get the customers' feedback about the quality of the service given, identify the gap, and to measure the level of customers' satisfaction, and to provide customers with quality services and satisfy their needs.

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Administrative Discretion and Good Governance in the Expropriation Process: The Case of Arada Sub-City of Addis Ababa City Administration

*Simret Gebretsadik Araya**

Abstract

The administrative state government is required to provide different services and goods for its people. That is why; the government's power to intrude in to the realm of private property ownership is accepted as legitimate. Though expropriation is normal in substantive terms, the process of its implementation matters a lot. Unless the process is free from challenges of good governance, it is very unlikely to serve the purpose of public good. The central focus of this study was to assess administrative discretionary power in expropriation, the expropriatees' opinion about good governance in the expropriation process and the controlling mechanisms. To that end, the descriptive survey design with qualitative and quantitative research approaches was employed. The quantitative survey was composed of 157 expropriatees from different expropriation project sites and the key informant interviews were conducted with representatives of expropriatees' and officials of pertinent public organizations. Further, relevant documents were reviewed and used as sources of data. The findings indicated that there is no discretionary expropriation power. Rather, expropriation is conducted with strict adherence to predetermined urban plans and indicators. Even though there are full-fledged legal and institutional frameworks that enable concerned bodies to control the expropriating body, expropriatees did not make use of this machineries due to lack of clear understanding about the procedural safeguards they have. Thus, there are gaps in fully implementing the good governance principles during expropriation. Therefore, the study attempted to forward some feasible recommendations such as making a detailed use of public discussions and informing expropriatees about their procedural rights and duties.

Key Words: *Administrative Discretion, Expropriation, Good Governance*

1. Introduction

Administrative agencies are the right hand of a government in a way that they are in charge of implementation of policies, strategies and laws that aim at satisfying public interest and ensuring good governance in different aspects (Alder 2002). For obvious reasons, the law could not strictly set each and every criterion with in which the administrative organ has to function. As a result, it provides for both specified and discretionary powers that should be exercised by government agencies. When a government agency exercises its discretionary power, it is difficult to check and account the act or decision against any criterion provided by law (Longley and James 1999). Nonetheless, even if there is no tailor made positive law delimiting the outreaches of discretionary power, the rules of procedural justice and good governance should always be considered in this set-up. Otherwise, if administrative discretionary power is exercised without harness, it could result in arbitrary, inconsistent, fanciful, improper and corrupted decisions (New South Wales Ombudsman 2010).

Currently, intensive development endeavors are being undertaken by the Ethiopian government everywhere in the rural and urban areas of the country. Most of the urban land in Addis Ababa especially that located at the central part and its surroundings is already occupied by individual residents, government organizations, commercial organizations, religious institutions and

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cooperative societies. Further, due to old age, the central part of the city is being turned in to a slum. This scenario makes it compulsory for the government to expropriate private property based on prior payment of commensurate amount of compensation to the possessors of land and owners of the property built up on and planted over the land subject to expropriation (Article 40(8) of the Federal constitution).

Besides, the federal expropriation proclamation No. 455/ 2005 has provided for a discretionary expropriation power of the government. Likewise, the main focus of the subsidiary laws in the hierarchy such as the expropriation regulation and directive is on valuation of property and payment of compensation rather than incorporation of detail mechanisms for implementation of good governance in the expropriation process whereas, the fundamental principles of good governance urge, among others, for a transparent, accountable, participatory, legitimate and consensus oriented decision making process.

Some related researches yet done in the area stress on indicating how the expropriation law treats private property rights. Abdu (2013) stated that the only ways of accounting the expropriation act of government is by checking existence of public purpose, compensation, and the procedural legal recourse the Expropriatees have in relation to the amount of compensation. Similarly, Setebik (2013) found out that presence of public purpose in a certain development project is checked against the existing urban plan and this might result in arbitrary revision of urban plans under the guise of accommodation of public purpose. However, both researchers did not try to scrutinize the discretionary expropriation power of the Expropriating Agency in relation to the impact it might have on the implementation of good governance principles. Therefore, this research attempted to check practicality of the given discretionary expropriation power, the expropriatees' opinions on good governance in the expropriation process and availability of over sighting mechanisms in the case of expropriation.

2. Review of Related Literature

2.1 Conceptualizing Administrative Discretion, Expropriation and Good Governance

Administrative discretion is best described as the administrative organ's power to make a decision that cannot be evaluated and determined as right or wrong in any objective way (Grey 1979). Naturally, administrative agencies exercise a great deal of administrative discretion in the implementation of policies, laws and regulations. According to Amendola (2006) as cited in Ambaye (2013), expropriation is defined as the right of the nation or state or of those to whom the power has been lawfully delegated to condemn private property for public use and to appropriate the ownership and possession of such property without the owner's consent on paying the owner a due compensation to be ascertained according to law. Besides, good governance is conceptualized as a competent and humane administration that works in the service of citizens and protects the public interest. Thus, every administration shall be guided by rule of law, accountability, public participation, transparency, efficiency, equal opportunities and inclusion, policy agreement and the balance of interests in society (Cheshmedzhieva 2014).

2.2 Administrative Discretion and Its Importance in Governance

It is obvious that the modern government is required to intervene in various areas of public life such as transport, environment, health, education etc. The diverse nature of these services demand flexible and non-rule based approach. Further, the legislature has understood that it is not well equipped with the detail knowledge of policy matters and their implementation. So, leaving a certain degree of discretion for the executive is mandatory. Mensah (1998) strengthened this idea by explaining that administrative discretion plays an irreplaceable role in the business of public organizations. Davis, cited in Schuck (1994), affirmed that it is not sound to absolutely avoid the

use of administrative discretion; rather, the doctrines of rule of law and non-delegation should be used to determine necessary and unnecessary discretionary powers. Even if discretionary power is of an absolute necessity to the executive's mandate of fulfilling public interest and securing justice, it might sometimes be subject to abuse and arbitrary interpretation (Mensah 1998). The use of administrative discretion in public affairs is further criticized for the public officials' failure in considering the issues of procedural and formal fairness (Schuck 1994).

2.3 Means of Controlling Administrative Discretion

In order to minimize the negative impacts of administrative discretionary power on good governance and to ensure that officials confine to a certain standard, different mechanisms of controlling the exercise of administrative powers are set in place. According to Rosenbloom (2003), the rational application of administrative discretionary power is generally checked by structuring the administrative decision making process and providing for procedural and substantive review of discretionary decisions. If the control mechanisms find out that an administrative decision or action is arbitrary, capricious, done with abuse of discretion, without meeting constitutional, statutory or procedural requirements and not supported by substantial evidence, they make it of no effect. The commonly used control mechanisms are public participation, review within the agency, specific reviewing units established within the executive, judicial review and legislative review.

3. The Methods

Since the purpose of this research is to describe the practical application of administrative discretionary power and implementation of the principles of good governance during the expropriation process, the descriptive research design is appropriate (Kothari 2004). Besides, the study has made use of both qualitative and quantitative research approaches because; qualitative method is appropriate to study the selected issues in depth and to assess attitudes, behaviors and opinions of the respondents while quantitative method helps to study the selected issue in breadth (Creswell 2009). Therefore, the data collected via these two approaches enabled the researcher to address details of the research questions and to cross-check reliability of findings through the triangulation method.

Data for the current study was gathered by using a questionnaire prepared based on the research questions and an interview conducted with key informant interviewees. A 5-point Likert scale, which ranged from strongly agree to strongly disagree was used to record the responses of 157 expropriatee respondents randomly selected from Parliament Area Expansion, Old Qera No.1 and Basha Wolde Chilot No.2 expropriation sites. The key informant interview was conducted with purposively selected officials of the Federal House of Peoples Representatives' Urban Development and Construction Affairs Standing Committee, the Federal Supreme Court, the Addis Ababa City Administration Council's Municipal Affairs Standing Committee, the Federal Institute of the Ombudsman, the Ministry of Federal Affairs, the Addis Ababa City Administration's Land Development and Urban Renewal Agency, the Arada Sub-City's Land Development and Urban Renewal Office as well as two representatives of the Expropriatees. The statistical package for social sciences (SPSS) version 21 was used to analyze the quantitative data. The data analysis was done by using percentages and frequencies. On top of that, the qualitative data were analyzed and presented in a thematic and narrative way.

4. Results and Discussions

4.1. Existence of Discretionary Power in Expropriation

Even though discretionary power is very important for administrative agencies, it is sometimes highly complicated, dangerous and difficult to check its propriety. Discretionary power is very risky

particularly when it is made applicable to the three basic human rights namely right to life, liberty and property (Rosenbloom 2003). In the case at hand, discretionary expropriation power of the government is provided for by the federal proclamation No. 455/2005, as follows:

A woreda or an urban administration shall, up on payment in advance of compensation in accordance with this proclamation, have the power to expropriate rural or urban landholdings for public purpose where it believes that it should be used for a better development project to be carried out by public entities, private investors, cooperative societies or other organs, or where such expropriation has been decided by the appropriate higher regional or federal government organ for the same purpose (Article 3).

From this provision, it is clear that the expropriation power is given in a purely discretionary form. Thus, it seems that expropriation decisions are made based on the government body's sole belief about a certain private holding's conduciveness for implementation of public purpose projects. However, this contradicts with Article 10 of the Federal constitution which provides for the respect, protection and promotion of human rights. On this regard, the intention of the expropriation proclamation does not seem to provide for expropriation in a discretionary form. This argument is more strengthened by reference to the way "public purpose" is defined under Article 2 (5) of the same proclamation which runs:

The use of land defined as such by the decisions of the appropriate body in conformity with urban structure plan or development plan in order to ensure the interest of the peoples to acquire direct or indirect benefits from the use of the land and to consolidate sustainable socio-economic development.

Therefore, the government agency in charge of zoning the urban land in to different uses has to determine the areas that are going to be used for implementation of public purpose projects and this plan should be incorporated in to the structure plan or the local development plan. Moreover, the Expropriating Agency's expropriation manual has clearly provided for the preconditions that should be fulfilled before a certain area is selected for expropriation. These criteria focus on the extent of the problem pressure, extent of the development pressure and shortage of social and physical infrastructures. The criteria stated in the Agency's manual indicate existence of predetermined specifications for an area to be selected for expropriation. Therefore, the expropriation manual, the urban structure and local development plans serve as standards to check whether a certain area could be expropriated for public purpose projects or not. Thus, if a locality not identified as an area for public purpose projects is expropriated by the Expropriating Agency, the act of expropriation will become an abuse of discretionary power entrusted to it. Moreover, since the urban planning process should be participatory and consensus oriented, it could be said that there is public say on selection of expropriable areas. If so, residents of the selected locality could have prior notice about future expropriation of their landholdings. Hence, when the right time to expropriate comes, it would not be a sudden announcement to residents. Thus, participation enables future expropriatees to be physically, psychologically and materially ready for the government's act of taking over their property.

4.2. Expropriatees' Opinion on Good Governance in the Expropriation

4.2.1 Transparency

Transparency is the only gate to good governance. When transparency is ensured, it is easier to have better public participation, when there is public participation, consensus could be reached on the subject matter. Based on the consensus, people would be capable of discharging responsibilities and claiming for respect of their rights. In case of violations, they know how to activate the

accountability machinery. Overall, this scenario contributes to the better realization of rule of law (Graham, Amos and Plumptre 2003). Expropriation by its nature demands transparency on two fundamental issues. These are: (a) transparency on the purpose of the expropriation, the proposed development project planned to be implemented on the expropriated area and its developmental advantages to the public as a whole; (b) transparency on the implementation modalities of the planned expropriation and the substantive and procedural rights as well as duties of expropriatees. Concerning transparency on the expropriation process, respondents revealed that the expropriating agency has done well in creating awareness and convincing expropriatees about public importance of the planned development projects. Nonetheless, there was a gap in informing expropriatees about their procedural rights and the complaint handling system. In addition, even though expropriatees kept on raising various questions for clarities about the expropriation process, the agency's response in giving further explanations was unsatisfactory.

In every administrative activity, communication plays a pivotal role. To achieve its purpose properly, communication should be effective. One of the indicators determining effective communication is the mechanism used to communicate (Hoops 2014). Findings of this study proved that, among the common mechanisms of communication in expropriation, namely, meetings, media and written notice, meetings were the most commonly used modalities of communication. In fact, communicating the planned expropriation on meetings has a double advantage to both the expropriating agency and the expropriatees. From the side of the expropriating agency, it helps the government reflect its concern to the detail feeling and interests of expropriatees so that it can easily gain public trust and buy-in. For the expropriatees, it enables them to reflect their feelings and expectations immediately. In addition, both parties can discuss face- to- face and reach consensus with at least the majority.

Nonetheless, findings of this study have indicated that even though the agency has conducted meetings with expropriatees repeatedly, the main focus was on announcing the agency's expropriation decision and its purpose disregarding the concerns raised by participants. As a result, expropriatees were not well informed about their procedural rights and duties. This scenario hampered their ability to have access to the complaint handling mechanisms.

4.2.2 Public Participation

According to the International Organization for Governance's policy brief of 2003, as cited in Cheshmedzhieva (2014), public participation is one of the most important elements of a decentralized public administration. People should have a say on development projects planned to satisfy public interest. Public participation in expropriation cases is of paramount importance for two basic reasons. These are: (a) the expropriation per se is going to affect the fundamental interest expropriatees have in their private property and the locality where their immovable property is situated; (b) expropriatees themselves, as part of the public, are direct or indirect beneficiaries of the development project to be implemented on the expropriated and cleared area.

That is why the expropriation directive No. 3/2010 of the expropriating agency has given special emphasis and provides for discussions to be conducted with expropriatees regarding the expropriation and its implementation modalities. Accordingly, Article 4 (1) of the directive provides that:

Discussion should be made with expropriatees about the planned expropriation at the presence of different officials from the City Administration, the respective sub-city and Woreda administration, Process and sub-process owners of the Land Development and Urban Renewal Agency, coordinators and communication officers.

As per the directive, the purpose of this public hearing is to create awareness about importance of the planned expropriation project and its implementation. However, it is not clear regarding what expropriation issues are going to be raised and discussed.

Findings of the study indicated that expropriation related public discussions were made hierarchically at the Woreda, Sub-city and City administration levels in order to make them closer and convenient to expropriatees. Concerning convenience of the meeting time, meetings were conducted on the weekends, especially on Sundays. This day was chosen thinking that many people would be free from their regular jobs. However, since the majority (77%), of the respondents were self employed both in the formal and informal sectors, the formal weekend rests might not be applicable to them. Thus, taking the views of participants regarding the convenient time was very important in order to obtain constructive inputs that could facilitate smooth implementation of the expropriation project.

When, expropriatees are called to a meeting, they should be well informed about the agenda items and be given adequate time to get prepared on the points. If so, they can make active and meaningful contribution during the discussions. Nonetheless, respondents affirmed that they were simply informed that there would be meeting on a certain date and at a venue. In such a case, participants were unable to know what the details of the discussion were and what was expected from them. Moreover, majority (75%) of the respondents said that they were not given adequate time to discuss the general issue among themselves before the meeting date.

In fact, had expropriatees been informed about the agenda items and had adequate time been given for preparation, they could have been capable of exhaustively raising various issues and getting very clear about everything in the process. Hence, there was no need to go to the Urban Renewal Office to get further explanation on a certain expropriation related matter. Obviously, expropriatees who have well understood the expropriation and its implementation modalities will keep on track discharging their duties and exercising their rights as stated in the Memorandum of Understanding. However, due to absence of information on the agenda items, expropriatees were unable to make effective and meaningful participation. That is why; they repeatedly went to the urban renewal office and asked for clarification on different relevant issues.

As the official from the Institute of the Ombudsman said, expropriatees were suffering from lack of proper and adequate information due to high turnover of officials and experts in the land related offices. Thus, those who knew well about the expropriation laws and related issues were not available in the office when expropriatees claimed for clarification. That means, the newly appointed officials and fresh employees might not be well equipped with the details of expropriation as a result of which they were unable to give satisfactory explanations on the issues alleged by claimants. During the discussion, since participants were diversified in terms of educational, economic, social and political statuses, the chairperson should be capable of empowering every participant to speak his/her mind by striking a balance between some dominant participants and the ordinary ones. Otherwise, the discussion would be dominated and ordinary participants would not get the opportunity to reflect their views and get their voices heard (FAO 2012). On this issue, the findings indicated that since expropriation by its nature is touchy and really affects a person's right to enjoy his/her private property, there was no challenge of passive participation of participants.

Nonetheless, the main challenge of the chairperson was the participants 'act of raising irrelevant issues that could not be taken in to consideration to make improvements on the proposed expropriation. For instance, if a relocation area was prepared in one of the expansion sites of the city and this was communicated to expropriatees, some might say that they need to had a replacement plot of land in an area not that much far from the center. These people could get the

replacement land they claimed for if there was a vacant land spotted as residential and they had to produce evidence for the financial potential required to build a house as per the standard design for that particular area. Since most of these claimants did not have the required financial capacity, they continued complaining that their voices were not heard unlike those of influential persons who attended the meeting. In fact, this could be a manifestation of the participants' lack of information on the agenda items of the discussion.

Moreover, ensuring public participation in expropriation cases has benefits beyond legitimizing the government's decision and getting consent of expropriatees'. Since the land lease holding system is a recently introduced phenomenon, and there are public ambiguities about its essence, expropriation related public hearings are good venues to create public awareness on the land lease holding system. However, findings proved that the public discussions were not that much broad and detailed so as to create public awareness on the land lease holding system. On the other hand, it was argued by the expropriating agency that even if lease was not directly considered as an agenda of the discussion, the compensation calculation modalities towards which the lion's share of the whole discussions was inclined to were sufficient to understand what a land lease holding system is. Actually, expropriatees should not be left to try to understand the land lease holding system by inferring from compensation calculations.

4.2.3 Public Consensus

In a democratic set up, whenever there is public discussion regarding a certain development project, the purpose is to create the awareness of the public, to collect constructive inputs and to reach consensus between the government and its subjects on the matter under discussion. In such a scenario, the final result obtained would be a win-win one in which the interests of both parties are properly mediated and a sense of belongingness and ownership over the project is developed. Further, consensus creates a smooth ground for implementation of the decision reached (Hoops 2014). In the case at hand, expropriatees' consensus should be obtained on the planned expropriation and its implementation modalities. According to findings of the study, in almost all expropriation cases, the public consensus rate to the expropriation plan was 92-98%. What was difficult is reaching consensus on the implementation modalities. The expropriating agency's official stated that if consensus is not reached on the first meeting, the decision could not be passed but additional meetings are organized repeatedly up to ten times until the majority consent is obtained.

Pursuant to Article 4 (2) of the directive No. 3/2010, once consensus is reached and the discussion is finalized, expropriatees are required to elect their representatives from among themselves in a transparent manner. These representatives are required to have ethical competence and interest to serve the expropriatees. The maximum number of these representatives is determined based on the type of ownership of the houses subject to expropriation (government vs. private), and size of the expropriatees in terms of households. At a minimum, they should not be less than three. According to Article 5 of directive No.3/2010, these representatives are paid allowance for the days they spent serving expropriatees on the following functions and responsibilities: (a) observe the expropriation process starting from evidence collection up to- relocation and reporting misdeeds to the officials of the city administration or the sub city administration, as the case may be, and claiming for correction of the wrong done; (b) preventing improper acts from the expropriatees side and reporting the same to the city administration or the sub-city administration, as the case may be; (c) during measurement and valuation of the land holding and properties over it, representatives have responsibility to ensure that the expropriatee did not subject the valuation of other person's, crops, trees, house or properties, as his/her own.

Nonetheless, findings of the study pointed out that representatives were not elected in a fair and transparent manner. As a logical consequence, the service they rendered was not impartial. For instance, some representatives were engaged in running after protecting their own personal interests and the interests of those with whom they had personal relationships. These members' lack of ethical competence was a great challenge to the committee in discharging its responsibilities. In such a scenario, where expropriatees are dissatisfied with the services rendered by these representatives and have tangible evidences for misdeeds done by a representative (s), they have the right to replace them by convening a meeting where at least 2/3 of the Expropriatees have attended.

The problem here seems that, during the election, expropriatees did not give due attention to the ethical competence and public service initiative of their representatives. So, negligence during election makes them pay a price of discrimination and partiality in the process. Even after this problem is realized, they did not proceed to replace them because; they were busy winning their daily bread demands. The other reason could be lack of clarity on the procedure itself. Thus, while the solution was available, expropriatees were left with grievances on the act and behavior of their representatives.

The other thing expected from expropriatees, once consensus is reached is that their elected representatives and the Urban Renewal Office of the sub-city have to sign a memorandum of understanding (MOU), a contractual document which determines the rights and duties of each party. The finding showed that expropriatees did not know the content of the document and many (44%) did not know what an MOU is. Under such a situation it is very difficult for the expropriatees to discharge their duties and claim for respect of their rights. This gap is a challenge for the expropriating agency to implement the expropriation as per the agreement. For instance, the time span within which expropriatees should vacate their holdings and hand them over to the agency is clearly stated in the MOU. If an expropriatee does not know this requirement, she/he may not vacate on time willingly. In such a case, the expropriating agency would resort to using a police force. According to the basic principles of contract (Article 1678 of the Civil Code), expropriatees should not be considered as if they have given their free consents to the terms of an MOU which they did not know. Otherwise, validity of the MOU as a binding legal document would be vitiated.

Moreover, Article 4(2) of the lease proclamation No. 721/2011 provides that expropriatees should be given a period of notice of not less than ninety days. The intention of this provision is to prohibit the city administration from providing for a period of notice of less than ninety days. Thus, these ninety days could be taken as a minimum standard of adequate time. In this regard, the findings revealed that majority got notice period of more than the minimum standard set by the proclamation disregarding the contradictory provision of the City Administration's expropriation directive No. 3/2010 which provided that "the expropriatee shall vacate and hand over the land holding to the agency 45 days after compensation is paid and 30 days after the replacement house is delivered."

Providing adequate notice period is very important to enable expropriatees to be physically, economically and psychologically ready to cope with the challenges of the new locality they would be relocated to. Otherwise, expropriatees would be thrown in to a worrisome situation which affects their feeling of security and productivity. This circumstance could have an impact of spoiling the principal-agent relationship required to prevail in a democratic public administration. Similarly, findings of the study signaled that, consensus was not reached on the evacuation and relocation season. Most of the expropriatees were relocated during the rainy season, which was not convenient to move their property. Nevertheless, the expropriating agency's official counter argued that the rainy season was chosen intentionally because, in this season, schools are closed so that expropriatees can get their children registered for the new academic year in schools found in their relocation areas. Furthermore, since it is well planned, relocation during the rainy season is not a

big deal for expropriatees to raise it as a ground for their complaint. At the time of relocation, houses are already availed for those who prefer kebele houses or condominiums as replacement of their expropriated property, and a rent for a year and a plot of land is allocated for those who preferred it. Thus, it seems that, expropriatees raised the complaint due to the traditional trend or belief that “it’s not good to relocate or move during the rainy season.”

Nevertheless, due to the above stated traditional belief, it was practically observed that renters did not vacate the already rented rooms and houses; there was a real shortage of rentable houses in the city during the rainy season. This is a great challenge especially to Expropriatees who prefer to take plots of land as replacement for their expropriated landholdings; thereby planning to build their own houses in the future.

4.2.4 Rule of Law

Law is a set of standards of behavior determined by the society and authenticated by the legislature (Paton 2004). These standards determine the substance of the behavior and the procedure of its implementation. For example, the statement that “everyone has the right to own private property” is a substantive standard determining the behavior expected from those around the private property owner. In case, one has interfered in this realm, the procedural safeguard start to operate. Thus, the property owner could file an action against the intruder and finally would get compensated through the judicial machinery. Rule of law cannot be maintained unless both the substantive and procedural standards are met at the same time. Expropriation is an exceptional legitimate situation which allows the government to intrude in to private property right of individuals with the justification that its interference is having the end of serving public interest (Ambaye 2013). In this case, there are detailed substantive and procedural laws as provided by the federal constitution, proclamation No. 455/2005, proclamation No. 721/2011, regulation No. 135/2005 and the expropriating agency’s directive No. 3/2010.

The findings of this research indicated that; application of these laws is characterized by many ups and downs. One of the interviewees, an official from Institute of the Ombudsman, explained that the main challenge causing maladministration in expropriation cases is the experts’ and middle level officials’ lack of thorough understanding of the governing laws. In order to solve this problem, legal awareness creation trainings are usually given to these people. However, due to a high rate of turnover, the experienced officials and experts leave the organization and get replaced by new experts and officials.

Besides, until training was organized and given to the new comers, customers were served by those who did not have the required legal competence. This scenario sometimes obliges officials and experts to subject themselves to their personal judgment while they were serving customers. Consequently, this results in lack of uniformity, violation of laws and lack of fair and lawful service to customers. Moreover, it is sometimes observed that the land and immovable property related sector is highly susceptible to a rent seeking behavior. In such a case, even if the law is clear, it could be subverted and abused for the sake of personal interest of some unethical and misbehaving officials and experts. Therefore, the expropriatees’ low awareness about the whole expropriation process as well as their rights and duties was found to be supporting propagation of rent seeking and corrupt behavior in the area.

That is why, even though public grievance on expropriation related issues was high; many wrong doers left and others maintained their positions without being accounted for what they did. In fact, if the aggrieved party fails to file a complaint before the appropriate organ, it might be difficult to assess the behavior and action of the mal-administering officials and experts on time. When wrongs remained hidden, people saw the wrongdoer maintaining his/her position or sometimes getting promoted to a better one. Thus, they felt desperate about the system of accountability in general.

However, the public should be aware of the reality that the accountability machinery operates only when getting kicked off by the aggrieved party's act of filing a complaint against the misbehaving member(s) of the organization.

4.2.5 Accountability

The official behavior of public officers is regulated by laws of different natures and hierarchies. In case something wrong is done in violation of these laws, the accountability button of good governance should be pressed to operate it (Article 12 of the federal constitution). In the case at hand, the federal constitution, the expropriation proclamation No. 455/2005, the lease proclamation No. 721/2011, regulation No. 135/2005 and directive No. 3/2010 are the laws that should be considered while expropriating private landholdings. This shows that, the accountability framework is already established by law. In addition, there are different institutions established with a mandate of reviewing and controlling administrative decisions such as the parliament, the court, the complaint handling units and administrative tribunals.

While dealing with expropriation related grievances, the complaint handling mechanism should be responsive. Responsiveness does not mean giving all what is claimed by the complainant. Rather it is about responding "yes" or "no" quickly or within a reasonable time frame. Nonetheless, findings of this study indicated that the complaint handling mechanism was not responsive. Notwithstanding whether the decision is for or against the complainant, the decision maker has to give adequate reasoning and justification about why it is so decided. If the decision is not backed by adequate reasoning, the affected party would continue complaining. In this regard, findings of this study depicted that the complaint handling unit's decisions were unsatisfactory due to lack of adequate reasoning and justifications for the same.

Likewise, the findings revealed that the complaint handling unit was characterized by absence of timely decisions. According to the legal maxim 'justice delayed is justice denied,' the reasoning might not have that much importance while the main decision itself was not given on time. The prevailing delay in decision making could be due to various reasons. For instance; since, most expropriatees did not well understand their rights and duties as determined by law and by the memorandum of understanding, they might file complaints that were not substantiated with the required evidences or which did not have a cause of action. Thus, the administrative tribunal's decision could be delayed until all the corroborating evidences were produced by applicants.

Besides, many (43%) of the respondents had doubts about technical competence of the complaint handling mechanism. Basically, competence of the complaint handling unit lays on its level of independence and composition of its constituencies. At the tribunal level, the law has provided that the tribunal is independent and free from any kind of intervention. Regarding size and composition, members are between five and seven in number and it is a must for one of the members to be a legal expert from the city court. However, relevance of the profession of the other members is still in question. While entertaining expropriation related appeals; the tribunal is mostly presided by two officials from land related bureaus and one legal expert. So, due to the multidisciplinary nature of expropriation issues, there might be dearth of the required professional qualification to reach at justifiable decision. Finally, the findings demonstrated that complaints of expropriatees should not be left to final decisions of the executive tribunal alone. Rather, there should be a leeway via which complainants could take their cases to the regular courts on all expropriation related grievances. Otherwise, it is difficult to maintain rule of law and ensure accountability of wrong doers.

4.3 Mechanisms of Controlling Administrative Decisions

For the sake of ensuring good governance in the administration, administrative decisions are made subject to oversight and revision by different organs and mechanisms. These mechanisms are public

participation, review within the agency, review within the executive hierarchy, legislative review and judicial review.

4.3.1 Public Participation

Participatory decision making is very important to ensure smooth implementation of administrative decisions (Schuck 1994). Even though the parent expropriation act and its subsidiary regulation are silent about participation of the expropriatees in the expropriation process, the expropriation directive of the city administration has clearly enshrined such provisions. As per Article 3(1) of the directive No. 3/2010, the urban renewal project office is the organ empowered to expropriate land and permit the implementing agency to get the proposed land through expropriation process. If proposal of the implementation agency is accepted, the expropriating agency shall communicate the issue to the lower administrative organs in charge of administration of the identified area at sub-city and woreda levels so that they can discharge their responsibility to cooperate with the expropriating agency during implementation of the expropriation project.

Subsequently Article 4 of the directive titled “participating landholders in the area subject to expropriation” provides the details of how to conduct the public hearing. Therefore, it provides that:

- a) Public hearing will be held with expropriatees regarding the expropriation in the presence of process owners and sub-process owners of the expropriating agency at both the City and Sub-city administration levels, communication officers, Sub-city and Woreda leaders.
- b) Once consensus is reached on the need to expropriate, expropriatees should elect their representatives in a fair and transparent manner. The number of elected representatives should not in any way be less than three.
- c) Then, a memorandum of understanding shall be signed between representatives of the expropriatees and the city or sub-city process owners, as the case may be.

This indicates that the expropriation directive has given a great emphasis to the need of public hearings in order to create awareness of the planned expropriation as well as getting consent of participants on the implementation modalities. Thus, expropriatees get a chance to check the legality and appropriateness of the expropriation decision. If they feel that there is something wrong in the process, they can forward constructive comments and the problem could be corrected. If the expropriating agency is unwilling to reconsider their constructive comments, they can bring the matter to the attention of other controlling bodies. In spite of having such a detailed legal frame work for public participation, findings of this study proved that there was unsatisfactory public participation in the process and expropriatees were unsatisfied with the practical application of the law to public participation.

4.3.2 Review within the Agency

Having compliant handling units within every administrative agency is very important to render speedy and contextualized justice over the subject matter of a complaint (Cowan and Halliday 2003). Besides, it helps the agency itself correct its mistakes before the case is taken out for external scrutiny (Harlow and Rawlings 2009). In the case at hand, the expropriating agency has subsidiary offices established in all the ten sub-cities of the city administration. Since it is the sub-city’s land development and urban renewal office which practically signs the memorandum of understanding with representatives of expropriatees, it is primarily in charge of its implementation as well.

Therefore, Article 30 of the directive provides that any expropriatee who feels aggrieved with the amount of compensation or the given replacement house or plot of land has the right to claim for recheck of its appropriateness by the compensation and audit sub-process and if unsatisfactory decision is given, the complainant can bring the case to the attention of the complaint handling unit

within three days from the date of final decision by the sub-process. Then, the complaint handling unit is required to properly investigate the complaint and render its decision within seven days. The decision should be delivered to the complainant in a written form. If the complaint is unaccepted by the complaint handling unit, the reason thereof should be clearly stated in the decision and handed over back to the complainant in a written form. Even though a complaint handling unit is already established, the time given to accomplish its business is too short. This might have a negative implication on the quality of its decisions.

4.3.3 Review within the Executive Hierarchy

In case the complainant is not still satisfied with the decision of the internal review mechanism, statutory rights are provided for the individual to air his/her grievances through an appeal to an administrative tribunal (Thomas 2011). Accordingly, Articles 29 and 30 of the lease proclamation No.721/2011 have provided for the establishment of an urban land clearing and compensation cases appellate tribunal in all the regions and city administrations. This tribunal is independent from any kind of intervention from administrative organs and it is required to render decisions based on conscience and the applicable law.

Since the appellate tribunal is situated at the apex of the expropriating agency's administrative structure, it hierarchically controls the decisions of the lower expropriating organs as well. The Addis Ababa city administration's appellate tribunal is accountable to the city council. It is composed of not less than five members who are heads of different land related agencies of the city administration and one member is a legal expert from the city court. The term of office of the members of the tribunal is the term of office of the city council which is five years (Article 15(1) of the Addis Ababa City Government Revised Charter proclamation No.361/2003).

An expropriatee dissatisfied with decision of the complaint handling unit may file an appeal before the appellate tribunal with in thirty days from receipt of the decision of the complaint handling unit. The appeal would be admitted if the applicant has already handed over the land subject to clearance order to the appropriate body and attached the evidence to this effect. Then, the appellate tribunal shall examine the appeal with in thirty working days from submission of the appeal and notify its decision in writing to the disputing parties.

Decision of the tribunal, except in relation to monetary compensation, on issues of law and facts including claims for substitute land is determined to be final. Further, the tribunal may use police force where it finds it necessary to enforce its decisions. While conducting its functions, the tribunal is not required to be governed by the ordinary civil procedures. Rather, it shall be governed by expedient procedures issued by the city administration.

4.3.4 Legislative Review of Administrative Decisions

For practical reasons of lack of time and detailed technical expertise in the administrative area, the legislative body delegates some of its powers to the executive organs (Arnold 1987). However, this delegation is not given in a harness free condition. That is why, the legislative body overviews the executive actions through different mechanisms. This parliamentary control is very important to check the powers of political leaders and prevent them from ruling in an arbitrary or abusive manner (Levin 1986).

Since Addis Ababa is governed by a semi-autonomous city administration which is directly accountable to the federal government, it is important to see the mechanisms used by both the Federal and city administration level legislative organs in overseeing the executive body.

Among the sixteen different standing committees of the Federal Legislator, the Urban Development and Construction Affaires Standing Committee is the one entrusted with the mandate to follow up

expropriation decisions and the implementation process. According to the details of the interview conducted with the head of this committee, before expropriating the land holdings, the expropriating body needs to prove existence of public interest on the matter. Otherwise, the act of expropriating private property would become unlawful. Nonetheless, since, the lower executive organ is in most cases in hurry to implement the expropriation plan and satisfy public interest, it is common to see violations of procedural requirements.

In case of procedural improprieties and violations, there are different mechanisms by which the grievances of affected groups can reach the standing committee. First, the case could be reported to the Institute of the Ombudsman by affected groups. Based on the maladministration issues reported to it, the Ombudsman composes a report and recommendation to the legislator. After seeing the report in detail, the parliament decides and orders that the recommendation should be sent to the mal-administering executive organ for rectification. Second, individual complaints may be filed either in person or via representatives. Then, the committee members investigate whether the complaint is real or not. If the committee proved that, the problem has really occurred, it would send recommendation to the responsible executive organ for redress and correction of the wrong done. Third, executive agencies are required to submit and defend their annual plans before the parliament at the beginning of every fiscal year and made a quarterly report of their performance. Based on the report, the standing committee conducts follows up and supervision activities.

Similarly, among the five parliamentary standing committees of the Addis Ababa City Administration Council, the municipal service affaires standing committee is the one assigned with the mandate to supervise and control the executive in the areas of land and other municipal services. According to the statement made by the interviewed head of this committee, there are three mechanisms by which the standing committee controls the executive body. These are planning and reporting, supervision and control and handling complaints when they arise.

4.3.5 Judicial Review of Expropriation Decisions

The judiciary is considered as protector of individual rights from violation by individuals or organizations including the government (Mensah 1998). That is why even during the imperial regime, the civil code of 1960 has provided for judicial review of administrative decisions under its Articles 401 and 402. Without prejudice to provisions of the civil code, the jurisdiction to pass final decisions over expropriation related claims, except the amount of monetary compensation, is currently vested with the Urban Land Clearing and Compensation Cases Appellate Tribunal. With regard to this, an interview was conducted with a senior judge of the Federal Supreme Court. Accordingly, the judge said that even though Article 29 (3) of the Urban Lands Lease Holding Proclamation No. 721/ 2011 has provided for finality of the decisions of the appellate tribunal, this provision is inconsistent with Article 80 (3) (a) of the Federal Constitution, which provides that “the Federal Supreme Court has a power of cassation over any final court decision containing a basic error of law.” In principle, if any law, action or decision is inconsistent with the constitution, it would be of no effect (Article 9 (1) of the federal constitution). Thus, despite existence of such a provision in the lease proclamation, the cassation bench of the Supreme Court is entertaining all expropriation related appeals based on fundamental errors of procedural and substantive laws.

5. Conclusions and Recommendations

5.1 Conclusion

The objective of this study was to assess existence of discretionary expropriation power of the government, perception of expropriatees’ on good governance in the expropriation process and availability of mechanisms of oversighting and controlling administrative decisions. Accordingly, results of the findings of the study proved that the government’s power to expropriate private

property was not discretionary but subject to different standards and limitations such as requirements of the urban plans and operational manuals. Even though there were different legal and institutional frame works designed to ensure oversight and control on the decisions and actions of the expropriating agency, expropriatees suffered from lack of good governance in the expropriation process. This is mainly due to lack of awareness of their procedural rights and duties which consequently resulted in many ups and downs during implementation of the expropriation projects.

5.2. Recommendations

First of all, Article 3(1) of the expropriation proclamation should be amended in a manner that indicates the Expropriating Agency's mandate to expropriate private land holdings for public purpose based on the structural and local development plans rather than on its belief thereof. Further, there should be rigorous public participation in the urban planning processes and detailed discussions should be conducted on the contents of the expropriation directive and the MOU. In order to entertain the expropriatees' need for legal support, the expropriating agency has to create cooperative relationship arrangements with the Ministry of Justice and other professional civil society organizations engaged in giving free legal aid services.

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Principles and Practices of Good Governance in Tax Administration: Taxes from Category ‘C’ Taxpayers in Addis Ababa

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Abstract

The significance of good governance in ensuring effective tax administration in the public sector and enhancing tax collection is undeniable. Yet, there is scanty empirical evidence for the actual application of the principles of good governance in the tax administration system. The purpose of this study was to investigate the measures taken to institutionalize the principles of good governance within the Ethiopian Revenues and Customs Authority (ERCA). The study focuses on the assessment and collection of taxes from category “C” taxpayers in selected sub-city branches of the ERCA in Addis Ababa. The research features quantitative and qualitative data gathered from primary and secondary sources. As primary data sources, the key informants in the study were the leadership and staff of the ERCA and category ‘c’ taxpayers approached through key informant interviews, knowledge, attitude and perception (KAP) questionnaires and survey questionnaires. The secondary data was gathered from relevant documents including laws, policies and the ERCA website.

Key words: *Taxation, Tax Administration, Good Governance, Ethiopia, Addis Ababa, Category “C” Taxpayers, Ethiopian Revenue and Customs Authority, principles of good governance*

1. Introduction

Taxation has always been a central agenda to the global economic development. Taxation is indispensable for developing countries and it is an integral part of their development policies. It provides a stable flow of revenue for financial development priorities, such as strengthening physical infrastructure. It is also interwoven with numerous other policy areas of good governance and formalizing the economy for a spurring multifaceted national growth since it is a determinant factor for national, international trade and smooth flow of investment.

Recognizing the critical importance of taxation, countries across the world have introduced tax systems taking into account their specific circumstances. These tax systems principally consist of three interrelated components: tax policy, the tax laws and the tax administration (Kariuki 2003: 5). Tax policy and tax laws mainly set out the substance of the tax system in terms of the tax base and rules for the assessment and collection of taxes. Tax administration, on the other hand, puts in place the system for the actual collection of taxes by designated government bodies, usually a tax authority.

The purpose of the tax administration system is to assess and collect taxes due from the public purse (Das-Gupta & Mookherjee 1998: 28). In other words, “*a central objective of tax administration is to collect the full amount of taxes due under the tax laws in a cost effective manner and according to a high standard of integrity*” (Brondolo, Silvani, Borgne & Bosch 2008: 4). The fiscal function of collecting the planned amount of tax revenues to fulfill the need for public expenditure is the most important task of tax administration (Trasberg 2004: 5). In general, tax administration is concerned with five important functions. These are: “*information and instruction to taxpayers; registration, organizing and processing tax returns; coercive collection; control and*

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supervision; and, legal services and complaints” (Ott 1998: 6). In this process, tax administration systems face serious challenges relating to the volume of revenue collected, the efficiency of the system and the legitimacy of the tax system.

There are a range of problems that hamper the efficiency and effectiveness of tax administration in many countries. These include *“a steadily growing workload, the complexity of fiscal legislation, the attitude of taxpayers and the degree of non-compliance, the need to improve customer service, the need to reduce costs of tax assessment and collection, and the need for efficient and effective management”* (Hogye 2005: 2). Efforts to address these challenges often take the form of tax administration reform in the context of a broader tax system, public finance management, or a general public sector reform process (Trasberg 2004: 13).

Tax administration reform is concerned with more than an increase in the revenue collected for the public purse. Issues of efficiency and accountability in the collection of public revenue also figure high in the reform agenda. Tax administration reform also addresses the relationships between the tax administration system and the taxpayers. As part of revenue collection objectives, tax authorities seek *“to help taxpayers comply with the requirements of the tax laws and to enforce compliance when taxpayers fail to do so voluntarily”* (Brondolo, Silvani, Borgne, & Bosch 2008: 4). The success of these measures depends to a large extent on changes in the attitudes of tax payers through focus on taxpayers, taxpayer information and engagement (Ott 1998, pp. 9-10). Moreover, responsiveness to the circumstances of taxpayers is a major challenge of revenue authorities (OECD 2001: 4). This calls for accessible, dependable and timely information service, accurate and timely treatment of requests and appeals and consultation with taxpayers and other stakeholders on procedures and policies as well as putting in place policies and procedures that are transparent and protection of taxpayers’ information (OECD 2001: 4).

In addition to ensuring efficiency and effectiveness, the process has to satisfy the democratic requirements of fairness and justice in the provision of services to citizens as taxpayers (Ott 1998: 4). This in turn requires the application of tax laws in a fair, reliable and transparent manner. The development and introduction of taxpayers’ charters in many countries reflects the broad recognition of the rights and responsibilities of taxpayers in tax administration and tax administration reform (Hogye 2005: 4).

The relationship between tax authorities and taxpayers represents one aspect of the interaction between the government and citizens. The very rationale of the principles of good governance is to guide this relationship. As such, tax administration and tax administration reform should incorporate the principles of good governance as a matter of necessity (Rizal 2009: 419). The principles of good governance also contribute to a more transparent and accountable tax administration. On the other hand, increased integrity in the tax system and its administration contributes to wider public sector governance and transparency goals. In this respect, three principles of good governance are especially crucial for tax administration. These are participation, transparency and accountability (Rizal 2009: 420).

The overall objective of the study is to investigate the measures taken to adopt and institutionalize the principles of good governance, especially accountability, transparency and participation, in the selected Sub-Cities of Addis Ababa City Government (AACG). More specifically, the study aims to: (a) assess the current level of conceptual understanding and commitment to the principles of good governance among the leadership and employees of the ERCA; (b) evaluate measures taken by the ERCA to adopt and create ownership of the principles of good governance within the organization and among stakeholders; (c) examine the extent to which the ERCA put in place organizational systems to institutionalize the principles of good governance; (d) examine the extent to which the design, implementation and evaluation of activities within ERCA is in compliance

with the principles of good governance; and (e) evaluate the measures taken to improve human resource capacity to implement the principles of good governance in ERCA.

2. Review of Related Literature

2.1 The Concept of Taxation

The Organization for Economic Cooperation and Development (OECD) defines tax as “*compulsory unrequited payments to general government*” (Messere & Ownens 1985: 95). This definition captures the compulsory nature of taxes as opposed to voluntary payments. The Tax Justice Network Africa (TJNA) argues that tax is “*a fee levied by a government or regional entity on a transaction, product or activity in order to finance government expenditure*”(TJNA2015). The purpose of tax is, thus, to finance government expenditure.

However, not all mandatory payments to the government are taxes. From this perspective, tax has been defined as an “*involuntary payment to the government that does not entitle the payer to a quid pro quo benefit or to an equivalent value of goods and services in exchange*” (Bruce, 2001). This definition distinguishes taxation from other sources of revenue such as user charges and administrative fees that are provided in par with goods and services provided by the government for which exclusion of those who do not pay for them is possible. Taxes are also distinct from government borrowing or debt incurred by the government in relation to budget deficits as well as revenue from licenses and government business holdings. Taxation is the study of government revenue raising activities through taxes (Monkam 2011: 11).

2.2. The Principles of Good Governance

Good governance, as a system or manner of government, incorporates four fundamental and interrelated principles or elements: rule of law, participation, accountability and transparency (Oyugi 2001) In relation to the “*structure of government and the prerogatives of the different powers*” rule of law entails “*... effective and accessible means of legal redress, an independent legal system guaranteeing equality before the law and an executive that is fully subject to the law*” (ACP-EU 2001 Art. 9/2). From the perspective of participation, good governance is characterized by “*... a fair and efficient system of justice, broad popular involvement in political, social and economic processes ...*” (Oyugi 2001). Transparency, on the other hand, refers to “*... transparent interaction among all relevant political, economic and social forces working for the responsible shaping of public life and democratically legitimized decision-making*” (GTZ 2007: 8) . Finally, accountability as an element of good governance indicates that political leaders who make decisions as agents of the people are accountable to the same. For the World Bank control of corruption is one of the six dimensions of governance (Kaufmann, Kraay & Mastruzzi 2014).

More specific definitions of governance (and good governance) have been provided in reference to public sector reform. The International Federation of Accountants (IFAC) provides one relevant definition of governance in the context of public sector reform. For the IFAC governance “*comprises the arrangements (political, economic, social environmental, administrative, legal, and other) put in place to ensure that the intended outcomes for stakeholders are defined and achieved*” (IFAC 2013: 8).

2.3. Taxation and Good Governance

There is extensive research on the mutual effects of taxation and good governance (Zainulabideen & Iqbal 2009). The impact of taxation on good governance has a twofold operation. First, the need to collect tax from citizens creates ample ground for the development of a social contract based on bargaining around tax. In effect, citizens from whom tax is collected would be more actively interested in the operations of the state using the resources they provided. This in turn facilitates

representation and democracy. Secondly, the crucial need to assess and collect tax and raise revenues by the state logically leads to the creation of institutions for the collection and administration of the resources. This, then, creates state capacity essential to the process of state building.

This contrasts starkly with the effects of non-tax revenues directly raised by the state such as revenue from the extraction of natural resources. In this case, the state does not need to negotiate with citizens to a similar degree thereby diminishing the democratizing and capacity building implications of taxation.

On the other hand, good governance is essential for taxation and revenue collection in at least two major ways. First, a sound policy framework defined by effective tax assessment and revenue collection is essential for growth. This, in turn, increases taxable income and reduces dependence on foreign transfers in the form of aid, loans and grants. Secondly, a responsible, democratic and inclusive state is able to ensure that tax assessment, tax collection and other tax issues are transparent and based on negotiated rules.

The key principles of good governance that are most directly related to the tax structure are equity, fairness and participation. At the level of the tax administration itself, other principles including transparency and accountability as well as participation in decision making within the tax administration system also come into play.

Systems of taxation can make significant contributions in terms of re-shaping the relationship between the state and citizens while at the same time enhancing the capacity of the state as well as improving good governance and accountability. In the African context, the linkage between taxation and good governance has brought forward agenda relating to the linkage between taxes paid and services provided to citizens, the role of civil society vis-à-vis tax authorities, and fighting fiscal corruption in tax authorities (ATAF 2012: 9). The process has led to improvements in tax governance in terms of simplifying the tax structures, laws and regulations, and strengthening the capacity of the tax administration in some areas. There are, however, lingering challenges in the areas of stakeholder engagement in tax administration, linking tax collection to service provision, and building the capacities of tax administrations (ATAF 2012: 12).

2.4 Tax Administration in Ethiopia

Addis Ababa is a city government under the federal system of Ethiopia. As such, the tax structure and tax administration system in the city is determined under federal tax laws. The substantive income tax law in Ethiopia is the Income Tax Proclamation (as amended by Proclamation No. 608/2008 (FDRE 2002). The Council of Ministers has also issued the Income Tax Regulations in accordance with mandates given to it under the Proclamation (FDRE Council of Ministers 2002). The Income Tax Proclamation is the core legal instrument for the assessment and collection of taxes from various sources of income; one such source is income from business activities falling within ‘Schedule C’¹⁹ of the Proclamation referring to ‘income from businesses’ (FDRE 2002 Art. 6/b and 8/3).

2.4.1 The Tax Authority

The core institutions responsible for tax administration in Addis Ababa are the Addis Ababa City Government Revenue Authority, and the Ethiopian Revenue and Customs Authority. In principle, taxable business income, i.e. income from entrepreneurial activity, for each tax period is determined based on *“the profit and loss account or income statement, which shall be drawn in compliance with the Generally Accepted Accounting Standards”* at a rate of 30% for bodies with legal

¹⁹ The schedules refer to the sources of taxable income, not to be confused with categories of tax payers based on annual revenue.

personality (FDRE 2002 Arts. 17-19). The taxable business income of other taxpayers is subject to a progressive rate between 10% and 35% (FDRE 2002 Art 19/2).

2.4.2 Categories of Tax Payers

The Income Tax Regulations stipulate three categories of business income taxpayers: Category A, Category B, and, Category C (FDRE Council of Ministers 2002 18). The basic criteria for this categorization is the amount of the annual turnover of a business.

- Businesses incorporated under foreign or Ethiopian law, i.e. with limited liability, in principle fall under Category A along with any other business having an annual turnover of 500,000 Birr or more (FDRE Council of Ministers 2002 Art. 18/1) .
- Category B includes any business having an annual turnover of over 100,000 Birr, unless already categorized under Category A (FDRE Council of Ministers 2002 Art. 18/2) .
- Businesses whose annual turnover is estimated by the Tax Authority as being up to 100,000 Birr fall under Category C (FDRE Council of Ministers 2002 Art. 18/3) .

These categories are subject to change through a directive issued by the Minister of Finance and Economic Development (FDRE Council of Ministers, 2002 Art. 18/4) . The Tax Authority may also determine whether a taxpayer should remain in the same category next year based on declarations by taxpayers as well as other information (FDRE Council of Ministers 2002 Art. 22). Where the Tax Authority finds that the annual turnover of a Category C taxpayer has exceeded the upper limit, it may assess the taxes payable accordingly (FDRE Council of Ministers 2002 Art. 21/4).

2.4.3. Tax Assessment

The Income Tax Proclamation requires everyone engaged in a business or trade to keep books and records (FDRE 2002: Art. 48/1) . This requirement does not apply to Category C taxpayers (FDRE Council of Ministers 2002: Art. 19) . However, a Category C taxpayer may opt to maintain books of accounts in which case the amount of taxes payable would be determined based on these accounts as long as the accounts are acceptable to the Tax Authority (FDRE Council of Ministers 2002 Art. 21/3).

In the absence of books and records, the tax liability of Category C taxpayers is to be determined using “*a standard assessment method*” (FDRE 2002: Art. 68/1) . This method involves “*a fixed amount of tax determined in accordance with a Council of Ministers Regulations*” taking into account “*the type of business, business size, and business location*” (FDRE 2002: Art. 68/2) . The details of this assessment are provided under Schedule I and Schedule II of the Income Tax Regulations, which are subject to review by regional governments and city administrations (FDRE Council of Ministers 2002 Art. 21/1 and 21/5). Schedule I of the regulations set the presumptive tax due from category C taxpayers on a progressive scale based on the business sector the taxpayer is involved in and the annual sales of the business. Schedule III of the regulations, on the other hand, sets the taxable income of Category C taxpayers based on annual gross sales.

3. The Methods

3.1 Research Design

This study utilized a case study approach to research. The case study research method starts with the desire to derive an up-close or otherwise in-depth understanding of a single or small number of “cases,” set in their real-world contexts (Yin 2004: 2) . The case selected for this study is ERCA. From within the selected case, through purposive sampling, the study identified two sub-city branch offices based on consideration of representativeness as the core criteria. Thus, the study covered

ERCA branch offices in Addis Ketema Sub-City and Arada Sub-City. The head office of the authority was also included to provide a general overview and context to the study.

3.2 Sources of Data

The information/data required for the study was collected from both secondary and primary sources. The bulk of the data to be used for this study was generated from primary sources, i.e. the leadership and staff of the ERCA, and category “C” tax payers in the selected sub-cities. In addition, the research utilized secondary sources in the form of laws and policies, documentation on the activities of the ERCA, literature on taxation and tax administration, and relevant research reports. Secondary data was gathered both from print and electronic sources including the ERCA website.

3.3 Sampling

The population for the study consists of the leadership and employees of the selected ERCA branch offices and category ‘c’ taxpayers in the selected sub-cities. The study primarily focused on the authority as an institution. Thus, the leadership and employees of ERCA were the primary group of informants. The inclusion of category ‘c’ taxpayers in the selected sub-cities is generally done in consideration of the possibilities for triangulation.

3.4 Data Collection Methods/Tools

The core tool for the data collection process was a questionnaire designed to measure knowledge, attitude and perceptions (KAP) of the leadership and staff of ERCA, and category ‘C’ taxpayers. The research was also drawn on key informant interviews as well as focus group discussions (FGDs) designed to elicit qualitative information from selected staff and leadership of the ERCA. Document review was used to gather information from secondary sources. Finally, the researchers kept an extensive research diary throughout the research process.

4. Results and Discussion

4.1 Profile of Respondents

This current report covers the results acquired through the KAP questionnaires developed for the employees of ERCA and level ‘C’ taxpayers in two sub-cities of Addis Ababa.

Table 1: Profile of Respondents

	Tax Payers		Employees		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Arada	41	50.0	30	40.2	71	45.5
Addis Ketema	41	50.0	29	34.5	70	44.9
ERCA HQ	0	0	15	20.3	15	9.6
Total	82	100.0	74	100.0	156	100.0

4.2 Common Understanding and Commitment to Good Governance

The first question designed to elicit information on measures to create a common understanding and commitment to good governance within ERCA referred to whether or not participation, accountability and transparency figured in organizational documents (vision, mission, goals, and objectives). Barely more than a third of respondents believed that the principles of good governance were indeed incorporated in the organizational documents of ERCA. Though the proportion was much lower among taxpayers, the overall picture was alarming. Even among the employees of the authority, the proportion of those who believed that the principles were incorporated in the basic profile of their institution was significantly less than half. On the other hand, more than sixty percent of the respondents either responded in the negative or did not know whether this was the

case. These responses were also supported by document review and interview with the leadership of ERCA and its branch offices.

The next question posed to respondents was related to measures taken by the ERCA to adopt and create ownership of participation, accountability and transparency within the organization and among stakeholders. Only a third of the respondents considered the measures as at least adequate. The proportion who responded in the affirmative was higher among employees compared to taxpayers. On the other hand, key informants contacted for the study noted the existence of various efforts to ensure ownership of the principles of good governance within the organization. Though not as extensive, the informants also referred to similar efforts to do the same among stakeholders. This assertion, however, was not supplemented by the data collated from FGD participants who considered such efforts dismal at most.

Respondents to the questionnaires were also asked if the principles of good governance, i.e. participation, transparency and accountability received attention in all activities of ERCA. Overall, a much less than twenty percent of all respondents responded in the positive. Ironically, the percentages are much lower among employees compared to taxpayers. On the other hand, interview with key informants revealed that the Authority did take into account principles of good governance in its planning and evaluation activities.

4.3 Awareness of Policies, Strategies and Guidelines to Institutionalize Good Governance

Key informants for the research were asked to identify the areas of success for ERCA in terms of putting in place the necessary organizational policies. One key informant said, *“In relation to participation, the good governance plan has involved all employees and leaders. Everyone has provided input to the process and owned it. In relation to transparency, the problems with the organization have been clearly identified in the good governance plan.”* However, the assessment of progress by the same informant in relation to accountability was not positive. While noting some progress has been made, the informant admitted that *“there are still some issues in terms of implementation.”*

The questionnaires contained five specific questions on awareness of policy measures to institutionalize good governance in ERCA. The first question referred to efforts to fight corruption. Respondents from both categories were asked if the responses of ERCA to corruption were adequate. The overall response is almost equally divided among *positive*, *negative* and *do not know* responses. This implies that almost two third of the respondents did not believe that the responses to corruption were adequate. The differences between the two categories of respondents were not significant. In fact, a slightly higher percent of employees responded in the negative. The implication is that both employees and taxpayers lacked confidence in the adequacy of ERCA’s response to corruption.

The next question referred to whether ERCA was able to identify and respond to instances of misconduct. The responses were only slightly better than the previous question. Less than half of the respondents considered the effectiveness of ERCA in this respect as adequate or more. On the other hand, more than half considered it either inadequate or claimed lacking information to respond to the question. What is most worrying about this result is that slightly less than half of the employees contacted responded in the affirmative while more than half responded in the negative or failed to respond. This suggests a substantially low confidence among both taxpayers and employees on the effectiveness of ERCA to identify and respond to misconduct. The situation is even more dismal when one considers the responses of FGD participants. Yet, key informants interviewed on the same issue assessed the ability of the authority to respond to misconduct in a much more positive way.

The next question to the respondents was about whether or not the ERCA had a code of conduct governing the activities of its leadership and employees. The key informants confirmed the existence of such a code of conduct adopted by the authority in 2000 E.C. In fact, the code of Conduct is from a Council of Ministers regulation promulgated as law. The purpose of the question was two-fold: to determine if there was such a code implemented in practice; and, to see if there was awareness of the code among respondents.

The overall responses suggest a positive picture with almost two-third of the respondents confirming the existence of a code of conduct. Yet, this picture was misleading. Significant differences emerged when disaggregated for each informant group. While almost all employees responded in the affirmative, the share of positive responses among taxpayers was less than half. This implies that though a code of conduct did exist, taxpayers were unaware of its existence or application.

The other question presented to both respondent groups was the existence of a compliant mechanism accessible to clients, i.e. taxpayers, and other stakeholders. The response among employees was positive, as might be expected. The overwhelming majority of the employees responded in the positive indicating the existence of a compliant mechanism. However, the other side of the picture shows that more than sixty percent of the taxpayers contacted responded in the negative or claimed lack of knowledge of this question. The majority of focused group discussion participants shared the idea that there were accessible tax complaint mechanisms within ERCA. The key informants, on their part, agreed that this state of affairs contributed to low levels of compliance among taxpayers and needs to be addressed forthwith. This, they said, could best be achieved through measures designed to reduce the number of complaints and respond promptly as well as sensitizing the taxpayers and the public.

Another important issue raised by FGD participants was the actual utilization of the compliant mechanisms. Participants noted that taxpayers chose not to report misconduct by officers and officials for fear of repercussions. While unclear evidence had been presented on this issue, it is important that compliant mechanisms protected the taxpayers who came forward with complaints and reports.

The final question under this category referred to the compilation and dissemination of comments and opinions of taxpayers. Respondents from both categories were asked if ERCA compiled and widely disseminated comments from users. Almost half of the respondents in both categories stated that they did not know. The positive and negative responses were also stood at nearly twenty-seven percent. The interviews with the key informants raised another critical issue in relation to information and communication gaps from the perspective of the authority. ERCA apparently faced serious challenges in compiling information on taxpayers.

4.4 Human Resources Capacity

The next set of questions presented to employees of ERCA focused on measures taken by the ERCA to build their human resource capacity to effectively implement participation, accountability and transparency. While issues relating to the human resources capacity of ERCA had been included among questions presented to both categories of informants on the overall assessment of good governance outcomes, this section dealt with questions exclusively directed towards employees of ERCA.

The most appropriate starting point for discussions in this section is the result of interviews with key informants, i.e. the leadership of ERCA and its branch offices. The informants noted that there was a specialized directorate within the head office of ERCA responsible for good governance issues. However, the key informants revealed that there was no such structure in the organization of

branch offices. Instead, the responsibility was with the modernization and corporate sector or was taken as an additional task by the customer service group. The key informants also noted the absence of specialized expertise on good governance issues within ERCA, including the leadership and staff of the 'specialized' directorate at the head office level.

Another related issue raised by the key informants was the limited number of tax experts in the market and the high turnover among professionals working at ERCA. Most of the key informants also blamed the reportedly high staff turnover in the organization as a key human resource capacity challenge.

The first question posed to the employees and customers of ERCA through the questionnaires in this category referred to the level of participation of employees in evaluating the activities of ERCA. Asked if they directly participated in such evaluations, a little less than two-third of the respondents stated they did while almost a fourth stated they did not. The remaining around ten percent claimed lack of knowledge of the issue. This implies that more than a third of the employees contacted did not participate in activity and performance evaluations.

The key informants noted the existence of various mechanisms to engage with employees within the organization. According to one key informant, the most important among these was the one-to-five group arrangement. This is a discussion forum where employees discussed performance issues at organizational and individual levels. Forums were also organized for employees with middle and top level management. However, key informants also found gaps in the effort to engage employees.

On the other hand, key informants also raised one important issue on the substance of the compliant system, i.e. the code of conduct, for employees. These relate to two provisions of the Council of Ministers Regulations. The first mandates the Director of the Authority to terminate the employment of any employee he suspects of corruption even in the absence of adequate evidence. The second provision, on the other hand, provides for dismissal of any employee who has been sentenced to more than three months of imprisonment for any crime, including causes unrelated to his or her duties within the Authority. Key informants questioned the constitutionality of the first provision and the implications of the second to the social lives and relations of employees. Key informants also reported improvements in the effectiveness of the compliant handling system of ERCA and in the treatment of employees since 2013/2014. This, according to the informants, had been particularly evident in the handling of issues such as recruitment, promotion and transfers.

In this category a more direct question raised to employees dealt with whether or not their capacity to implement the principles of good governance was evaluated on a regular basis. Only forty percent responded in the affirmative, while a quarter of the respondents did not know. The implications of these responses were significant. More than sixty percent of the employees contacted for this study did not participate in regular evaluation of their capacity to implement the principles of good governance. This indicates that such an evaluation is not part of the overall appraisal of the performance of employees. These findings raise questions as to the effectiveness of the overall evaluation system at ERCA.

This issue was addressed by another question in the KAP questionnaire prepared for employees. The respondents were asked to assess the effectiveness of the mechanisms for the evaluation of employees in ERCA through a three level scale with a *do not know* option. Only a small number considered it very effective while around forty-four percent stated it was effective. Cumulatively, slightly more than fifty percent provided at least medium level responses. The remaining respondents constituting almost half of this category either considered the mechanisms ineffective or did not know. This was consistent with the findings through the previous question on specific good governance issues. The overall lesson here is that there is a need for consideration of the overall evaluation system as well as inclusion of good governance competencies.

Most of the key informants, on the other hand, noted the extensive organization-wide application of the Balanced Scorecard (BSC) system in ERCA since July 2008. The evaluation process started with employees keeping daily records of their activities. These records feed into the peer review process normally conducted on a weekly basis. Formal evaluations take place on bi-annual basis. On the other hand, the informants expressed concern about the lack of uniformity in the appraisal and incentive system of the authority.

Similar results were reflected in the responses to the next question on competences. Asked about opportunities to develop their competences, little more than a tenth of the employees contacted for this study reported having regular opportunities to do so while little more than a third responded 'sometimes'. The remaining more than half of the respondents stated either 'rarely' or 'do not know'.

Most of the key informants also confirmed this finding in terms of concentration of qualifications in management, economics and business related qualifications among employees of ERCA with limited expertise in areas important for good governance. High and medium level management staff, who were, in most cases, political appointees, tend to re-enforce traditional views of governance or "*the business as usual approach*" rather than modern leadership practices. On the other hand, some of the key informants also noted improvements in capacity building efforts in recent years. Yet, the positive impacts of these changes were dulled by challenges relating to limited accessibility of opportunities and high staff turnover. The latter was especially troubling in terms of the extent of the problem.

Knowledge about the existence of human resources development policy was the next question posed to employees. Less than half indicated the existence of such a policy while a little more than a tenth responded in the negative. The remaining forty-four percent of employees contacted did not know whether or not such a policy existed at ERCA. To further clarify matters, those informants who responded in the affirmative were asked whether or not the policy incorporated the principles of good governance. Less than half of this group stated it did while the remainder responded in the negative or stated they did not know.

The final question in this category was related to the activities of the authority to facilitate the adoption and application of the principles of good governance among stakeholders. While this was not considered a human resource development issue for ERCA, the intention was to shed some light on efforts to address similar concerns among institutional stakeholders. Only a few of the respondents considered the efforts of the authority in this respect to be more than adequate while a little less than half considered it adequate. The remaining forty-four percent considered the efforts of the ERCA to be inadequate.

Key informants contacted for this study did not agree with these findings pointing to various measures taken to ensure the engagement of stakeholders in matters of good governance and other issues.

4.5 Assessment and Collection of Taxes

The assessment and collection of taxes is most crucial in the context of category 'C' taxpayers in Ethiopia. To begin with, the category represents a large number of taxpayers. Most businesses in Addis Ababa are small businesses falling within this category. In addition, the amount of taxes collected from each taxpayer in this category is relatively small entailing significant efforts in collection. The fact that there is no legal requirement for keeping books of account for this category implies that taxes have to be assessed on the basis of estimates based on the information provided by the taxpayer.

The first question in this category was about taxpayers' reaction to whether or not they considered the amount of taxes they paid to be fair. Almost sixty percent of the respondents considered the taxes they paid as too much, while half that number considered the taxes fair. A few respondents reported paying too little. The picture is even more clear in the FDGs where participants almost unanimously complained about paying too much in taxes. Some even suggested they were being forced off the market by the tax burden. Key informants interviewed for this study confirmed the same problem.

As regards the respondents' assessment of taxes for category 'C' taxpayers, the respondents were asked if the assessment of taxes in their experience was based on objective criteria. Less than a third agreed that it was so. The majority did not agree, i.e. they believed the assessment was based on 'mere guesswork' rather than 'objective criteria'.

An overwhelming majority of the respondents did not agree that the assessment was based on objective criteria. Taking into account the number of respondents who considered the amount of taxes as at least fair, the issue here appears to go beyond the mechanisms employed in the assessment. Concerning the stories told by participants in the FDGs according to one informant, the assessment was so personal and discretionary; many taxpayers had little choice but accommodated illegal requests by the assessors for money and other favors. Though difficult to confirm, the use of sexual favors to get a favorable assessment had been reported.

The next question in the category throws more light on the situation. This question was related to the fairness or otherwise of the assessment of daily or annual income of taxpayers as a basis for tax assessment. Less than thirty percent of the respondents agreed that the assessment was fair. The remaining almost seventy percent either did not agree or did not know.

Another question in this category refers to the equitable assessment of taxes for category 'C' taxpayers. Asked to disclose whether or not they agreed that similar businesses in the same area paid similar taxes, and less than a fourth of the respondents agreed with the statement. The remaining more than seventy-five percent responded in the negative; more than half of the total number disagreed with the statement while the remainder did not respond.

Concerning whether or not the assessment was based on information provided by taxpayers, less than thirty percent believed the assessment was based on information provided by taxpayers on their daily income. The remaining more than seventy percent responded in the negative or did not know.

In general, most of category 'C' taxpayers contacted for this study overwhelmingly questioned the fairness of the tax assessment system in terms of mechanisms, equity among taxpayers and basis for the assessment. While these issues were inherent in the size and number of taxpayers in the category, the numbers here need to be stressed by concerned bodies. The awareness of taxpayers regarding the assessment process may should also be underlined.

Asked whether or not the ERCA provides information for taxpayers directly or through the mass media, almost two-third of the respondents responded in the affirmative, while around seventeen percent responded in the negative. Taking into account the remaining (around twenty percent) respondents who stated they did not know, that is another way of saying that they did not receive adequate information. Moreover, this is a dismal result for the authority. Considering in the light of the responses to the previous questions, this suggests significant gaps in focus and effectiveness of information provided to the taxpayers.

This finding is supported by those from FDGs with groups of category 'C' taxpayers; the discussants stated that they had not received any form of organized information or training on tax issues. While there were some who responded that they had been informed on these issues, it was

generally in the form of general information through mass media. According to the participants of FGDs, both the quantity and quality of the information was commendable.

The data from key informants with the authority, on the other hand, suggests that the authority had not only put in place multiple formal and informal mechanisms for dissemination of information, but also communicated relevant and quality information to tax payers. This apparent divergence of opinions indicates the need to review the information and communication activities of the authority in a participatory process. Key informants of this study also underlined the need for *“a regular awareness raising process with a dedicated unit and necessary resources”*.

4.6. Overall Assessment of Good Governance

The last category of questions presented to both categories of respondents refer to the outcomes of efforts to adopt and implement principles of good governance. While some of the questions revisited issues covered in other parts of the survey instruments, this category of questions was intended to provide an overall picture of the level of success in general. The first question refers to the current level of conceptual understanding and commitment to participation, accountability and transparency among the leadership and employees of the ERCA. A little less than a third of the respondents chose the medium level, while about fifteen percent chose above medium and forty percent rated the question below medium. Taking the almost ten percent who did not know, half of the respondents rated this item as poor. The difference between employees and taxpayers is almost negligible. Generally, the respondents rated this question unfavorably. Moreover, the picture worsens when one considers the number of respondents who chose ‘do not know’. This reflects a level of suspicion as to the understanding of the principles of good governance among the staff and leadership of ERCA among nearly a third of the respondents.

In response to a second question on whether or not the staff and leadership of ERCA knew what to do in cases of violation of the code of conduct or in instances of abuse and corruption, less than twenty percent of all the respondents rated this issue above medium, while a little more than thirty per cent rated it as medium. More than a third of the respondents rated it as less than medium. Less than fifteen percent of all the respondents indicated that they did not know. Generally, the respondents rated this question unfavorable. However, the picture changes when one considers the number of respondents who disclosed that they did not know. All in all, about half of the respondents did not believe that the leadership and staff of ERCA understood the principles of good governance in theory and practice. This reflects a level of suspicion concerning the understanding of the principles of good governance among staff and leadership of ERCA among nearly a third of the respondents.

The second question in this category was about whether or not the staff and leadership of ERCA knew what to do in cases of violation of the code of conduct or in instance of abuse and corruption. About twenty percent or one in five respondents rated this question above medium while a little less than a quarter rated it at medium. A little more than thirty per cent rated it at less than medium. More than twenty percent of all respondents have chosen the ‘do not know’ option. All in all, this is not a favorable rating. Considered with those who chose not to respond, i.e. choosing the do not know option, the low rating is too high at more than fifty-five percent. The picture is similar even among employees of ERCA. This suggests serious doubts on the adequacy of contact and communication with stakeholders. This is supported by the findings from FGDs. Participants in the discussions noted that the participation of taxpayers in tax governance issues such as planning, problem identification, priority setting and controlling of tax fraud was almost non-existent.

Respondents were also asked about the overall confidence of beneficiaries, i.e. taxpayers and other stakeholders, at ERCA. A little more than a quarter of respondents rated this question as more than medium, i.e. slightly more than thirty percent of the respondents rated it at less than medium. More

than a quarter rated the question at medium. Overall, there was a small divergence between the ratings given by taxpayers and employees. This is another low rating especially considering the significant number who chose the 'do not know' option. Along with the low ratings, these respondents constitute more than forty percent of the total number. While this rating should be considered in the context of the profile of respondents, it suggests gaps in securing the confidence of beneficiaries.

The next question posed to the respondents was meant to rate the human resources capacity of the ERCA to implement the principles of good governance. Less than a third of the respondents rated this question as more than medium, while a similar number rated it as less than medium. About a quarter rated it medium. This puts the total number of respondents rating this question medium and above close to more than sixty-three percent. While a total of nearly a third of the respondents rated this question as lower than medium or chose the 'do not know' option, this was a relatively favorable rating. However, disaggregation by respondent category depicts a different picture. The numbers are significantly lower among taxpayers. Less than one in four taxpayers rated this question as more than medium, while more than forty percent rated it as lower than medium. The adverse responses are more than fifty percent when the 'do not know' responses are considered. In other words, more than half of the taxpayers contacted found it difficult to access information from ERCA.

Respondents were also asked a similar question specifically in relation to the ease of access to organizational documents and reports of ERCA. More than a third of the respondents rated this question as more than medium compared to a slightly lower twenty-eight percent of the respondents rating it less than medium. Little more than sixteen percent of the respondents rated it as the lowest medium.

The rating appears to be favorable in terms of the higher proportion of responses at above medium level compared to below medium. However, slightly more than half of the respondents rated this question below medium or chose the 'do not know' option. In other words, around forty-five percent of taxpayers and fifty-seven percent of employees did not believe that the organizational documents of ERCA were accessible. This does not bode well for the accessibility of the organization especially when it is viewed in conjunction with the responses to the previous question.

The clarity of roles of departments and staff of ERCA to the beneficiaries and stakeholders was the topic of the next question. More than thirty-six per cent of all the respondents rated this issue higher compared to the rating of twenty-two per cent of the respondents, i.e. as less than medium. More than twenty eight percent rated the question medium level. This means more than sixty-four per cent of all respondents rated this question at medium or above. There are no significant variations among the two categories of respondents. The rating for this question on ease of expressing opinions on the activities of ERCA was generally favorable vis-a-vis high ratings. The sum of responses as medium or high also compares favorably with the sum of the low and 'do not know' ratings. However, the fact that a significant number fall within the former rating bracket is a negative aspect of the rating for this question.

The final question in this category refers to efforts by ERCA to communicate with stakeholders. The respondents were asked to rate the utilization of various forms of media (print, audio-visual, broadcast, digital, etc ...) by ERCA for its communication with stakeholders. More than forty-four per cent of all respondents rated this question more than medium while around twenty-five rated it less than medium. Less than fifteen percent rated the question medium. Overall, more than fifty-nine percent rated this issue as medium or above. This figure, however, hides a significant disparity between the responses of the two categories of respondents. Around two third of employees rated

the issue as higher compared to significantly less than a third of the tax payers. The disparity is also apparent in the number of respondents who rated this question less than medium. The ratings featuring medium level and those indicating the ‘do not know’ option are somewhat comparable.

5. Conclusions and Recommendations

5.1. Conclusions

This section presents the conclusions of the study based on the findings under each major issue.

5.1.1 Common understanding and commitment to good governance

- The organizational profile of ERCA and the place of good governance in the organization’s profile have not been successfully popularized within and outside the authority.
- The measures taken by ERCA to ensure ownership of good governance principles within the organization as well as among key stakeholders are commendable by the authority’s employees and taxpayers.
- Principles of good governance have not been clearly reflected in the activities of the authority despite the reported attention to good governance.

5.1.2 Policies, Strategies and Guidelines/Standards to Institutionalize Good Governance

- While there are visible signs that some progress has been made, taxpayers and employees of the authority lack adequate confidence in the ability of the authority to respond to corruption and misconduct.
- The code of conduct for ERCA employees does not appear to be widely disseminated outside the authority and the uniform application of the code of conduct has also been widely questioned.
- The information collected for the study clearly shows that ERCA has a complaint mechanism in place. Yet, the existence and accessibility of the compliant mechanism for taxpayers appears to be a reserve of the employees.
- The collection and dissemination of information and feedback provided by tax payers is another problem area for the ERCA. Taxpayers contacted for the study stated that the information they provide is not collected and disseminated.

5.1.3 Human Resources Capacity

- The participation of ERCA employees in the evaluation of the authority’s activities is limited.
- ERCA’s complaints mechanism for employees is not adequately accessible and utilized.
- The significant majority of employees of ERCA have never been evaluated based on their capacity to implement the principles of good governance.
- The employees of ERCA did not get adequate opportunities to enhance their competencies in relation to the implementation of the principles of good governance.
- ERCA has not taken adequate measures to ensure the adoption and implementation of the principles of good governance among stakeholders.

5.1.4 Assessment and Collection of Taxes

- There is a prevalent belief among taxpayers that they are paying too much taxes.
- The assessment of tax obligations of category ‘C’ taxpayers does not appear to be based on objective criteria.
- There appears to be significant differences in the amount of taxes paid in similar businesses located in the same general area.
- The information provided by taxpayers is seldom taken into account in the assessment of tax obligations for category ‘C’ taxpayers.

- The absence of adequate information on tax laws, tax assessment and collection among taxpayers is a serious gap.

5.1.5 Overall Assessment of Good Governance

- The overall understanding of the leadership and staff of ERCA on the principles of good governance has been assessed unfavorably by respondents contacted for this study.
- Similarly unfavorable assessments were given to the accessibility of information in ERCA, efforts to disseminate information by ERCA and accessibility of organizational documents.

5.2. Recommendations

The following are the recommendations drawn on the conclusions above.

5.2.1 Common understanding and commitment to good governance

- ERCA should consciously plan for and implement a comprehensive branding exercise targeting both its internal and external stakeholders.
- ERCA should redouble efforts to ensure ownership of good governance principles within the organization as well as among key stakeholders.
- ERCA should conduct a good governance audit of its activities to ensure that the principles are mainstreamed in the design, implementation and evaluation of activities.

5.2.2 Policies, Strategies and Guidelines/Standards to Institutionalize Good Governance

- ERCA should work to enhance the confidence of its employees, customers and other stakeholders in the authority's capacity to address corruption and misconduct in its operations.
- The code of conduct for employees of ERCA should be widely disseminated within and outside the authority.
- The accessibility of ERCA's compliant mechanism for taxpayers and other stakeholders should be improved as a matter of priority.
- ERCA should ensure the utilization of taxpayer feedback preferably within a broader communication strategy.

5.2.3 Human Resources Capacity

- ERCA should consider enhancing the level and quality of staff participation in planning and evaluation of activities as well as in implementation.
- ERCA should work to make its compliant mechanism for employees accessible for all employees.
- The integration of good governance principles in the operation of ERCA should also include mainstreaming good governance in employee evaluation.
- Enhancing the capacities of ERCA employees in relation to the implementation of the principles of good governance is a very important measure that should be addressed forthwith.
- The adoption and implementation of the principles of good governance among stakeholders is another area where ERCA should redouble efforts.

5.2.4 Assessment and Collection of Taxes

- ERCA should take measures to increase taxpayers' awareness on the tax system and the operation of ERCA and the assessment and collection of taxes.
- The assessment of income as a tax base, which is fast becoming a serious issue, should be addressed immediately.
- In conjunction with the review of tax assessment practices, there needs to be a mechanism to make sure that assessments are fair among businesses.

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The Prevalence of Good Governance in Public Sectors of the Gedeo Zone: A Case of Yirgacheffe Town Administration

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Abstract

Good governance has become a central component in current strategies to bring about multifaceted sustainable development in developing countries. This study dealt with the prevalence of good governance in some selected public institutions in Yirga Cheffe town administration of the Gedeo zone, Ethiopia. The main objective of this research was to assess the perception of public officials, civil servants and service users regarding the prevalence of good governance in public institutions both in principle and on the ground. A mixed research approach was used to collect quantitative and qualitative data. Both primary and secondary data were collected through focus group discussions (FGDs), questionnaire, semi-structure interview, self-reported data and document analysis. The findings of the study drawn on thematic and descriptive analyses indicated that frameworks and mechanisms of good governance implementation are available. Nonetheless, they signaled the existence of a rent seeking mindset, lack of commitment of the leadership, lack of commitment of the employees, lack of standardized performance standards as major challenges of good governance, among other related things. In conclusion, in major core elements of good governance-accountability, transparency, equity and equality, effectiveness and efficiency and participation-different achievements and failures were observed. To uphold the prevalence of good governance at grass roots level, concerned bodies should stress on the necessity of involving the society in different government affairs, the need for arranging trainings, workshops, and seminars on the specifics of good governance, apart from promoting good governance through the arts and the media.

Key Words: *Good governance, public sectors, accountability, transparency, equity, efficiency, effectiveness*

1. Introduction

One of the consensus reached by the world leaders in September 2000 in their Millennium Summit General Assembly of the United Nations conference for the Declaration of the Millennium Development Goals was Democracy and Good Governance. It occupies a central part in a development discourse and is considered as a crucial element that needs to be incorporated in the development strategy (Abdellatif 2003; Imran and Shahnawaz 2009; Anowar 2010).

Ethiopia, as one of the African countries trying to achieve the millennium development goals, , accepted the importance of good governance years ago and is striving to achieve it. However, the country has faced a number of challenges in democratization and good governance building processes. In order to address the gaps identified, the government developed a multi-sectoral national capacity building strategy which advocates the principles of decentralization, regional autonomy, and efficiency to enhance popular participation and to promote good governance, accountability and transparency (ECA 2005).

Most importantly, when the policy of decentralization was proclaimed in 2000, according to the Ministry of Work and Urban Development (2007), the main objectives were meant to create and strengthen urban local government that would ensure the traits of good governance such as public

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participation, democratization, and enhance decentralized service delivery through institutional reforms, capacity building, systems development and training. Formerly, in its strategy, Ethiopia's Sustainable Development and Poverty Reduction Program (SDPRP), the issue of good and decentralized governance was considered as one of the building blocks in the struggle against poverty (Kumera 2011).

As clearly stated in the Ethiopia's guiding strategic framework for the first five year period 2005/06-2009/10 commonly known as a Plan for Accelerated and Sustained Development to End Poverty (PASDEP), programs aimed at strengthening the democratization processes were being taken step by step in the form of Civil Service Reform, Justice system Reform, Improved Democratic Governance, and Decentralization which resulted significant achievements in the last few years (MoFED 2009).

In general, though the government of FDRE has taken important measures to promote good governance by ratifying a number of international human right instruments, and the FDRE constitution adopted multi-party government system and accepted most of the internationally recognized human rights conventions since 1991, the process of building pillars of good governance is facing serious and complex challenges. The challenges are mainly related to the fact that building good governance is in its infancy in the country (Kumera 2011; Minuzzaman 2007).

According to Kumera (2011), the major challenges include lack of adequate awareness about of human rights among the public, the limited democratic cultures and experiences in the country; along with limited participation of citizens in governance, lack of adequate and appropriate policies and problems with laws in some areas, and capacity limitations of law enforcement and governance organs of the government.

Based on the state governance survey conducted by the Economic Commission for Africa for 28 countries (2004), Ethiopia's performance in all indices of measuring good governance was below the sample average which was 53%, while the sample index of Ethiopia was 36%. According to Shimelis(2005) as quoted in ECA, (2004). The same trend persisted in the country's governance profile by subsequent ECA's governance survey of 2005(ECA 2005).This clearly shows that Ethiopia was not good at good governance even by African standards in the years mentioned. Moreover based on 2005 IDA Resource Allocation Index in the area of public sector management and institution, Ethiopia scored 3.1 average value out of the 6 points (i.e. 6 was the highest and 1 was the lowest point). Especially in terms of transparency, accountability and corruption in the public sector, the country scored below average, 2.5 points. Cognizant of these facts, PASDEP stresses on the need for more efforts to make local authorities more transparent, accountable and efficient in their responses to the needs of the people. Therefore, in order to know how far good governance in the country progresses and/or to address obstacles, the activities of making regular assessments and measurements of governance conditions of the country is worth considering (MoFED 2010).

This study dealt with how good governance was prevalent in public institutions found in Yirga cheffe town focusing on seven selected public institutions: municipality, justice office, revenue office, transport office, trade and industry office, civil service and police office found in Yirga Cheffe town administration in 2013.

This study has the following specific objectives: (a) to examine the extent to which good governance was prevalent in public institutions both in principle and on the ground; (b) to assess the perception of public officials and civil servants towards good governance; (c) to investigate the perception of the society concerning how prevalent good governance in public institutions was; (d) to identify major challenges for the prevalence of good governance in public institutions.

2. Review of Related Literatures

2.1 Conceptual Issues and Meanings of Governance

Definitions of the main concepts and issues relevant to this study have been treated in this section. The term “governance” is a catch-all word that entered common usage during the 1990s. The term was first coined in the *1989 World Development Report* where it referred mainly to financial accountability of governments. The meaning of this term was later re-conceptualized by UNDP, defining “governance” as the exercise of political, economic and administrative authority to manage a country’s affairs. An important objective of governing institutions, according to UNDP, is to promote constructive interaction between the state, the private sector and the civil society (Abdellatif 2003)

2.2 Good Governance

Good governance as a basic development agenda has got significant momentum throughout the world especially in the last decade and has attracted the attentions of different economists, political scientists, lawyers, Politian, international, regional and national organizations and various donor agencies Kumera (2011). The notion of good governance is relatively new. It surfaced in 1989 in the World Bank’s report on Sub-Saharan Africa, which characterized the crisis in the region as a “crisis of governance” (World Bank 1989). It, then, represented an important departure from previous policy, largely prompted by the experience in Africa. The main thrust behind its introduction in the Bank’s corporate policies resides in the continuing lack of effectiveness of aid, the feeble commitment to reform of recipient governments and the persistence of endemic corruption in developing countries (Abdellatif 2003).

2.3 Core Elements of Good Governance

2.3.1 Participation

Participation refers to the process in which all men and women have a voice in decision making either directly or through legitimate intermediate institutions that represent their interests. The course of such broad participation is based on freedom of association and speech, as well as capacities to participate constructively (Kumera 2011). Good governance also requires that civil society has the opportunity to participate in the formulation of development strategies and that directly affected communities and groups should be able to participate in the design and implementation of programs and projects. Even where projects have a secondary impact on particular localities or population groups, there should be a consultation process that takes their views into account. This aspect of governance is an essential element in securing commitment and support for projects and in enhancing the quality of their implementation (IFAD 1999 :3).

2.3.2 Rule of Law

The legal frameworks should be fair and enforced impartially particularly the laws on human rights. A fair, predictable and stable legal framework is essential so that businesses and individuals may assess economic opportunities and act on them without fear of arbitrary interference or expropriation. This requires that the rules be known in advance, that they be actually in force and applied consistently and fairly, that conflicts be resolvable by an independent judicial system, and that procedures for amending and repealing the rules exist and are publicly known (ibid).

2.3.3 Transparency

Transparency has to be built on the free flow of information. In transparency processes, institutions and information are directly accessible to the concerned bodies so as to understand and monitor them. As private-sector investment decisions depend on public knowledge of the government’s

policies and confidence in its intentions, as well as in the information provided by the government on economic and market conditions, transparency of decision-making, particularly in budget, regulatory and procurements, is critical to the effectiveness of resource use and the reduction of corruption and waste (Imran and Shahnawaz 2009).

2.3.4 Responsiveness

Responsiveness refers to the attempt of institutions and process to serve all stakeholders.(Imran and Shahnawaz 2009).

2.3.5 Consensus Orientation

Consensus orientation urges good governance to mediate differing interests to arrive at abroad consensus on the best interest of the group, and where possible, on policies and procedures (Anowar 2010).

2.3.6 Equity and Equality

Good governance has to promote to all men and women to advance or sustain their well-being. According to UN-Habitat, the sharing of power leads to equity in the access to and use of resources. Women and men must participate as equals in all urban decision making, priority-setting and resource allocation processes (Anowar 2010). Inclusive cities provide everyone be it the poor, the young or the old, religious or ethnic minorities or the handicapped with equitable access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services (Linkola 2002: 3).

2.3.7 Effectiveness and Efficiency

The concept of good governance should ensure efficiency and effectiveness in the use of resources of a nation having not compromised the crucial needs of citizens. It is the extent to which limited human and financial resources are applied without unnecessary, waste, delay or corruption. Urban areas must be financially sound and cost effective in their management of revenue sources and expenditures, the administration and delivery of services, and in the enablement, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy. A key element in achieving efficiency is to recognize and enable the specific contribution of women to the urban economy. It also refers the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. (Linkola 2002:3).

2.3.8 Accountability

Accountability refers to establishing of criteria and oversight mechanisms to measure the performance of public officials as well as to ensure that the standards are met. Decision makers in public institutions, private sector and civil society organizations should be accountable to the public as well as to institutional stakeholders. This accountability can be differed based on the nature of the organization or manner of decision that is external or internal to the organization (Linkola 2002: 3).

2.3.9 Strategic Vision

Leaders and the public should have a broad and long term perspective on the issue of good governance and human development including the understanding of the basic traits for such development

2.3.10 Predictability

Predictability results primarily from laws and regulation that are clear, known in advance and uniformly and effectively used. Laws and policies should exist that regulate society and that are applied fairly and consistently. Predictability requires the state and its subsidiary agencies to be bound by and answerable to the legal system in the same way as private enterprises and individuals. The specific area of action could be the development of predictable legal frameworks for private-sector development (Linkola 2002: 3).

2.3.11 Gender Balance

According to UNDP (2004), the continued absence of women's voice in governance is largely due to inequitable representation and participation in institutional structures from governments and political parties to NGOs and the private sector. Thus, good governance should be given due emphasis in facilitating and creating conducive environment for women to participate equally in a national socio-political, economic and cultural affairs.

2.4 Public Sector Governance

Public sector governance also called corporate governance has many different definitions. Accordingly, Australian National Auditing Agency ANOA (2003) broadly defines public sector (corporate) governance as the processes by which organizations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in the organization. The Commonwealth of Australia (2003) describes public governance has "a very broad coverage, including how an organization is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. In its part Australian National Audit Service (2003: 13) describes public sector governance as a very broad concept including how an organization is managed, its corporate and other structures, its policies and strategies and the way it deals with its various stakeholders.

The concept encompasses the manner in which public sector organizations acquit their responsibilities of stewardship by being open, accountable and prudent in decision making, in providing policy advice, and in managing and delivering programs. Public sector governance encompasses the policies and procedures used to direct an organization's activities to provide reasonable assurance that objectives are met and that operations are carried out in an ethical and accountable manner. In the public sector, governance relates to the means by which goals are established and accomplished. It also includes activities that ensure a government's credibility, establish equitable provision of services, and assure appropriate behavior of government officials reducing the risk of public corruption (ANOA 2003).

According to World Bank (2005), a sound functioning public sector that delivers quality public services consistent with citizens' preferences as well as promoting private market-led growth as the same time managing fiscal resources prudently is considered critical to the achievement of the MDGs-Millennium Development Goals.

3. The Methods

3.1 Research Design and Approach

As this study was drawn on a combination of qualitative and quantitative methods, the research design of this study included a mixed-research approach. Of course, a mixed-research approach has the advantage of triangulating the results using data collected through other methods. So as to collect adequate and relevant data and to scale up the validity of the findings of the study, the researcher, therefore, employed a combination of qualitative and quantitative research methods. The Yirga Cheffe town administration was selected purposively since the town was the first priority

area with a relatively huge investment potential in the zone and with a promising change in all aspects of the development agendas of the federal government.

The target populations of the study consisted of public servants of seven public institutions: Municipality, Justice Office, revenue office, transport office, trade and industry office, civil service and police office found in Yirga Cheffe town. Besides, the service users of these institutions were also made to be the target population. Based on the reason that they had better information concerning the issue under investigation, public officials from the above mentioned public sector offices were made to be part of the target population.

After the institutions were identified purposively, the sample respondents of each institution were selected based on convenience (accidental) sampling method. This was because the service users were unavailable in a fixed time and place. Thus, 100 service users who were found executing their activities in each institution in different days filled in the questionnaire at a certain specified time range.

The number of public servants in each selected institution was included in the study based on the number of employees found in each institution. After the number of the respondents in each institution was proportionally decided, the sample respondents from each institution were randomly selected. Thus, as it is depicted below by using Yemane's (1966) sample size determination formula $n = N / 1 + N * (e)^2$, a total of seventy one respondents were identified to fill in the questionnaire.

Table 1: Data Source

No.	Name of public sectors (Target Populations)	Target area	
		Yirga cheffe administration	
		Total	Sample
1	Municipality	35	18
2	Justice office	14	9
3	Revenue office	24	15
4	Transport Office	9	8
5	Trade office	14	13
6	Civil service	11	8
Total			71

Source: Yirga Cheffe town Administration Civil Service Office, 2013

Once the sample respondents were identified, structured questionnaires, which included both close and open ended questions, were prepared by the researcher to collect data from the sample respondents. The research also prepared an interview guideline questions to exploit information by undertaking a one to one interview with public office managers.

The data collected by employing cross-sectional method was analyzed and discussed in the form of tables, percentage, and charts. Finally, based on the available information, which was obtained from the analysis part, a conclusion was drawn by considering the most important points related to objectives and problems of the study.

4. Results and Discussions

Good governance is the foundation on which a society is built, and thus, it is indispensable for the development of a given country particularly a developing country like Ethiopia. Poor governance stifles and impedes development. In countries where there is corruptions, poor control of public funds, lack of accountability, abuses of human rights and excessive military influence, development inevitably suffers. One of the manifestations for the existence of good governance in public sectors is the prevalence of service users' participation and quality service delivery in different affairs of

the government across sectors. Thus, in order for good governance to prevail, all men and women should have a voice in decision making either directly or through legitimate intermediate institutions that represent their interests. To evaluate the existence of participation, the following questions were provided for the civil servants.

4.1 Participation

Participation is one of the core elements of good governance that should be achieved by institutions for the prevalence of good governance. It is considered as a practical and effective instrument in solving socioeconomic problems and achieving the millennium development goals. Participation allows all stakeholders to take part in the process of ensuring good governance and building of democratic processes that could be a solution for many problems in developing countries. To check the level of participation in the study area, the respondents were asked to respond to the following varieties of questions.

Table 2: Civil Servants' Perception of Participation in the Institutions

Questions of participation	Category	Frequency	Percentage
Is there any institutional framework which enables the civil society to participate in your institution?	Yes	41	58.6
	No	29	41.4
	Total	70	100
Is your institution has public forum for women the youth and the disadvantaged groups?	Yes	14	20
	No	56	80
	Total	70	100
Are there mechanisms of customers' consultation for the implementation of policies and program?	Yes	36	51.4
	No	34	48.6
	Total	70	100

Source: Own Survey data, 2013

As it is depicted in Table 2, 56.6 % (41) of the respondents disagreed with the existence of institutional framework which enables the public users to participate in their institution, while the remaining 41.4 % (29) of the respondents agreed with the statement. The interview results also confirmed that although there was an institutional framework which enabled the civil society to participate in most of their institution, they reflected the absence of the frameworks that encouraged the CBOs and/or the CSOs. This at least clearly showed that community based organizations, civil society organizations and NGOs were not favored by the institution to play their roles in the institutions.

Good governance is a mechanism in which women, the youth, minorities and disadvantaged groups are treated in a special manner and given due emphasis. In the process of building good governance, giving a special attention to the already mentioned parts of a society is mandatory and it is by which the prevalence of good governance is measured. However, as shown in Table 1, their responses were somewhat negative, that is to mean, only 20 % of them chose "yes" but the majority, 80 % of them chose "no". The result showed that public institutions under discussion were not totally effectively discharging their responsibility of treating women, disadvantage groups and the youth.

Customers (service users) are the main stakeholder in public institutions and primarily because of them institutions are framed and established. Therefore, as indicated in the Table 1, only 51.4 % of the respondents confirmed but the rest 48.6 % of the respondents disagreed that there were institutional framework. Similarly, workers of public institutions included in the study as samples witnessed that framework consultation was unavailable. Nevertheless, it must be noted that the number of respondents who disagreed was not that much insignificant. Nevertheless, the disparity of their response concerning the issue indicated the existence of predicaments in the institutions as

far as consultation of customers was concerned. Based on the interview conducted with key officials, the main reason behind the institutions; low achievement regarding participation was the way that institutions mostly favored participation to be conducted through suggestion boxes put in the compound of most institutions rather than a face to face discussion with customers or their representatives.

Table 3: Service User Respondents' Attitude towards Participation in Issues of the Institution

Questions of participation	Category	Frequency	%
Q1. Does the institution prepare community forum in order to enable the community to discuss issues that matter most?	No	57	57
	Yes	43	43
	Total	100	100
Q2 Does the institution encourage you to participate in decision making process that concerns the service user/community?	No	53	53
	Yes	47	47
	Total	100	100
Q3. Have you (the community) ever been consulted by the institution before a program or policy that concerns you is implemented?	No	73	73
	Yes	27	27
	Total	100	100
Q4. Have you ever been invited to evaluate the management of the service provider institution?	No	74	74
	Yes	26	26
	Total	100	100
Q5. Can you easily provide your suggestions, questions, comments and complaints for your service provider institution?	No	58	58
	Yes	42	42
	Total	44	100

Source: Own Survey Data, 2013

As it is depicted in Table 3, the respondents were asked whether or not a community forum was prepared by the institutions which enabled the community to discuss issues that concerned them and their responses were recorded as "yes" as to the 57 % and "no" as for the 43 %. The response of the sampled institution employees indicated that 58.6 % of the respondents agreed with the idea that the institutional framework that enabled the public users or the society to participate in the institution was active, where as the rest 41.4 % disagreed with this idea. Concerning the role of institution in encouraging citizens' involvement in decision making, 47 % of the service user respondents replied that institutions encouraged them to involve in decision making process while the remaining 53% replied that this was not so. Out of the total respondents, 27 % agreed and the majority 73% disagreed with the idea that consultation of service users or the society by institutions before a program or a policy was implemented. This indicates institutions were not ready for pre-policy or program implementation of a consultation service of the society or customers. This implies that institutions simply implemented their programs and policies without asking the society to know about the interest of its members in the new programs and/or policies.

Based on 74 % and 26 % of the respondents who disagreed and agreed respectively, one can say that the respondents clearly showed that institutions did not invite service users or customers to evaluate their management. According to the result observed, service users were unable to evaluate the institutions management. This was further strengthened by the results obtained from 73.25 and 26.8% of the employee respondents who stated their disagreement stated their disagreement and agreement respectively regarding ideas of the use of an institutional mechanism that enables the society to control the administration. This was even further checked by the data gathered through interviews conducted with key officials as they confirmed that the institutions were not directly evaluated by their service users. According to considerable (20.5%) number of the respondents who

disagreed with the idea, the reasons were that the customers did not think that the institutions could give a solution. Besides, 4 of the respondents indicated a strong bureaucratic delay, 6 of them and 5 of them mentioned absence of a mechanism and unnecessary additional costs respectively. On top of this, institutions had shortcomings in correctly addressing the service users' questions, suggestions and complaints.

The interview question mechanisms employed so that the society could correctly and timely obtain information about the regulations, rules, and principles and the like about the institutional services. Most 73 % of the respondents stated that they did not get any training, workshop or conference. In response to a question that reads, 'if not, how did you know the rules and regulations of the institutions whenever you went to the institution to get services?' most of them disclosed that they informally got information from individual brochures, local community radio programs and national television programs. However the rest said it was unnecessary to know the rules and regulations of the institutions concerning the services, and what was required was just to obey what the institutions told them to do.

4.2 Effectiveness and Efficiency

Effectiveness and Efficiency is one of the core elements of good governance and is frequently used as indicator in governance measurement. It has its own sub indices which were changed into operational questions and included in the questionnaire of this study.

When the sampled respondents among the service users responded concerning the level of the effectiveness and efficiency of services provided by the institutions, 11.4%, 10%, 31.4%, 30% and 17.2% of the respondents rated it as very low, low, medium, high and very high respectively.

Table 4: Public Users' Attitudes towards questions of Effectiveness and Efficiency

Questions of effectiveness & Efficiency	Category	Frequency	Percentage
To what extent does the institution provide services for the customers?	Very low	8	11.4
	Low	7	10
	Medium	22	31.4
	High	21	30
	Very high	12	17.2
	Total	70	100
Please, rate your satisfaction level with services provided by the institution	Very low	13	18.5
	Low	12	17.2
	Medium	14	20
	High	20	28.5
	Very high	11	15.7
	Total	70	100
Rate the efficiency of your service provider institution	Very low	8	11.4
	Low	13	18.6
	Medium	16	22.9
	High	18	25.7
	Very high	15	21.4
	Total	70	100
How would you rate the degree of confidence (trust) you have in your service provider?	Very low	7	10
	Low	10	14
	Medium	16	23
	High	19	27
	Very high	18	26
	Total	70	100

Source: Own Survey Data, 2013

Moreover, 18.4% and 17.2 % of the respondents also rated their satisfaction level with the service provided by the institutions as very dissatisfying and dissatisfying respectively. On the other hand, 28.5% and 15.7 % of the respondents rated it as satisfying and very satisfying respectively. From this result, one can deduce that the service users were nearly dissatisfied. The efficiency of public institutions was rated very poor by 11.4% of the service user respondents; 18.6% of the respondents rated it poor; 25.7 % and 21.4 % of them rated it good and very good respectively. From the results observed, it can be inferred that the respondents rated the efficiency of institution good.

Lastly, the respondents i.e 10%, 14%, 23%, 27% and 26% also rated the trust that they had towards the service provider (institution) as very low, low, medium, high and very high respectively. This means the service users had a confidence over their service provider.

4.3 Accountability

Table 5: Users Responses to Questions of Accountability

Questions of accountability	Category	Percentage
Have you ever asked irregular payments from personnel/officials of the service provider institution to accomplish your task in the institution?	Yes	39.6
	No	60.4
Do the community/ service users have ever had the chance to review the budget of your service provider institution?	Yes	23.9
	No	76.1
Do you think that there is corruption in the service provider institutions?	Yes	31.8
	No	69.2

Source: Own Survey Data, 2013

Institutions also assessed based on one of the core elements of good governance, accountability. In addition questions based on the sub-indices of accountability were provided for the civil servant respondents and their responses were provided in the following table. As Table 5 shows, of all respondents, the majority (60.4%) replied “no” and some (39.6%) said, “Yes” as regards irregular payments for personnel/officials of the service provider institution so as to accomplish their tasks in the institution. Although the majority (60.4%) of the respondents revealed that they did not ask for irregular payments by personnel/officials, it could be possible to conclude that irregular payments were being used by the rest (39.6%) of the respondents. As noted in Table 5, concerning whether or not service users had got a chance to review the budget of the service provider institution, a large number (76.1%) of the respondents, , stated that this was not so. The rest (23.9%) of the respondents disclosed that they had got a chance to review the budget of the service provider institution.

Asked whether or not the respondents think that corruption in the service provider institutions was observed, 69% of them revealed its prevalence, but the rest (31%) indicated that it was not. The responses obtained from 30% and 12% employee respondents showed that corruption in public institutions was high and very high respectively. Furthermore, 71% of the respondents among service users confirmed that there was rampant corruption in public institutions.

4.4 Transparency

As can be seen in Table 6, the respondents were asked to rate how much difficult or easy was the option for obtaining information on laws and regulations of their service provider institutions. Accordingly, 21.1%, 14.2%, 32.7%, 19.5% and 11.5% of them rated it very difficult, difficult, somewhat easy, easy and very easy respectively. Thus, based on their responses, getting laws and regulation from public institutions was somewhat easy. The respondents were also asked to rate how much the service provider institutions’ performances were transparent for the public, and their responses were: not transparent (8.8%), partially transparent (54.9%), transparent (8.8%) and totally

transparent (11.5%). These results show that the institutions were partially transparent for their customers.

Table 6: Service User's Views on the Prevalence of Transparency

Questions of transparency	Category	Percentage
How much is easy or difficult to obtain information on laws and regulations of your service provider institution?	Very difficult	21.1
	Difficult	14.2
	Somewhat easy	32.7
	Easy	19.5
	Very easy	11.5
Total		100
How much transparent do you think is your service provider institution's performance?	Very difficult	8.8
	Difficult	54.9
	Somewhat easy	8.8
	Easy	11.5
	Very easy	11.5
Total		100

Source: Own Survey Data, 2013

Of the core elements of good governance, equity and equality is the one that favors equal and equitable access to resources without discrimination, equal opportunities and treatments, etc for all sections of the society such as for women, minorities, disadvantaged groups, etc. However, this research focused on women, especially concerning women's position in institutions as one of the burning issues of good governance. Therefore, a question on how much access to key positions in institutions was delivered for women, and the respondents indicated that women in key positions were very small in number. 64.9% of the respondents rated the number of women in key positions (in percent) from 1-10%; the rest of the respondents, i.e. 9.6%, 6.4%, 9.6% and 9.6% rated it as 11-20%, 21-30%, and 31-40% and more than 40% respectively. This needs immediate attention for potential solutions. In addition, through the interview conducted with key informants (officials), it was proved that there was a limited institutional effort of bringing women to leadership positions in the institutions.

4.5 Conditions and Consequences of Lack of Good Governance

Table 7: Good Governance in the Public Sectors

Question Items		Respondents	
		N	%
Is there a separate department (in your sector) responsible for provision of trainings on the reform issues including good governance?	Yes	-	
	No	97	91.5
	Don't know	9	8.5
	Total		100%
Do you think that the present condition of good governance in your sector is adequate /satisfactory?	Yes	11	10.4
	No	89	83.9
	Don't know	6	5.7
	Total		100%

Source: Own Survey Data, 2013

Good governance is increasingly being seen as a panacea for governance problems of developing countries and is considered as a holistic approach to development in a development debate. With this regard, issues related to the present condition, the possible consequences of lack of good

governance and common challenges of good governance in Yirga Cheffe town (administration) public sectors so far can be summarized as follows.

As indicated in Table 6, a great majority (91.5 percent) of the total respondents confirmed that there was no separate department (in their institutions) responsible for the provision of trainings on issues of good governance. The remaining 8.5 percent of them responded that they did not know whether or not there was a separate department in their municipality so as to provide trainings on reform issues. In addition, the information gathered through the interviews held with officials indicated that there was no responsible department providing trainings on reform issues. Therefore, it is possible to deduce that the town had no separate department to provide effective trainings on the reform issues including good governance.

With regard to item number 2 in Table 7, concerning whether or not the present condition of good governance in the public sectors was adequate, the great majority (83.9 percent) of the total respondents confirmed that the condition was unsatisfactory. Nearly 10.4 percent of the respondents agreed that the present condition of good governance would be adequate, and the remaining 5.7 percent of the total respondents did not know whether or not the present condition of good governance in their public sectors would be adequate. In addition, the data gathered through the interviews conducted with heads of some public sectors and the discussions held with the FGD - focused group discussion - participants indicated that the present condition of good governance is unsatisfactory. Therefore, it is possible to infer that the present condition of good governance in the public sector is inadequate.

A weak governance system compromises the delivery of services and benefits to those who need them most. Lack of good governance also distorts the economy of a nation through the waste and misallocation of scarce resources and neglects citizens' fundamental needs for food, shelter, health, and education. Moreover, inadequacy of good governance results in creating an artificial need for external assistance to compensate for irresponsible management of local resources. Furthermore, lack of good governance hampers the efficient and effective delivery of goods and services to the public in a transparent and responsive way. It also leads to a deep-rooted corruption. These finally results in extreme poverty and seriously affects the move towards development.

5. Conclusions and Recommendations

5.1 Conclusions

Based on the results of this study, institutions assessed have not been found perfectly effective in any of the six good governance indicators used in the study. Reasons of service users for rating governance in public institution as poor and very poor include: (a) There is no any institutional framework that follows up and evaluates the implementation of the specifics and the generalities of good governance in the institution; (b) The institution does not have a tradition of discussing issues of good governance with the community; (c) Officials are less concerned (motivated) to check whether or not good governance is prevalent in their institution; (d) Officials as well as the public sector employees are not well aware of issues of good governance.

5.2 Recommendations

Based on the conclusions above, the following recommendations have been made to concerned bodies.

- Taking measures when someone abuses one's own power.
- Training opportunities to officials and employees.
- Creating awareness of the specifics about good governance on the part of the public (e.g. through related religious and non-religious events of the arts and the media) in order to enable them to challenge the absence of good institutional governance.

- Establishing institutional frameworks for good governance implementation and following up.
- Involving service users in policy making as active participants.
- Creating a conducive atmosphere for service users to participate in decision making.
- Preparing community forum in order to enable the community to discuss specific issues of good governance.

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Challenges and Prospects of Good Governance in Reduction of Poverty: A Case Study of Buee Town 01 Kebele, Ethiopia

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Abstracts

This paper is geared towards challenges and prospects of good governance in Buee town 01 Kebele, Ethiopia. Principles and indicators of poverty reduction need to begin by looking at improvement of living standards of a nation. This study is based on both primary and secondary data and the findings showed that lack of efficient and effective service delivery to the community, lack of competent work force among the communities, and that the community is unaware of concepts and elements of good governance that contributes a lot to eradicate poverty. Reduction of poverty needs the existence of practical good governance to effectively address issues of lack of people's participation in planning strategies, lack of awareness of good governance in poverty reduction, shortage of sufficient service delivery to the community, and lack of qualified and competent manpower. Thus, it is recommended that the Kebele's managers should provide information relating to planning strategies for the community, and to help them thoroughly understand good governance. This may help to gradually eradicate poverty and augment local development. Besides, managers of the various offices should not be allowed to work in a particular sector. Rather, they should work for a short period of time in one sector, and then, they need to be evaluated and shifted to the other.

Key words: *Good Governance, Zone, Woreda*

1. Introduction

Good governance is equivalent to purposive, development oriented, participatory and responsive public management committed to the improvement and equality of the people. Good governance has become a major buzz word in aid policy and development thinking today. It has a manner in which power is exercised in a management system of a country's economic and social resources. Good governance results in enhanced accountability within the public sector and encourages transparency and openness in decision making, in implementing the rule of law and in more efficient management. Good governance promotes accountability, transparency, participation, efficiency, effectiveness, equitability and rule of law in a public or private organization at all levels. It also allows sound and efficient management of human, natural, economic and financial resources for equitable and sustainable development. Moreover, under good governance, there is a need to have clear decision making procedures at the level of public authorities, civil society participation in decision making process and the ability to enforce rights and obligations through a legal mechanism.

Good governance has become an essential instrument of a development agenda in 1990s and is often an integral component of programs and projects. Awareness of the significance of good governance is also growing in different countries. The particular value of good governance can be seen by the fact that its terminology is programmatic and that the concept has proved to be practical and expedient in relation to the function of society and its political system. The former UN Secretary General Kofi Anon described good governance as the most important factor for development and elimination of poverty. In this respect, the Millennium declaration represents the most forceful and explicit commitment by the UN members states to date to principles of good

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governance. Good governance is a key to the achievement of the Millennium Development Goals (MDGs) which are international goals through which countries can scale up efforts of poverty reduction, human development and environmental protection. The most recent report of the UN Millennium project indicates a number of positive developments that put the achievement of the MDGs by the year 2015 at risk. It encourages donor countries and their multilateral organizations to choose poverty reduction based on MDGs and, thus, to support efforts in developing countries through poverty reduction strategies to achieve the MDGs. In the bilateral context, the MDGs should be formulated as specific operational goals for countries in the framework of bilateral programs, and the MDGs stresses the importance of good governance for achieving the MDGs.

According to Mezgebe, “sustainable development, social cohesion and environmental management are dependent on governance and efficient public sector management. Hence, good governance is representative of successful public sector reform programs that promotes equity and sustainable development.”

There is strong evidence that governance matters in accelerating development and in reducing poverty in most countries. Advocates have linked the advancement of a variety of issues to improved governance. Since the end of the 1980s, the issue of good governance, as an instrument for sustained development and poverty reduction (alleviation), has gained widespread acknowledgement, especially among international organizations. It has also been dominating the international discussion about development and international assistance to developing countries.

This study was conducted in Buee town in South-West of Addis Ababa. The Buee town is found in Southern Nations, Nationalities and Peoples Regional State (SNNPRS), Gurage Zone, Sodo Woreda. It is 100 km from Addis Ababa, the capital city of Ethiopia; 193 km from SNNPRS and 254 km from Gurage Zone Center (Wolkite).

The objective of this study was to assess major challenges and prospects of good governance and its contribution to development and poverty reduction. In order to achieve this objective, the following research questions were raised: (a) What are the major challenges and prospects of good governance in poverty reduction? (b) To what extent were the study areas affected by challenges of good governance in poverty reduction? (c) What were the opportunities or prospects for a possible success of good governance in the future? (d) How did the study areas escape from challenges and see prospects of poverty reduction?

2. Review of Related Literature

2.1 Good Governance and Its Elements

Based on definitions of good governance in different studies, one can deal with essential elements of good governance as follows.

2.1.1 Participation

The term participation implies that people are the key to good governance. They are not only beneficiaries of good governance but also agents of it. They act not only through formal bodies - the executive, the legislature and the judiciary and it involves the right to vote, and various groups and associations like trade union, political parties, NGOs, business groups, etc.

2.1.2 Accountability

Accountability refers to those who rule need to be answerable to those from whom they derive their authority. This means establishing standards or criteria for judging the performance of public officials.

2.1.3 Predictability

This word refers to (i) the existence of laws, regulations and policies to regulate society; (ii) their consistent application. Thus, there should be orderly existence of citizens and institutions in the society. This would be possible if there is rule of law. The rule of law encompasses both well-defined rights and duties, as well as mechanisms for enforcing them, and settling disputes in an impartial manner. The importance of rule-based system for economic life hardly needs any emphasis; it provides an environment in which the economic actors can plan and take investment decisions.

Consistency of public policy also comes under predictability. Consistency, however, does not mean rigidity. Governments do need to respond flexibly to changing circumstances or change in their priorities.

2.1.4 Transparency

The concept of transparency refers to the availability of information to the general public and clarity about government rules, regulations and decisions. This can be done by enforcing the citizens' right to information. Transparency helps in curbing corruption.

The above four elements of good governance tend to be mutually supportive and reinforcing. Thus, accountability is often related to participation, and is also the ultimate safeguard of predictability and transparency. In the absence of accountability, a government may take decisions without taking the interest of the public in mind. Transparency cannot be assured without legal frameworks for accountability. Predictability in functioning of the legal framework would be helpful in ensuring the accountability of public institutions. At the same time, predictability requires transparency, because without information about how similarly placed individuals have been treated, it may be difficult to ensure adherence to the rule of equality before law. Finally, a transparent system facilitates governmental accountability, participation, and predictability of outcomes.

2.2 Characteristics of Good Governance

Good governance is said to have eight characteristics: it is participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law. Of this participation accountability and transparency have already been explained above. Consensus-oriented means that in a society, where there are as many opinions as there are actors, it is mediation of different interests to find the best interest of the community. Responsiveness means that institutions and processes try to serve all stakeholders within a reasonable time. Effectiveness and efficiency imply that institutions and processes produce results that meet the needs of the society while making the best use of resources at their disposal. Equity and inclusiveness call for a society whose well-being depends upon ensuring that all its members feel that they have a stake in it and nobody feels excluded from the mainstream of the society. Finally, rule of law stands for fair legal frameworks that are enforced impartially. This also includes protection of human rights.

2.3 Good Governance and Poverty Reduction

Good governance simply means the effectiveness, in which a government performs its work and promotes the public services. Public service means enforcement of law and order, collection of revenue, provision of infrastructures and promotion of human welfare services. Democracy always enhances good governance. Under the guidance of good governance, poverty eradication plan would involve policy making and the government has a moral responsibility to eradicate poverty. It is a moral duty of a government to enhance people's participation, ensure accountability, political and economic citizenship rights. Good governance is, perhaps, the single most important factor in eradicating poverty and promoting development. In addition, democratic governance requires the

achievement of the Millennium Development Goals, as it provides the enabling environment for the realization of the MDGs and in particular, the elimination of poverty

Eliminating poverty and making governance work for the prevalence of good governance is mainly the task of any federal government. It protects people's right and provides security, economic growth and services like education and health care. There is a broad consensus in the initial donor community that one of the key obstacles to achieving the MDGs is poor governance. Poverty reduction cannot be achieved without an institutional environment policy because it facilitates growth of the nation.

2.4 Capacity Building in Government Poverty Reduction

Good governance can enhance capacity building in a government through poverty reduction strategies. The main strategies are: (a) Political- concerning good governance in the context of Ethiopia, the need for political reforms occupies the most prominent place; (b) Political legitimacy through periodic, free and fair election during which results are acceptable to both winners and losers; (c) Equality of law-a government without privilege to any individual on the basis of tribe, region, race, sex, income and discrimination for any other ground; (d) Proper implementation of policies at the local level; (e) Adequate power to the lowest unit of government to enable the people to participate directly in the administration of such bodies by the regional government; (f) Ensure people's participation in policy making and decision making at the grass-root levels by the federal level; (g) Effective formulation and review of public policy to avoid, routine making of 'plans' in response to donor pressure or external conditionality.

2.5 Policy Making for Poverty Reduction at the National Level

According to UNDP survey, at more than 75%, the countries had established estimate of overall and extreme income poverty: more than 66% had anti-poverty plans but less than 30% had set targets for poverty reduction.

First, governments led by privileged elites are more likely to accept formal commitments to the poor, and that can enhance their legitimacy and international acceptability than to commit domestic resources to meeting the needs for the under privileged.

Second, the higher 'turnout' in a target setting in Africa may well have been the results of the expectation of the inflow of donor funds if the government demonstrates seriousness in the fight against poverty. Further, a survey indicated that the seriousness with which a government needs to fight poverty could be determined by the ministry or a government department, within which the poverty program was 'housed'. The significance of the location, however, does not imply much funding by the government to poverty reduction. The problem, however, is that reliable statistics is not yet available to assess the relationship between effective governance measured in terms of appropriate identifying of pro-poor projects and financing them for poverty reduction, i.e. improving the living standards of the poor in terms of food, housing, clothing, education, social security and human rights.

2.6 Challenges of Good Governance in Developing Countries

There is a strong evidence that governance and institution matters in accelerating development and in reducing poverty in most developing countries. With regards to this, since the end of the 1980s, the issue of good governance has been dominating the international discussion about development and international assistance to developing countries. The concept of good governance was first introduced by the World Bank in 1989 to characterize the crisis in sub-Saharan Africa. Then, it has become increasingly popular and favorite among the donors. As a result, the term good governance has become a buzz word in this era and has got public attention for the last two decades. It has also become a significant pillar to confirm universally accepted democratic standards.

3. The Methods

The purpose of this study was to assess challenges and prospects of good governance in reduction of poverty in 01 Kebele of Buee Town. A mixed research design was used to conduct the research. Both quantitative and qualitative research approaches were employed.

3.1 Sample size and Sampling Techniques

A purposive sampling was employed for selecting sample units for this study because the researcher believed that genuine and adequate information could be obtained from the sectoral offices and other top officials of the Buee town. In 01 kebele, there were about 327 household heads when the study was being conducted. From this sample size, the researcher randomly selected 81 household heads and these offices were included in the interview. Thus, both purposive sampling and simple random sampling techniques were used in the study.

3.2 Data Collection Tools

Both primary and secondary sources of data were used in this study. The primary data was gathered through questionnaires and interviews, while the secondary data was obtained from relevant books, references and annual reports by household heads and Kebele Executive Council. Therefore, the main data collection tools employed in this study were questionnaires, interview and documentary review.

3.3 Data Analysis

The data collected from primary and secondary sources using various methods and techniques were then documented, organized and analyzed. The major findings were summarized and presented using descriptive statistical tools - frequency distribution and percentage - and themes along with narratives.

4. Results and Discussions

To obtain ample information relevant to the topic under study, a questionnaire with 81 close and open-ended questions was set. Then, totally 81 questionnaires were distributed to residents, employees and kebele managers in the sampled Kebele. 100% filled in questionnaires were returned. So, these returned questionnaires together with responses from the interview were analyzed and interpreted..The results are as follows.

Table 1: The General Characteristics of the Respondents of the Study in Terms of their Age, Sex and Educational Status

No	Item	Parameters	Respondents	Percentage
1	Sex	Male	53	65.4
		Female	28	34.6
2	Age group	18-35	37	45.6
		36-45	42	51.9
		Above 45	2	2.5
3	Educational status	Primary	7	8.6
		Secondary	13	16.0
		Certificate	8	9.9
		Diploma	32	39.5
		Degree	16	19.8

In relation to sex, item number 1, in Table 1 shows that among the total respondents, 65.4% were males and only 34.6% respondents were females. So, it can be concluded that most of the households in the Kebele were managed and dominated by male figureheads of families.

Item number 2 of the same table shows issues of age. Namely, 45.6% were found in the age range of 18-35; 51.9% in 36-45 and the other 2.5% were above 45. From this, it can be said that most of the heads of the Kebele were managers in the age ranging from 36 to 45.

Item number 3 of the above table shows that 8.6% were of primary level education; 16.0% of secondary; 9.9% had certificate, 39.5% were diploma holders; 19.8% had a degree and only 6.2% were post-graduates. This implies that the managers of the kebele could be regarded as mentally alert to shoulder responsibilities of their position.

The majority (79%) of the respondents, as can be inferred from item 1 in Table 2, regarding challenges and prospects of good governance in poverty reduction, the kebele used strategic plan, while 21% of the respondents disagreed with this idea.

In the same table, one can see that 76.6% of the respondents stated that the community did not participate in plan preparation, while 23.4% indicated that the community took part in it. Thus, when this study was being undertaken, there was insignificant participation of the community in the Kebele's planning.

Table 2: Major Challenges and Prospects of Good Governance in Poverty Reduction

No	Item	Options	Respondents	%
1	Did your Kebele use strategic plan?	Yes	64	79
		No	17	21
2	If your answer is "Yes" to question number 1, there was community participation in the Kebele's planning?	Yes	15	23.4
		No	49	76.6
3	If your answer is "No" to question number 2, what is the problem?	- Managers of the kebele's didn't invite the community.	31	63.3
		- Lack of community awareness of the significance of participation in plan preparation .	18	36.7

Item 3, in the same table, shows that 63.3% of the respondents indicated that the managers of the Kebele did not invite the community in plan preparation, while 36.7% replied that there was lack of community awareness of the significance of participation in plan preparation. This signals that in the Kebele, there was a low level of people's participation in planning strategies. Inclusion and equality play critical roles in the provision of basic services to reduce and eventually eradicate poverty. Inclusiveness and equality encompass political process, i.e. inclusion in the process of decision making in development and recognitions of contribution by the poor to development and their sharing in the benefit of development process. Ensuring participation by both sexes in planning, implementation, monitoring and evaluation of development projects and public services is indispensable.

With regard to item number 1, in Table 3, which concerns the study areas affected by the challenges of good governance in reduction of poverty, 43.2% and 32.1% respondents strongly agreed and agreed respectively that challenges of good governance in poverty reduction, lack of community participation, lack of income and assets and shortage of water supply existed in Buee town 01 Kebele . Moreover, other 17.3% and 7.4% disagreed and strongly disagreed with the idea respectively. This implies that challenges of good governance in reduction of poverty were lack of

community participation, lack of income and assets in Buee town 01 kebele when this study was being conducted.

Concerning item number 2, in the same table, 45.7% and 33.3% strongly agreed and agreed respectively. This could imply that, the challenges of good governance in poverty reduction were lack of competent workforce among the community, lack of understanding of good governance and poor management of public resources, additional problems in Buee town Kebele 01.

Table 3: The Study Areas Affected by the Challenges of Good Governance in Reduction of Poverty

No	Items	SDA	SA	DA	AG	NE
1	The problems of good governance in reduction of poverty in Buee town 01 kebele are lack of community participation, lack of income and assets and shortage of water supply. Do you agree?	7.4%	43.2%	17.3%	32.1%	-
2	Lack of competent work force in community, lack of understanding of good governance and poor management of human resource may be additional challenges of good governance in reduction of poverty. Do you agree?	3.7%	45.7%	17.3%	33.3%	-

Note: SDA – Strongly Disagree SA – Strongly agree DA – Disagree AG – Agree NE – Neutral

Finally, one could understand that lack of community participation and lack of awareness of good governance, affect reduction of poverty.

Table 4: The Study Areas Affected by the Challenges of Good Governance in Reduction of Poverty

No	Item	Respondents	%
1	The problem of good governance in reduction of poverty in Buee town 01 kebele, which are mentioned above In Table 2 no. 1 & 2, caused by whom?		
	a. Lack of community participation in all Kebele's development activities	46	56.8
	b. Weak Kebele's structure	22	27.2
	c. Poor attention of higher level of government	13	16

Item 1, in Table 4, shows that 56.8 %, 27.2% and 16% replied that the problems of good governance in reduction of poverty in the study areas were caused by lack of community participation in the Kebele's development activities, poor support of higher level governments.

Table 5: The Study Areas Affected by the Challenges of Good Governance in Reduction of Poverty

No	Item	Yes	No
1	Do you know the reasons, lack of community participation?	82.7%	17.3%
2	If your answer is "Yes" to question number 1, what are the causes?		
	a. Lack of community awareness	43	64.2
	b. Community dislike the Kebele's structure	10	14.9
	c. The problems are beyond the Kebele's capacity	14	20.9

Item 1, in Table 5 shows that 82.7% replied in the affirmative and 17.3% in the negative about the reasons for lack of community participation in Kebele's development activities, poor support of higher level governments.

Finally, item number 2 of Table 5 indicates that 64.2%, 20.9% and 14.9% of the respondents disclosed that lack of community awareness, that the problems are beyond the Kebele's capacity and that the community dislikes the Kebele's structures respectively.

Table 6: Prospects or Opportunities for Successful of Good Governance in Future

No	Items	Respondents	%
1	Which mechanisms are used to improve the challenges of good governance in reduction of poverty in Buee town 01 Kebele?		
	a. Providing awareness for community and involving stakeholders continuously.	58	72.5
	b. All Kebele structures should provide relevant services.	17	21.2
	c. Through the support of higher level government	5	6.3

As regards item number 1 in Table 6, which concerns prospects or opportunities for successful good governance, 72.5%, 21.2% and 6.3% respondents responded that the mechanisms were used to improve the challenges of good governance in reduction of poverty were continuously providing awareness to the community and involving stakeholders, all the Kebele structures should provide relevant service with the support of the higher level of the government respectively.

On the basis of the data, one could say that peoples' participation in a decision making process can be encouraged in Buee town 01 Kebele in all development activities in order to solve challenges of good governance in poverty reduction; UNDP also supports this conclusion stating that the seriousness which the government employed to fight against poverty could be determined by the ministry or government departments in which the poverty reduction program was embedded.

Table 7: Opportunities for Successful of Good Governance in Future

No	Item	Yes	No
1	Do you always participate in the Kebele's structure to increase community participation and solve the problem of good governance?	43.3%	56.7%
2	If the answer is "No" to question no. (=number) 1, what is the problem?	Respondents	%
	a. Lack of awareness of the Kebele structure	21	45.7
	b. Lack of information as to which problems can be solved by the Kebele's structures	15	32.6
	c. It was my problem to participate in different structures.	10	21.7

As regards Table 7, item no.1, 56.7% respondents disagreed, where as 43.3% agreed, i.e. they always participated in the Kebele's different structures, such as development groups, while 43.3% stated that they did not to participate in the kebele's different structures..

Item 2 shows that 45.7%, 32.6% and 21.7% of the respondents indicated that lack of understanding affected the community's participation, lack of information as to which problems could be solved by the Kebele's structures and the respondents' personal problems affected their participation respectively.

As regards Table 8, item 1 focused on the existing problems that could not be solved by the community and the Kebele managers only. Accordingly, 71.6% expressed their agreement, while 28.4% communicated their disagreement with this issue that the existing problems were solved by the community and the Kebele's managers only.

Table 8: Prospects for a Successful Good Governance in Future

No	Item	Yes	No
1	Are the existing problems solved by the community and the Kebele's managers only?	28.4%	71.6%
2	If your answer is "No" to question no.1, who is the real actor to solve the problems?	Respondents	%
	a. Higher level government	50	86.2
	b. NGO	-	-
	c. Civil Society	8	13.8
3	How can the community be aware of challenges of good governance in poverty reduction?		
	a. Through discussion and training	21	25.9
	b. Through advice and structure	19	23.5
	c. By involving in decision making	41	50.6

On the other hand, item 2 in the same table shows that 86.2% revealed that it was the duty of the higher level government to solve problems, but 13.8% indicated that the civil societies were responsible.

Finally, item 3 indicates that 21 %, 19 % and 41% of the respondents stated that the community could be aware of challenges of good governance in poverty through discussion and training, through advice and structure and by involving in decision making respectively.

Table 9: The Study Areas that Escaped from Poverty

No	Items	Yes	No
1	Is the community creating any means to escape from poverty?	96.3	3.7
2	If your answer is "yes" to question number 1, among the following, which one is the most important?	Respondents	%
	a. Encouraging small scale enterprise	53	67.9
	b. Being micro finance beneficiary	13	16.7
	c. Being cooperative members	12	15.4

In Table 9, item no.1 in relation to escaping from poverty, 96.3% confirmed that the community was creating the means to escape from poverty, whereas 3.7% of the respondents stated that this was not so. Similarly, as noted in item no.2 in the same table, encouraging small scale enterprise, being micro finance beneficiary and being cooperative members were regarded as the most important means to escape from poverty by 53%, 13% and 12% of the respondents respectively.

The overall conclusion is that the community could create any means to escape from poverty, and it means that small scale enterprises are the most important solution. As Anan pointed out, Good governance is perhaps the single most important factor in eradicating poverty and promoting development. In addition, democratic governance is central to the achievement of the Millennium Development Goals (MDGs) as in providing the enabling environment for the realization of MDGs in particular, the elimination of poverty.

From Table 10, item 1 regarding manager's transparency and accountability to the community, the majority (76.5%) of the respondents confirmed that they were, but 23.5% of the respondents said that they were not.

Asked to mention reasons for the majority (76.5%) of the respondents who addressed item 1 in this same table, as for 32%, 17% and 13% of the respondents respectively cited: (1) The managers of the Kebele's violated the rules and regulations; (2) The Kebele's managers did not know elements of

good governance that contribute to reduce poverty; (3) The higher level of government did not support the local government.

Table 10: The Element of Good Governance that Contribute in Reduction of Poverty

No	Items	Yes	No
1	Is the Kebele's manager transparent and accountable to the community?	76.5%	23.5%
2	If your answer is "Yes" to question no.1, what is the reason?	Response	%
	a. The managers of the kebele's violate the rules and regulations.	32	51.6
	b. The kebele's managers do not know elements of good governance that contribute to reduce poverty.	17	27.4
	c. The higher level of government doesn't support the local government.	13	21.0
3	Because of inefficient and ineffective service delivery to customers, there are problems of good governance in Buee town 01 kebele? Do you agree?		
	a. Strongly disagree	9	11.1
	b. Disagree	17	21.0
	c. Strongly agree	28	34.6
	d. Agree	27	33.3
	e. Neutral	-	-

With regard to item 3 in Table 10, the respondents expressed the extent to which they agreed and disagreed with the idea that, because of inefficient and ineffective service delivery to customers, there were problems of good governance in Buee town 01 kebele 55% and 26% indicated their agreement and disagreement respectively as noted in the table

In summary, the main purpose of this study was to assess challenges and prospects of good governance in reduction of poverty in Buee town 01 kebele. From the above data analysis, the following findings have been identified: (a) As regards the people's participation, 63.3% responded that the kebele's managers did not invite the community during plan preparation; (b) Concerning the challenges of good governance in poverty reduction, 45.7% reported lack of competent work force and poor management of human resource; (c) 86.2% of the respondents stated that problem of good governance in reduction of poverty could be solved by members of the higher level of government; (d) 72% of the respondents disclosed that the mechanism of good governance in reduction of poverty was creating continuous awareness of the community by involving stakeholders; (e) 67.9% of the respondents' emphasized that the most important means to escape from poverty would be encouraging small scale enterprises; (f) 76.5% of the respondents revealed that lack of qualified and competent kebele manager (s) was a problem to effectively communicate with members of the higher level (tier) of the government and to solve basic problems with electricity, street light, water supply and so on.

5. Conclusions and Recommendations

5.1 Conclusions

Based on the data analysis and particularly in accordance with the major findings, the conclusions drawn here are that people did not directly participate in the formulation of policies and decision making. Besides, adequate multifaceted assistance was not granted to the lowest units of the government to enable the people to participate directly in administrative issues. because the people had lack of awareness of good governance and community participation and that many problems could not be solved as a result of a significant communication gap among themselves. More specifically, the big challenges were absence of people's participation in planning strategies, lack of awareness of good governance in poverty reduction, lack of sufficient service delivery to the

community, unqualified and incompetent manpower, lack of commitment of the existing manpower in discharging their duties.

5.2 Recommendations

Based on the conclusions above, the following recommendations have been made to concerned bodies for a better development of Buee town 01 kebele.

- The kebele managers should try to give ample information relating to planning strategies to the community members.
- Awareness creation meetings, workshops, symposiums supported by effective monitoring and evaluation efforts should be conducted based on specific issues of good governance in reduction of poverty. This can help to eradicate poverty and to augment local development initiatives.
- The managers of the various offices in Buee town 01 kebele are not allowed to work in a particular sector. Rather, they work for a short period in one sector, and then, they get evaluated and shifted to another. Thus, most of the town's local government goals are not attained as per the short term and long term plans. Therefore, a stable (a long term) appointment of the leadership needs to be underlined by concerned bodies.
- Lack of qualified and competent manpower can affect the development of Buee town 01 kebele. Thus, adequate and continuous training should be provided for the leadership based on specific issues of good governance.
- The Kebele leaders should create a conducive environment of services much better than ever before to the public.
- Both the Kebele leaders and the community members should fight against challenges of good governance in unison.
- The manager of the Kebele should be efficient and honest in the use of public resources.

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Situational Analysis of Youth Vulnerability to HIV and AIDS: The Case of Cobble Stone Road Construction Workers in Yeka Sub-City

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Abstract

The purpose of this study was to analyze the situation of youth vulnerability to HIV and AIDS related problems. The study was conducted in Yeka sub-city Cobblestone Road Construction Associations, Gewassa and Tafo sites. The research focused on identifying the predisposing factors and assessing the coordination office efforts in the implementation of HIV and AIDS mainstreaming interventions in the sites. Hence, the data was collected from different sources: the Addis Ababa cobble stone coordination office, cobblestone workers, site supervisor (Kabo's), sub-city and Wereda office representatives. The study implemented both qualitative and quantitative data collection methodologies. It employed both data collection tools quantitative (through a survey questionnaire) and qualitative data (through in-depth interview, FGD and observation) collection tools. Purposive and simple random sampling techniques were used; a total of 278 survey respondents participated in the study. The study revealed that the major aggravated factors for youth vulnerability in the targeted sites were having weak/no HIV and AIDS mainstreaming interventions. In addition, developing risky behaviors were also found to be major predisposing factors. Based on these findings, the researchers recommended that the coordination office should design effective, efficient and appropriate HIV and AIDS mainstreaming interventions (i.e. behavioral, biomedical and structural) through a concerted approach with stakeholders at all levels.

Key Words: *Situational Analysis, Youth, Vulnerability, HIV, AIDS, Cobble Stone, Road construction, Workers, Yeka-Subcity.*

1. Introduction

In overall economic development, critical important role is played by micro, small and medium enterprises in the developing world. Moreover, small scale manufacturing industries play a key role in stimulating other sectors of the economy such as construction and services in reducing unemployment (CSA 2010).

SME (Small and Medium Enterprise) encompasses a range of economic units in urban areas that are mainly owned and operated by individuals, either alone or in partnership with members of the same household. It is obvious that SME alleviate urban poverty and create employment opportunities to society at large. The impacts of construction sectors, especially in a cobble stone work segment, are pivotal in the private sector development in poverty reduction. This includes employment creation, especially for unskilled and untrained labor as well as traditionally neglected groups such as women and the physically handicapped and local economy promotion through tendering construction contracts conducive to local micro and small enterprises development (GIZ 2012).

Moreover, Cobble stone road construction is labor-intensive nature of the roads not only creates jobs, but also promotes gender equality, as the physical nature of the work does not exclude

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women. The increasing share of women in cobblestone road construction contributes to gender equality.

It uses simple technology, local resource utilization, low maintenance costs, creates jobs and labor-based technology which are key factors in the sustainability of cobblestone roads (GIZ 2012). Thus, small and medium scale enterprises employ the majority of the working population and they are operated by people of widely differing ages, social backgrounds, genders, education levels, vocational training and work experience, many operators and workers are relatively youth and are in the age group mostly vulnerable to the risk of HIV and other related problems. Ayozie (2011) contended that, the epidemic affects the labor force negatively in terms of economic activities and social progresses.

The statement of the problem of this study deals with the fact that, even though SME has acquired a prominent place in the socio economic development of the country, HIV/AIDS and related problems affect labor, impacting negatively the economic activities and social progress. It is said that worldwide the majority of people living with HIV/AIDS are between the ages of 15 and 49, i.e. people in the prime of their working lives and those involved in the SME are not immune for risk of infection and problems (ILO 2007).

Many of the countries with the highest HIV prevalence have large and growing informal economies. HIV/AIDS has had a severe impact on businesses in developing countries and many of these are located in the informal or semi-formal economy (ILO 2007). The informal economy provides economic refuge to those who have fewer opportunities in more formal employment. This includes women, those who have opportunities in formal employment. This includes women, those who lost jobs due to HIV have related discrimination or sickness, and increasingly children who are orphaned or left with HIV positive women. All over the world, women are bearing the brunt of the epidemic. Over half of new infections are among women, especially young women (ILO 2007).

Furthermore, a research done in South Africa shows that HIV/AIDS is a potential challenge to the future success of SME, and it is clear that, SMEs are increasingly facing the reality of HIV/AIDS in the work place (ILO 2007). Few firms are implementing comprehensive activities starting with education and awareness building, leading to peer counseling, voluntary counseling and testing and treatment.

A skilled and healthy work force forms an integral part of the enabling environment for business. In addition to the enormous negative social impact the pandemic is having on the nation, the economic implications are great. The productivity of industries, economic growth and poverty reduction targets are constantly under increasing threat from the devastating impact of HIV/AIDS among the economically productive age group (EDHS 2011). Both women and men contribute to the local economy in various capacities and possess distinct knowledge and skills that corresponds to these roles. These are the building blocks for realizing the potential of a locality and clearly show that at national level about 67% of women in Ethiopia are either infected, or afflicted by HIV (EDHS 2011). Hence, women and the youth are highly vulnerable and affected by HIV and AIDS.

Therefore, one of the mandates of the Ethiopian Civil Service University is to carry out research to contribute to the civil service sector and society on issues affecting the most vulnerable social group's women, youth through improved attitudes, knowledge and evidence based resulting from research.

Moreover, the study would pave the way forward for government, policy makers and concerned local governments to critically see how SME operators are vulnerable and are affected by HIV and AIDS. And taking this into account, this research is trying to come up with evidence based data and to fill in the gap of the lack of evidence based documentation on SME particularly on cobble stone.

Therefore, it is with this background that the study is trying to find out the situation of youth vulnerability to HIV and AIDS problem in the cobble stone road construction project site. Thus, in order to identify the major gaps and to come up with pragmatic recommendations, a greater focus was given to the following research questions. What are the underlying factors including gender dimensions to HIV and AIDS vulnerability among the youth daily laborers those who involved in cobble stone projects in the study area? Are appropriate HIV and AIDS mainstreaming interventions implemented and are policies employed in this particular industry and setting meant to respond to the problems?

The general objective of this study was to analyze the situation of youth HIV and AIDS vulnerability and come up with appropriate mainstreaming interventions in the construction project sites. Moreover, the specific objectives were to identify HIV and AIDS vulnerability factors including gender power imbalance in the construction sites so as to come up with different biomedical, behavioral and structural interventions and to appraise the prospect and challenge of HIV and AIDS mainstreaming efforts in this particular industry.

2. Review of Related Literature

2.1 Poverty and HIV and AIDS

2.1.1 Economic Situations of the Youth in Ethiopia

In Ethiopia, while poverty is generally a key determinant of vulnerability, other factors like age, prevalence of HIV and AIDS, geographic location and gender are important as well. The youth facing high levels of unemployment are a new group of the vulnerable adding to the more traditional ones of elderly, children and women (UNAIDS, WHO and UNICEF 2011).

Youth vulnerability in Ethiopia is a perplexing problem. Youth unemployment is a major problem of Ethiopia and other developing countries as well. On top of that, age sensitivity of the youth and gender imbalance contribute a lot to the economic, social and health wise vulnerability of the youth in Ethiopia (UNAIDS, WHO and UNICEF 2011).

2.1.2 Role of Small and Micro Enterprises in Alleviating Poverty

According to MUDC (2013), small and micro enterprises are playing a vital role in alleviating poverty in Ethiopia. Its role can be seen from different perspectives such as job creation, ensuring the benefit of women, developing the culture of saving and encouraging the operation of medium level enterprises.

To this effect, a cobble stone project is a labor intensive initiative that creates substantial job opportunities in different activities such as quarrying, chiseling, transporting and paving. As a result, the initiative creates job opportunities for about 489,000 unemployed citizens, among whom 195,600 (40%) of the beneficiaries are women (MUDC 2013).

Employment in the cobble stone sector is open to all including the disabled, and focuses largely on unemployed young people and women; it has given a chance to establish a lot of micro and small enterprises on manufacturing and other construction sectors (MUDC 2013). In the last few years, in capital city of Addis Ababa alone about 2,240 Micro and Small Enterprises were established and engaged in the cobblestone road construction (MUDC 2013). From the data presented here, it is obvious that the MSEs are playing a great role in reducing youth unemployment and also benefiting the most disadvantaged groups such as women and the disabled.

2.2 HIV/AIDS and Road Construction in Ethiopia

2.2.1 Overview of Cobble Stone Road Construction in Ethiopia

Cobblestones technology was introduced by the mayor of Dire Dawa following a visit to France. It is only recently that paving streets with cobblestone was introduced to the rest of Ethiopian cities. In 2008 the initiative was started in Adama town as a pilot project and was expanded to 19 World Bank supported Urban and Local Government Development Program towns, and then, it was further spread to 140 regional cities and towns (MUDEC 2013). The effectiveness of the skill over effect in the cobblestone technology can be observed from its expansion throughout the country. As a result, it opened doors for the unemployed youth in Ethiopia to generate their own income and develop their saving habit which could foster their economic independence.

2.2.2 Impact of HIV and AIDS on Road Construction

In many cases, construction sites are located in remote, under-developed areas surrounded by impoverished local communities. As a result, construction workers can endure a lack of privacy, a sense of loneliness, and poor living conditions that keep them separated from the socio-cultural norms that typically regulate their sexual behavior in their own communities (IOM 2009).

Additionally, isolated working and living environments often create a sense of anonymity among workers, allowing for more sexual freedom (IOM 2009).

Furthermore, the temporary nature of employment on construction sites requires workers to go from one construction site to another while returning home between contracts or on leave. This further contributes to exposing their families and home communities to HIV and other STDs, Sexually Transmitted Diseases (IOM 2009).

IOM (2009) indicated that, HIV/AIDS affected project implementations in different ways. When HIV/AIDS increased, workers' leave and absenteeism reduced the staff productivity and maximized staff turnover due to loss of human resources, maximized vacancy until new staff were hired, and this in turn caused employees' poor performance due to the new employees' lack of experience. HIV/AIDS increased project expenditures due to costs related to absenteeism, medical and burial costs, recruitment and training costs, among other things. Besides, HIV/AIDS increased workloads of project staff due to colleagues' illness and death.

2.3 Magnitude of Youths Vulnerability to HIV/AIDS

2.3.1 Impacts of HIV/AIDS on Youths

According to the sixth report of FHAPCO²⁰, the national HIV prevalence in 2005 was estimated to be 3 % among males and 4% among females. The group with the highest HIV prevalence in the country was that of women aged 15 to 24, and that of men was between the ages 25 and 29. As the most affected groups were people in their prime productive and reproductive years, this resulted in the loss of the country's human capital. Decreased labor productivity and increased health care expenditure due to AIDS were documented in some industrial plants around Addis Ababa (Alemtsehai & Tsegazeab 2008). Thus, the impact of HIV was prevalent generally amongst the youth and specifically within women. Federal Ministry of Health (2012) stress that, HIV infection is highest among female population compared to male, 1.9% and 1% respectively. (MOE 2013)

²⁰ FHAPCO: Federal HIV/AIDS Prevention and Control Office

2.3.2 Predisposing Factors for Youth to HIV/AIDS Problems

- **Economic Factor**

The relationship between income and risk of HIV infection is a highly complex one. There are a number of arguments explaining why higher rates of infection might be expected among the poor (ILO 2007). It is known that HIV is not only an issue of health; it is rather interconnected with so many aspects of life such as economic status. As the aforementioned fact reveals, the poor are highly infected with HIV than the rich. Because of this, HIV is threatening the economically disadvantaged groups such as the unemployed youth and women (ILO 2007).

- **Socio-Cultural Factor**

Young women in Sub-Saharan Africa are at much greater risk of contracting HIV than young men. In part, this is because many adolescent women are married to men who are considerably older. Some of these older husbands have likely had several previous sexual partners and may have a sexually transmitted infection (STI), including HIV, which they may transmit to their young wives. Given these patterns, marriage in sub-Saharan Africa may actually increase adolescent women's risk of contracting HIV (Akinrinola, Susheela, Vanessa & Deirdre 2004). Thus, such findings reveal how HIV is influenced by cultural practices.

- **Political and Structural Factor**

Political and structural factors have influenced HIV vulnerability since the early days of the pandemic. In some cases, legislation, government policies, program strategies, and funding streams perpetuate discrimination against those most vulnerable to HIV, promote gender inequality. When political factors sanction social norms and traditions that promote discrimination, gender-based vulnerability to HIV increases. Political instability, particularly conflict situations, creates conditions that disproportionately increase women's and girls' vulnerability to HIV (World Bank, 2009). The influence of political factors on HIV is tremendous.

- **Behavioral (Sexual Practices/attributes)**

Behavioral, physiological and socio-cultural factors make young people more vulnerable than adults to HIV infection. Adolescence is a time when young people naturally explore and take risks in many aspects of their lives including sexual relationships. Those who have sex may change partners frequently, have more than one partner in the same period of time or engage in unprotected sex. All of these behaviors increase young people's risk of contracting HIV. (Hibret 2007). The youth are very much engaged in exploration and knowing new things. On top of that, they tend to be fast and risk takers. Hence, rather than managing their sexual desires and needs properly, they tend to practice unsafe sex at an early age.

- **The Gender Dimensions of HIV/AIDS Problems**

According to UNAIDS (2014), women represent 50% of all adults living with HIV globally and in the most affected region of sub-Saharan Africa; 59% of adults living with HIV are women. Almost 1000 young women are newly infected with HIV every day. Infection rates among young women are twice as high as among young men in sub-Saharan Africa. (UNAIDS 2014).

The impacts of HIV/AIDS on men and women are different. As Shimwayi and Mark (2012) stated, many factors account for why vulnerability and risk differ for men and women, especially for men and women at different ages. Some are physiological, where women's risk of infection is higher. Others are socio-cultural, reflecting different roles, norms, and expectations, and economic, reflecting differences in command over assets including productive resources, employment, and education. (Shimwayi & Mark 2012)

In conclusion, the gender dimensions of HIV and AIDS problems are bringing devastating effects on women and particularly on adolescent girls, and young productive age group of women are affected by the problem enormously. UNFPA (1995) asserted that, women more often do not have the power to insist on safe and responsible practices and have little access to information and services for prevention and treatment. Furthermore, the social vulnerability and unequal power relationship between women and men are obstacles to safe sex, in their effort to control the spread of sexually transmitted diseases. (UNFPA 1995).

- **Knowledge, Attitude and Practice of Youths in HIV/AIDS issues**

In this study, knowledge refers to the participants' understanding of a topic, while attitude refers to the participants' feelings and preconceived ideas towards the topic. Practice is the application of rules and knowledge that leads to action. Studies have reported risky sexual behavior as a common practice among young people in Sub-Saharan Africa. Young people in this region frequently engaged in pre-marital sexual intercourse, with consequences such as unplanned pregnancy, sexually transmitted infections, and HIV/AIDS (Elias 2012, p.173). Therefore, this shows that young men and women face increased vulnerabilities due to their risky behavior, gap of knowledge and early sexual practices.

2.4 HIV/AIDS Mainstreaming at the Work Place in the Ethiopian Context

ILO (2009) stresses, the Ethiopian government passed a national policy basing on previous guidelines and it obliges enterprises to develop an HIV/AIDS policy. A national workplace policy framework exists in Ethiopia that holds enterprises to account for the development of HIV/AIDS workplace policies. The government committed 2% of organizational budget for the implementation of the policy; HAPCO had developed a strategy, which targeted 2100 HIV/AIDS workplace policy in place by 2011. The workplace was where a considerable number of people convene, interact, and educate one another on many important issues.

- **Mainstreaming HIV&AIDS in the work place**

HIV/AIDS mainstreaming refers to the process of bringing the issue of HIV and AIDS to the center of the development agenda without changing the core business of the organization (FHAPCO 2012). Thus, workplace HIV&AIDS mainstreaming can be viewed as an organizational development process in which institutions/organizations can pursue effective and sustainable solutions, both through the work they do and in their own workplaces.

- **Organizational Leadership on HIV&AIDS Mainstreaming in the Workplace**

Experience has shown that for effective workplace HIV/AIDS mainstreaming programs to be successful, they need to be driven by a senior management level. Without the support of those who influence policy, practice, and resource distribution, initiatives are doomed to fail.

Kelly and Bain (2005) argues that, strong and committed leadership can inspire action, mobilize resources, establish policies and set up responsive organizational structure. In instances where institutional leaders have made HIV and AIDS a priority, the response has been immediate, effective and visible. For instance, in higher education institutions leadership that comes from president or a designated senior manager sends a strong message within the institution and to the wider community that HIV and AIDS management is a priority. (Kelly and Bain 2005).

- **Appropriate Mainstreaming Interventions**

Effective mainstreaming of HIV and AIDS can result in longer-term institutional development by addressing the causes and effects of HIV and AIDS. In reality, this may result in a change of the way sectors execute their functions and relate to their employees and clients (IOE 2002).

2.5 Conceptual Framework of the Study

The different literature concerned with the reproductive health of young people shows that the risk of HIV infection for young people in developing countries is increased by socio-cultural, political and economic forces, such as poverty, migration, war, and civil disturbance. Inequalities in age interface with inequalities in social and economic opportunities, gender, and sexuality to increase the vulnerability of young people to HIV and AIDS (Getenet & Melesse 2012).

This conceptual framework would guide the research, and the independent variables in this study are variables that aggravate the vulnerability situations, and these are economic factor, socio-cultural and political factor whereas, the dependent variable that this study centers on is the prevalence of HIV and AIDS problems.

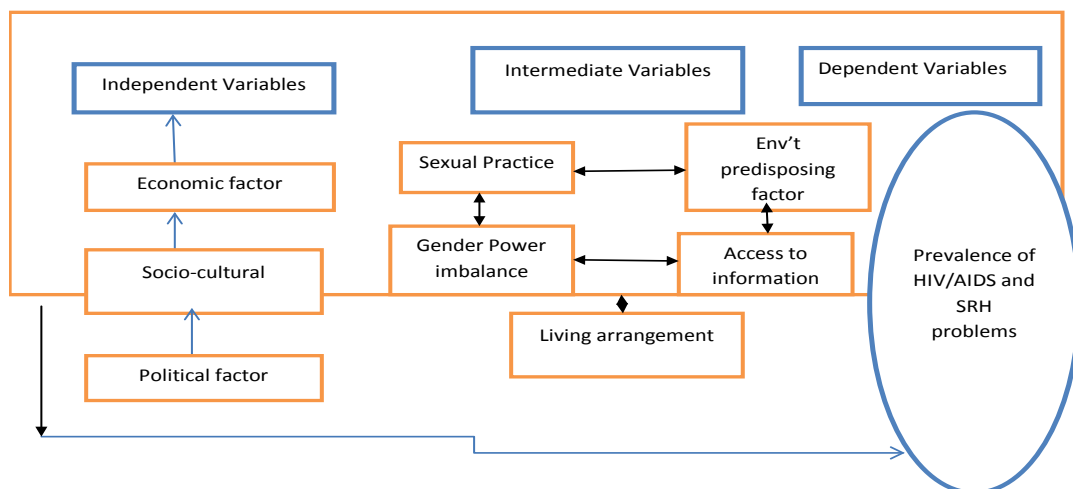


Figure 1: Conceptual Framework of Youth Vulnerability to HIV and AIDS Problem (source: own)

2.6 Operational Definition

Vulnerability: According to Allen (2003), social scientists tend to view vulnerability as representing the set of socio-economic factors that determine people's ability to cope with stress or change (Neil, Nick, Graham & Maureen 2004).

SME: Definition of SME differ between countries but it is commonly assumed that a micro enterprise counts between one and ten employees, and a medium-sized enterprise may have between 50 and 100 employees with the small enterprise falling in between (ILO 2007).

Woman: Refers to an adult female human being. (Collins 2015) the term *woman* is also sometimes used to identify a female human, regardless of age (The free Wikipedia 2015).

Youth: This term refers to a person between the age where he/she may leave compulsory education, and the age at which he/she finds his/her first employment. Or it is best understood as a period of transition from the dependence of childhood to adulthood's independence and awareness of our interdependence as members of a community. Youth is a more fluid category than a fixed age-group, according to UNESCO²¹ (n.d.).

3. The Methods

The study was drawn on a mixed method research design where both quantitative and qualitative methods were used to address issues of triangulation and complementarities. The study was

²¹ UNESCO: United Nations Educational, Scientific and Cultural Organization

undertaken in Gewassa and Tafo site of the cobble stone road constructions that are found in Yeka sub-city of Addis Ababa. With regard the data collection, questionnaire, in-depth interview and focus group were used to collect the necessary data by employing skilled and experienced enumerators who spoke different local languages. The enumerators were given half day training with regard to the collection of data, and the actual data collection took place from March 2 to April 30, 2015.

3.1 Data Collection Instruments

The qualitative data collection techniques included in-depth interviews, key-informants interviews, focus group discussions and participant observation. Besides, survey and document analyses were used for the quantitative data collection method.

3.1.1 Survey

A mix of close and open ended items and scaled questions was included and was prepared in English and translated into Amharic. The survey/questionnaire was used in a-face-to-face manner.

3.1.2 In-depth Interviews and Key Informants Interviews (KIIs)

A total of 26 in-depth interviews (18 and 8 individuals with youth daily laborers and Kabo's from both sites and with key informants respectively) were conducted.

3.1.3 FGD

In this study, FGD²² was the third major tool of data collection. Thus, three Focus Group Discussions were undertaken with the youth daily laborers and Kabo's of both sites.

3.2 Qualitative Data Collection Guideline

General guiding questions were prepared and listed and for each general question, there was a specific question in order to probe more.

3.3 Sample Size Determination for Survey Respondents

Single proportion estimate procedures were used to determine the sample size (WHO 2001; Alston and Bowles in (2003). Out of 3 SME sites in the Yeka sub-city, 2 SME sites (Gewassa and Tafo) were selected through a simple random sampling method, and out of a total of 1264 youth who were engaged in cobble stone road construction, 278 youth took part in this research, i.e. from Tafo 102 and from Gewassa, 176 were purposively selected for the study.

3.4 Methods of Data Analysis

The study utilizes both descriptive statistical tools and qualitative interpretation. To analyze it qualitatively, a category for the research question were developed. Consequently, the crude data that was collected from the sample survey were coded and entered in to SPSS program and were analyzed in the form of descriptive statistics.

3.5 Ethical Considerations, Quality Assurance and Validity

Due to the sensitivity of the issues in the study, ethical consideration was considered by obtaining informed verbal consent of the respondents so as to secure their willingness and assent to participate in the study. In order to protect the confidentiality and anonymity of the participants in the study, pseudonyms were used in data reporting. Moreover, quality assurance was maintained throughout the data collection process by the training and support provided for the data collectors. The data collection was conducted with strict oversight and intensive supervision.

²² FGD: Focus Group Discussion

4. Results and Discussions

Two main themes and eight sub- themes were identified and utilized to deal with the findings. The two main themes are underlined factors for youth vulnerability to HIV&AIDS problems and appropriate HIV&AIDS mainstreaming interventions. The sub-themes are sexual practice, environmentally predisposing factors, gender power imbalance, lack of access to information and services, KAP²³ of youth, structural intervention, biomedical intervention and behavioral interventions.

4.1 Background Characteristics of Survey Respondents

4.1.1 Project Site

The majority of the respondents' i.e. 63.3% were selected from Gewassa Site whereas the rest 36.7 % were taken from Tafo Site due to the fact that the Gewassa site had a high number of daily laborers compared to Tafo site.

4.1.2 Sex of Participants

Out of the total of 278 participants, 51.4% (143) are males and the remaining 48.6% (135) are females. The researchers of this study had tried to maintain a good proportion of gender balance among the participants.

4.1.3 Sex of Participants by their Project Site

Basically, 52.94 % of the Tafo Site participants are males, while the remaining 47.06% are females. 50.57% of the Gewassa Site participants are males, while the remaining 49.43% are females. This implies that the number of male participants is slightly higher than that of the females in both construction sites.

4.1.4 Age of Respondents

The majority of the participants were 25 years old followed by participants who were aged from 26 to 30 and above.

4.1.5 Level of Education

The majorities (69.8%) of the respondents were in grade 8 and lower grades. 24.8% attended high school and only 5.4% attended higher education. The data implies that the respondents had a low level of education which made them to be vulnerable to HIV and AIDS, since most of the time education enhances peoples' self protection skills and their critical problem solving capacities.

4.1.6 Level of Education by Project Site

In both working sites, the majority (69.8%) of the respondents belonged to the educational category from grade 5 to 8. The data shows that the highest grade level of most (70.45%) of the Gewassa and a large number (68.85%) of the Tafo participants was grade 8 when this study was being undertaken.

4.1.7 Work Experience

The majority (54.5%) of the participants were in the SME²⁴ for two years and above. Those, who were in the SME for a maximum of one year, had the next highest percentage (41.5%) followed by (4%) participants who were in the SME from one year up to two years.

²³ KAP: Knowledge, Attitude and Practice

²⁴ SME: Small and Medium Enterprises

4.1.8 Average Monthly Income by Sex

From the female participants, 64.44% earned between 500 and 1000, 14.07% got between 1000 and 1500; 14.07% obtained 1500 and above; 14.07% had 1500 and above; 7.41% earned below 500%. Of the male participants, 36.36% earned between 500 and 1000 Birr; 32.17% obtained 1500 and above; 29.37% had between 1000 and 1500; 1.34% got below 500. This shows that comparatively at each level, males earned better income than their female counterparts.

4.1.9 Respondent of Marital Status by Sex

Out of all female participants, 58.5% were married; 33.3% were single; 5.2% were divorced; 2.2% were widowed and 0.7% did not respond to a question on this issue. Similarly, from all the male participants in this study, 40.6% were married; 58.7% were single and the remaining 0.7% were divorced.

4.2 Data Analysis and Discussion

This section presents the data that was collected through questionnaires, FGDs and interviews from the youth and KII from stakeholders. An attempt was made to integrate different participants' views (qualitative and quantitative data) under two identified themes including underlined risk factors of gender dimensions to HIV/AIDS vulnerability among the group, and implementation of appropriate HIV/AIDS mainstreaming interventions in the project site.

4.2.1 Underlined Factors for Youth Vulnerability to HIV and AIDS problems

Ethiopia has currently a population of 92,205,000 million of whom the young people account for 1/3(34.7%) of the total population (CSA 2016).According to the EDHS report (2011), in Ethiopia, there are 800,000 people living with HIV/AIDS and 1.5% of population aged 15-49 years is infected with HIV. (EDHS 2011). Thus, young people are more at risk group of population.

According to the Federal HAPCO (2010),the determinant factors that drive the epidemic and sexually risky behavior among different population groups including youths were low level of comprehensive knowledge about HIV and AIDS, low level of perceived risk and threat of HIV/AIDS, increased population migration, high prevalence of unprotected sex with concurrent multiple partners ,intergenerational and transitional sex, high prevalence of STI's, alcohol and substance abuse, gender inequality, poverty and other related factors. Thus, the points raised above could be better seen by highlighting the situations of youth vulnerability to HIV and AIDS problems in accordance with sexual practices, environmental predisposing factors, gender power imbalance, access to information, living arrangement, KAP of youth, structural intervention, biomedical intervention and behavioral interventions.

- **Sexual practice**

Ministry of Education (2013) show that, unhealthy sexual practices such as unprotected casual sex and multiple sexual partners, sexual experimentation, early sexual debut, peer pressure and other related factors put them vulnerable and at risk of HIV and AIDS infections.(MoE 2013).

The quantitative data result showed that 50 (17.6%) of the participants had had unprotected sex (i.e. sex without-condom). In addition, 2.5% of the participants were infected with STI and other SRH problems due to unprotected sex. Moreover, 26 participants (9.25%) had two or more sexual partners. 16 (61.5%) of males and 10(38.5%) females among the respondents had multiple sexual partners.

Thus, it can be concluded that having multiple sexual partners and engaging oneself in unprotected sex was practiced among the youth that were found in both sites, and this implies that they were

vulnerable to HIV and AIDS related problems. The findings from the qualitative data also confirmed the above points.

- **Environmental predisposing factors**

Environmental factors can fuel the spread of HIV and AIDS and increase the vulnerability of youth in general and the youth in construction sites in particular. The findings from research depict that environmental factors like living arrangement of the daily laborers, peer pressure, drinking alcohol, chewing “Chat” and use of “Shisha” and other drugs and prevalence of alcohol houses near construction sites and poverty or having low income make the female daily laborers particularly to look for part time jobs or other opportunities that would generate income in order to sustain their families, and as the result, this could expose them to HIV and AIDS infections.

Both the qualitative and quantitative data showed that the aforementioned environmental predisposing factors played a major role in making the youth vulnerable to HIV and related problems.

- **Gender Power Imbalance**

Vulnerability of women and girls to HIV infection results from biological, social, cultural, economic, legal and other factors that adversely affect their capacity to protect themselves from the risk of HIV infection (EDHS 2011).

Moreover due to the gender power imbalances, women lack decision on issues of sex and reproduction; they lack information about sexuality, HIV and AIDS and reproductive health and also their low economic status makes them vulnerable to HIV and AIDS related diseases one way or another.

Both the qualitative and quantitative data revealed that due to the existing gender power imbalances women were vulnerable and susceptible to HIV and AIDS problems.

From the quantitative data, one could see that 51.1% of the participants never negotiated on issues related to sex with their sexual partners; out of this, 44.4% were females and this in turn, made women vulnerable to HIV and AIDS. To substantiate the above statements, due to gender power imbalances, women did not take decisions on their sexuality as to how and when to have sex or use condoms.

- **Lack of Access to Information and Services**

The national document on HIV prevention Packages for Most at Risk Populations(MARPS) and vulnerable groups developed by FHAPCO in 2011 states that young people in construction sectors are vulnerable and at risk to HIV infection due to various reasons among which one is lack of access to HIV and AIDS information and Services.

Both the quantitative and qualitative data depict that youth in both construction sectors were vulnerable to the problem due to the fact that they did not have access to information and services about HIV and AIDS problems in their work places. The majority of the focus group discussants from the mixed gender underlined said, *“In the association, we have never received any information about HIV and AIDS issues let alone access to the services.”* The survey result also showed that 51.4% of male participants and 48.65 of female participants believed that female youth daily laborers did not get the access.

- **Knowledge, Attitude and Practice of youth (KAP)**

According to EDHS (2011), comprehensive knowledge among young people is about 30% and promotion and education on consistent condom use and reaching young people with behavioral

interventions also needs more attention. Therefore, the following question was raised to participants: “Do you have the knowledge on how to protect yourselves from HIV and AIDS problems?” As to the findings, 10.8% of the participants did not know how to protect themselves from HIV and AIDS. Lack of basic knowledge on how to protect oneself from HIV/SRH was one factor that exposed individuals to HIV and AIDS.

The qualitative data depicted that a significant number of participants had a low level of knowledge, attitude and practice towards HIV and AIDS issues. A question was raised to the male interviewees about their sexual partners’ use of condom and about their attitude toward it. The majority (89 %) of the respondents replied that it was inappropriate for females to do such a thing and they said if a female used it, then, a problem would arise.

Moreover, as regards having voluntary counseling and testing, and having unprotected sex, the quantitative data depicted that 16.5% and 17.6% of the youth had never had VCT²⁵ service and were engaged in unprotected sex respectively. The study also showed that there was a tendency of having sex with their sexual partners whose HIV status was unknown to them. Therefore, this shows that there was a significant low level of knowledge and practice of using condom and having VCT services among the youth to protect oneself from HIV and AIDS related diseases, and this made them vulnerable to the problem.

4.2.2 Appropriate HIV and AIDS Mainstreaming Interventions

The following interventions were used together so as to address issues of the epidemic and enhance the well-being of the youth in the construction sites.

- **Behavioral Interventions**

Both quantitative and qualitative data were collected and analyzed in relation to the behavioral interventions that were undertaken in both sites of the research.

Regarding peer learning the quantitative data indicated that nearly half of the participants (44.6%) never had peer learning about HIV and AIDS issues. Out of this 69 (55.6%) were females and 55 (44.4%) were males who did not undertake peer learning among themselves. Hence, from the above data, it can be inferred that the majority of the participants were vulnerable to HIV/AIDS due to lack of having peer learning with their colleagues since lack of open communication among peers could be one factor that makes the youth vulnerable to HIV/ AIDS problems.

Regarding capacity building training on HIV and AIDS issues, the data shows that there was inconsistency of trainings, and at times no trainings at all in both construction sites. As the majority of the participants (70.0%) did not take training on HIV, (9.4%), (10.1%) and (10.8%) had only one, two or more than three chances of training respectively. From the data it could also be inferred that the majority of the Kabo’s and the majority of the mixed gender FGD discussants stressed that “Although trainings has been given previously by different institutions, they were discontinuous and when this research was being conducted, the training provision was stopped completely. Lack of awareness was found to have made them frail in bringing about the desired behavioral changes.

Similarly to substantiate the above arguments, a KII from Yeka Health Office said:

“The major problem we have faced to provide frequent trainings is that, since the workers are highly engaged in their daily activities with the cobble stone work, they are not willing to interrupt and take trainings. However in order to solve this problem we provided ToT for representatives and they in turn train the workers during the night time but we are not sure for its implementations.”

²⁵ VCT: Voluntary Counseling and Testing

Since there is no follow up done on as to how the implementation process goes it is difficult to prove that these representatives will provide the training during their night time. Therefore, from the above data it can be said that capacity training on issues of HIV and AIDS are scanty or limited.

- **Bio-Medical Interventions**

In order to prevent HIV infection and address SRH²⁶, the bio-medical facilities must be accessible and equitable to all users. Since construction sectors are identified as MARPS, there is urgency of making condom outlets as one of the mechanisms of dual protection from HIV and STI and also VCT centers must be there (e.g. through campaign or outreach service). This is because VCT gives the clients an opportunity to reduce the risk of acquiring or transmitting HIV.

This study indicated that there were no or limited condom outlets within the sites. Regarding Voluntary Counseling Testing (VCT), the quantitative data depicted that 83.4% of the participants had VCT at least once. However, 46 (16.5%) of the participants never obtained VCT which makes them vulnerable to HIV/AIDS.

It can be concluded that VCT services were available once or twice in the two research sites because many (83.4%) of the participants undergone VCT. To substantiate this, one of the KII Yeka-HAPCO said:

“Campaigns are conducted within the cobble stone sites; however they don’t have continuity. They are given once or twice and then they stopped. Some time before a particular organization named www conducted VCT for cobblestone youth and found out that many were HIV positive”

Therefore, in the light of this, it can be concluded that, due attention must be given to and condoms must be disseminated equitably, and outlets must be established so that youth laborers can have easy access to it. Moreover, VCT campaign must be facilitated so as to curb the escalating situations at hand in these sites.

- **Structural Interventions**

Concerning the structural interventions, the information that was obtained from the Addis Ababa Coble Stone Coordination Office KII, the central office that coordinates all the coble stone constructions in Addis Ababa, it was found out that the structural intervention was not strong. The coordination office did not have a workplace HIV/AIDS policy and a focal person that coordinates HIV and AIDS issues, etc.

Accordingly, the KII discussant said,

“This cobble stone coordination office do not have its own work place HIV and AIDS policy and it also needs to have its own office and focal person and our partnership with stakeholders are not that much strong and I can say we are not working in synergy due to the above reasons.”

This shows that there was a significant lack of leadership commitment and the intervention programs were weak since they were taken as secondary activities. With regard to creating synergy and working in partnership with other sectors, the coordination office does not have a strong partnership and this could greatly affect the effectiveness in coordinating the prevention interventions of HIV and AIDS problems in the cobble stone project sites.

²⁶ SRH: Sexual Reproductive Health

5. Conclusions and Recommendations

5.1 Conclusions

The research found out that situations of youth vulnerability were worsened mainly due to limited or no HIV and AIDS prevention interventions. Due to this, most of the youth had never been trained in HIV and AIDS issues such as limited or no HIV and AIDS problems preventions interventions in the sites such as equitable condom provisions, VCT campaign, and lack of information services which were major aggravating factors. In addition, developing risky behavior such as having sex before VCT was identified by the researchers as a fueling factor for the vulnerability of youth in the construction sites.

With regard to sexual practices, because of their sexual practices like having unprotected and casual sex with partners whose sexual status was unknown and having multiple sexual partners, the youth in both construction sites were vulnerable and at risk of HIV and AIDS problems. The findings also revealed that, due to their risky behavior and having unprotected sex, the youth from both construction sites were infected with STI and other SRH problems. This shows that the youth highly vulnerable to HIV and AIDS.

In relation to environmental predisposing factors like living arrangement of the youth, peer pressure, drinking alcohol, chewing chat and use of drugs and prevalence of alcohol houses near the construction sites, poverty and having low income make females daily laborers looking for income generating means to sustain their families' needs which force them to depend on the income from the frequent exposure to problems causing HIV and AIDS.

As the findings revealed, in relation to gender power imbalance, the young female daily laborers could not decide on or negotiate about sex matters. Moreover, unavailability of access to information and services related to HIV and AIDS issues based on needs of the youth and the situation in the construction sites could be considered as aggravating factors.

Regarding bio-medical interventions, the construction sites had no or limited VCT campaigns, and condoms were not disseminated consistently, and condom outlets were not established either. Due to this, there was a low level of KAP. Hence, lack of these services escalated the situations for the youth to be vulnerable to HIV and AIDS problems.

The research findings indicated that the structural intervention was weak being a center of coordinating all the cobble stone construction sectors in Addis Ababa. Thus, it can be concluded that there was lack of leadership commitment, intervention programs were ad hoc, and there was also fragmented comprehensive approach along with lack of periodic monitoring and evaluation. Moreover, the structural intervention did not have sustainability of institutional and integrated mainstreaming efforts of the concerned offices at various levels.

Therefore, these offices need to give due attention to efforts of strengthening the work of HIV and AIDS mainstreaming in the cobble stone project construction sites and must give room for synergy so as to successfully curb problems of the youth.

5.2 Recommendations

Based on the major findings of the study and the conclusions, the following recommendations have been forwarded to concerned bodies:

- The Addis Ababa Cobble Stone Coordination Office must organize capacity building trainings and needs to work on developing job related skills of especially female daily laborers. Moreover, the office needs to work with stakeholders particularly the police so as to eliminate the "Chat, alchole and shisha" houses in Addis Ababa and the surroundings of cobble stone project sites.

- The leadership needs to have a real commitment; the coordination office should be strengthened by assigning focal persons and building a separate HIV and AIDS coordination office apart from establishing a sustainable AIDS-fund so as to strengthen the social support for its staff and the youth in the sites along with its own workplace HIV&AIDS policy.
- The office needs to strengthen the existing partnership at federal level, with health sectors, and NGO's²⁷ so as to work in synergy to mobilize resources and to meet needs relevant to structural, behavioral and medical interventions in the sites.

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²⁷ NGO: Non-Governmental Organization

An Assessment of Women Empowerment in Public Institutions: The Case of Benishangul Gumuz Regional Bureaus

Gudata Abara Chali and Moges Negero Erana**

Abstract

The study was designed to analyze women's participation in decision making, the role of government in empowering women, the influence of socio-cultural factors and challenges affecting the women in leadership positions. The research was conducted through a mixed approach. A descriptive survey including both quantitative and qualitative method with both non-probability and probability sampling techniques incorporating simple random sampling was employed. Primary data were collected through questionnaires from a sample of 165 respondents. The findings showed that there was less emphasis on women empowerment in the organizations. In addition, the cultural and organizational factors affected women in leadership positions. Even though women had confidence in becoming leaders, there was no concern for mentoring, coaching, and training made to encourage women by the organizations. Thus, the research recommendations are, among other things, that concerned bodies need to give due attention to specific and practical issues of empowering women.

Key words: *Employees, Public Institutions, Women Empowerment, Leadership, Women Participation*

1. Introduction

In most societies with patriarchy, females are regarded as inferior to their male counterparts. Because of this, women are denied access to both honored and utilitarian roles open only to males. Such roles as administration and disposal of property, and leadership roles in societal affairs including religion and governance exclusively belong to males.

Sustainable and all-round developments of a society cannot be brought about without the full and unreserved participation of both women and men in the development process, and such a balanced development should also call for the elimination of all forms of discrimination, and the protection against all forms of violence against women. According to the World Bank (WB 1998), although women have too much of the workload to produce half of the world's food, they suffer from all forms of discrimination and from lack of adequate protection against violence by men.

According to Meaza (2009), Ethiopia is part of all major human right treaties including the most important women's conventions, i.e. Beijing Declaration and Platform of Action (BDPA), which requires governments to attain a 30% benchmark for women public decision making positions.

Accordingly, as it was stated by Meaza (2009), the main factors which contributed to such disparities include: structural barriers, unequal socio-economical opportunities, and inadequate access to mentors and support networks. Furthermore, rigid work place structures and gender stereotypes that relate to socially defined characteristics, in most cases, dissociate women from their potential leadership roles.

The importance of this research stems from the idea that attitudes toward women in leadership affect women's participation in leadership, and in turn, women in positions of leadership engage in

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policies that positively affect women (Caiazza 2004). This reciprocal effect furthers the process of gender equality in the work force, and promotes an environment where women are supported to move into autonomous and independent activities. This process gradually leads to acceptance of women in business or political leadership.

Women's leadership and effective participation is increasingly on the development agenda of governments, bilateral and multilateral agencies, and non-governmental organizations, including women's rights groups. Evidence from programs and research demonstrates the important role women play as key actors and decision-makers in the development process across a wide range of sectors (Gill 2009).

In the political arena in particular, there is a growing momentum among governments to foster and ensure women's participation and leadership in governance structures. Establishing quotas for women's representation at different levels of governance has been a strategic tactic in achieving this goal in many countries. Affirmative action, for example, to ensure women's political representation is an important step in democratizing and engendering local governance. However, it has not been adequate to ensure women's leadership and their effective participation in local governance as elected women representatives (Sarpanches & Jayal 2006). Thus, women empowerment continued to face several institutional and social barriers. At the institutional level, the capacity of local governance structures to implement reforms, institutionalize accountability systems, decentralize functions and facilitate women's active engagement plays a role in determining whether or not women are able to emerge as political agents and actors (Mukhopadhyay 2005).

The overall objective of this study was to investigate the practices of women empowerment as transformational leaders in public institutions of Benishangul Gumuz Regional State. The specific objectives of the study include: (a) To investigate the extent to which women participate in decision making in public institutions of Benishangul Gumuz Regional State Bureaus; (b) To explore the extent to which Regional Bureaus empower women towards transformational leadership; (c) To investigate the extent to which the socio-economic system activate women for empowerment; and (d) To identify potential challenges of women in playing their leadership roles.

2. Review of Related Literature

According to Carey (2007), women leaders are more assertive and persuasive, have a stronger need to get things done and are more willing to take risks than male leaders. Women leaders were also found to be more empathetic and flexible, as well as stronger in interpersonal skills than their male counterparts.

2.1 Transformational Leadership

Transformational leadership is defined as a leadership approach that causes change in individuals and social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders. Enacted in its authentic form, transformational leadership enhances the motivation, morale and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so that the leader can align followers with tasks that optimize their performance (Antonakis et al 2003).

2.2 Women's Participation in Public Administration at a Global Level

Some developing countries have made great strides in women's participation in decision-making positions in public administration. For instance, Costa Rica has managed to bring 46 percent of its women to reach decision-making positions; Botswana's is 45 percent and Colombia's is 40 percent. Progress can be and is being made in many countries. Hence, gender equality and gender disparity can be a realistic goal for countries currently lagging behind in terms of multifaceted development (Arab 2011).

According to the Worldwide Index of Women as Public Sector Leaders recently developed by Ernst & Young (Arab 2011) across the G20 major economies, women account now for around 48 percent of the overall public sector workforce, but they still represent less than 20 percent of public sector leadership. Conversely, across the Organization for Economic Co-operation and Development (OECD) countries, women hold 65 percent of all administrative and secretariat positions in central public administrations.

2.3 The Status of Women's Participation in Africa

Participation of women in public decision-making is one of the areas in which progress has been made in Africa. Rwanda became a shining example by achieving gender parity, interpreted as the 50% goal set by the AU Solemn Declaration on Gender Equality. With 56% women representation in parliament, Rwanda is recently considered the global leader. For this achievement, the President of Rwanda has received several awards, most recently at the International Colloquium on Women's Empowerment, Leadership, Development, International Peace and security in Monrovia, Liberia from 7-8 March 2009.

Six other African countries have achieved 30% representation, usually interpreted as fulfilling the "critical mass" threshold set by the BDPA. These countries include South Africa (45%), Angola (37.3%), Mozambique (34.8%), Uganda (30.7%), Burundi (30.5%) and the United Republic of Tanzania (30.4%). South Africa witnessed a 12% increase in women's representation in parliament, from 33% to 45%, during the April 2009 elections. South Africa is on track to achieve the 50% target set for 2015 according to the 2008 SADAC Declaration.

Countries with over 20% representation rate include Eritrea, Ethiopia, Lesotho, Mauritania, Namibia, Seychelles, Senegal and Tunisia. Countries that have made progress have either instituted affirmative action/quotas in their constitutions or adopted rules to enforce gender quotas in their dominant parties. For instance, in Burundi, Rwanda, Tanzania and Uganda, constitutional provisions established quotas to ensure women's representation mostly within the range of 30%. In South Africa, the Municipal Structure Act established a 50% quota for local government while the African National Congress (ANC) established a 30% quota at the level of parliament. Similarly, in Mozambique, the Front for the Liberation of Mozambique adopted a 30% quota for women.

In Africa, there is modest progress in women's representation in the executive branch. Liberian President Ellen Johnson-Sirleaf became the first woman Head of State in modern Africa when she assumed power in 2003. Further, the number of women Ministers has increased in countries such as South Africa (44.8%), Cape Verde (35.7%) and Lesotho (31.6%).

2.4 General Situation of Women in Ethiopia

Women comprise about 49.9% of the estimated Ethiopian population of 77.1 million (CSA 2007). Among the total heads of households, 25.5% are females with 23% of them in rural and 39% in urban areas (ibid.). Like their counterparts in developing countries, women in Ethiopia face a set of multiple, cross cutting and interrelated problems. These problems limit Ethiopian women's access to services, productive and educational and employment opportunities. Hence most of them do not

participate in decision making.

In general, Women in Ethiopia occupy low status in the society. In spite of their contributions to the wellbeing of their family and community affairs in general, women experience lower socio-economic status as a whole and hence are marginalized from making decisions at all levels. Women are facing multiple forms of deprivation. Gender based discrimination, lack of protection of basic human rights, violence, lack of access to productive resources, education and training, basic health services, and employment are widespread (National Committee for Traditional Practices Eradication (NCTPE 2003).

Ethiopian women suffer from work stereotype and gender distribution of labor, most of them occupy economically invisible work. Women experience lower socioeconomic status in general and, hence, are marginalized from making decisions at all levels. Nonetheless, women are poor in terms of access to resources, services and employment. Women are underrepresented in the formal sector of employment. A survey conducted by the Central Statistical Authority (CSA 2004) showed that women account for less than half (43%) of the total employees in the country.

The breakdown of the federal government employees by occupational groups also indicated gender disparity. From federal government employees found in the clerical and fiscal type of jobs, 71.3 % were female, while the percentage of females was slightly more than half (51%) in custodial and manual type of jobs. Women make up 25% and 18% of the administrative and professional and scientific job categories respectively, indicating that upper and middle level positions are overwhelmingly dominated by men (Federal Civil Service Commission, 2005).

2.5 Challenges to Women in Leadership

A range of issues arise in restraining women's potential to aspire to positions of leadership. Sadie (2005) maintained that at the bottom of the restrictions that women face is the patriarchal system where decision-making powers are in the hands of males. In this context, traditional beliefs and cultural attitudes concerning the role and status of women in society are still common and many women who are part of this system are finding it difficult to diverge from this culture and tradition forcing them to be ostracized. Regardless of women's education and access to the job market, the woman's role is considered to be the typical one of homemaker, but the man is the bread-winner, figurehead of household, and has the right to public life.

According to Emmett (2001), the majority of religions have stereotypical functions for men and women where women are professed as subordinate to men. In her account of women's experience of religion, Emmett examined the ceremonies executed for and by men in diverse religions such as Hinduism, Islam and Christianity. Her judgment was that men are usually empowered by religion in various ways, but women do not benefit from such dispensation, being disempowered by religious structures and practices.

3. The Methods

A mixed design involving both quantitative and qualitative approach was employed so as to collect ample data and to scale up the validity of findings from different data sources. Data for this research was collected from both primary and secondary sources. To select sample respondents from the total study population, both probability and non-probability sampling methods were employed. For instance, purposive sampling was used to select the managers of the organizations under study. The study population in this research consisted of all permanent female employees in 20 public institutions of Benishangul Gumuz Regional State. They were totally 604 and 151 were selected as sample respondents. Twenty of the managers of the organizations were also selected as respondents. Hence, the total sample size for the study was 171.

The data collection tools for this study were a questionnaire, semi-structured interview and document analysis. The questionnaire had both close ended and open ended items. Besides, the interview was employed to collect the data from the managers of the organization. Accordingly, for realization and successful accomplishment of the study, data collected from the primary and secondary sources were recorded, edited, organized, analyzed, interpreted and presented in relation to the research questions. This is done both quantitatively and qualitatively by using descriptive statistical tools such as tables, frequencies, charts and percentages.

4. Results and Discussions

4.1 Women's Participation in Decision Making

As indicated in Table1, almost all (74.89%) respondents among the women disagreed with the idea that women sufficiently represented in leadership positions, but 9.96% stated that women were sufficiently represented in leadership positions and the remaining 23.1% agreed with the idea. Similarly, the majority (84.05%) of the respondents disagreed with the statement that reads, 'Women are posted/represented uniformly across all public sectors at regional level' while about 3.18% of them had no opinion; 12.77% of the respondents agreed with the statement. Moreover, 23.5% of the respondents agreed with the statement that 'women are fairly represented in positions of greatest influence /legislative, executive, and judiciary organs'. However, the majority (72.9%) of the respondents disagreed with the statement; about 3.58% of them had no opinion. Regarding the statement 'women leaders are active and exemplary model in making public decisions', a considerable number (56.16%) of the respondents expressed disagreement; 4.78% had no opinion, whereas the remaining 39.03% expressed agreement. Besides, in reaction to the statement 'women leaders have potential to guide, set the vision and to aspire other women to the position of leadership', 34.66% of them disclosed their agreement; 5.97% were without any opinion; 59.36% disagreed

Table1: The Extent of Women Participation in Decision Making

No	Questions	SDA	DA	UD	A	SA
1	Women are sufficiently represented in leadership position.	39.04	35.85	1.99	9.96	13.14
2	Women are posted/represented uniformly across all public sectors at regional level.	40.23	43.82	3.18	5.97	6.8
3	Women are fairly represented in positions of greatest influence /legislative, executive, and judiciary organs/.	35.45	37.45	3.18	17.93	5.87
4	Women leaders are active and exemplary model in making public decisions.	30.27	25.89	4.78	15.93	22.75
5	Women leaders have potential to guide, set the vision and to aspire other women to the position of leadership.	27.49	31.87	5.87	22.31	12.35
6	Women at different leadership positions are confident in decisions.	23.1	35.45	8.36	13.14	20.69
7	Women at senior level positions are working to empower other women.	27.49	27.49	2.39	19.90	22.31

Source: Field Survey (June, 2015)

NB: SDA-Strongly Agree, DA-Disagree, UD-Uncecided, A-Agree, SA-Strongly Agree

As depicted in Table 1, 58.55% of the respondents disagreed with the statement 'women at different leadership positions are confident in decisions'. 8.36% of the respondents did not respond to this issue; 33.04% of them agreed with the statement. In response to the statement 'women at senior

level positions are working to empower other women', 42.21% agreed, whereas 55.37% disagreed; 2.39% had no opinion.

4.2 The Role of Government In Empowering Women

As it can be seen from Table 2, the majority (65.07%) of the respondents disagreed with the statement 'women in their organization do not have access to relevant training or human resource development program on leadership'. Whereas 28.57% of the respondents agreed that the women had no access; 6.35% had no opinion; Besides, the majority (63.49%) of the respondents explained that women in their organization had clear and understandable awareness of the mission and vision of their organization. In contrast, 31.8% argued that the women employees had no clear understanding of their organizational mission and vision, and the remaining 4.76% had no opinion about the statement.

Moreover, most (65.07%) of the respondents revealed that their organization had no consistent and successful women empowerment plan even though 31.78% agreed that their bureau had a consistent plan to empower women and 3.17% indicated that they had no opinion about the issue. With regard to the statement 'our organization set sustainable motivation system for women empowerment', 74.58% of the employees mentioned their disagreement, whereas 3.17% had no opinion about the statement; 21.43% expressed agreement.

Table 2 also indicates that the majority (63.47%) of the employees disagreed with the statement the organization attends and tries to fulfill the need and concern of women in leadership, whereas the 30.16% agreed with the statement and the remaining 6.35% of the respondents had no opinion about this point.

Table 2: Emphasis Given for Women by the Government

No	Questions	SDA	DA	UD	A	SA
1	Women in their organization do not have access to relevant training or human resource development program on leadership.	15.87	49.2	6.35	9.52	19.05
2	Women are provided with clear awareness of the vision and mission of their organization.	12.70	19.1	4.76	41.27	22.22
3	Our Bureau has consistent plan to empower women as leaders.	15.87	49.2	3.17	20.67	11.11
4	Our organization set sustainable motivation system for women empowerment.	26.98	47.6	3.17	14.29	7.14
5	Our organization attends and tries to fulfill the need and concern of women in leadership.	15.87	47.6	6.35	19.05	11.11
6	Our organization encourages and values the women employees' creativity and contributions in leadership position.	19.05	50.8	7.94	12.7	9.52
7	Our leaders invest their time and energy in helping women to overcome weakness and improve their potential.	22.22	60.3	6.35	4.76	6.35
8	Our organization openly supports successful mentoring relationships for leadership position.	30.16	50.8	4.76	9.53	4.76
9	Our leaders are committed to encourage women's overall development.	20.64	55.5	6.35	11.11	6.35

Source: Field Survey (June, 2015)

Table 2 also features that most (69.85%) of the respondents disagreed with the idea that their organization encourages and values the women employees' creativity and contributions in

leadership position.. 7.94% of the respondents did not respond to the issue; and the remaining 22.22% respondents mentioned that their organization did so.

Concerning the idea of leaders' investment of their time and energy in helping women to overcome weakness and improve their potential, as shown in Table 2, the majority (82.52%) of the women respondents replied that their leaders did not invest their time and energy in helping women to overcome weakness and improve their potential. While 6.35% of the respondents had no opinion about the statement, the rest 11.11% agreed with the statement. Moreover, many (80.96%) of the respondents disagreed with the idea; 4.76% did not respond; the rest (14.29%) agreed. Lastly, the majority (76.14%) of women employees revealed that their leaders were not committed to encouraging women's overall development; 6.35% had no opinion in this regard and 17.46% agreed with the idea.

4.3 The Influence of Socio-Cultural Status on Women Empowerment

From the Table 3 below, one can infer that the majority (73.02%.) of the respondents disagreed with the statement women are expected to have leadership role positions in the society; 4.76% of the respondents did not comment on this issue; 22.22% expressed their agreement.

Table 3: The Influence of Socio-Cultural Status

No	Questions	SDA	DA	UD	A	SA
1	Women are expected to have leadership role positions in the society.	14.29	58.73	4.76	15.87	6.35
2	Women are socially and culturally suffering from work stereotype and discrimination of labor.	11.11	12.70	6.35	55.55	14.29
3	Work is performed better if women lead.	9.52	20.63	3.17	41.27	25.40
4	Women are culturally allowed to communicate freely in daily activities of their position.	20.63	47.62	4.76	14.29	12.40
5	Our religions support to empower women for leadership position	17.46	41.27	9.52	25.40	6.35
6	Women can lead challenging working environment.	14.29	9.52	6.35	44.44	25.40
7	Women are competent enough to acquire the necessary leadership skills	7.94	3.17	6.35	55.55	26.98

Source: Field Survey (June, 2015)

As shown in Table3 above, asked to indicate the degree to which they agree with the idea that women are socially and culturally suffering from work stereotype and discrimination of labor, and that work is performed better if women lead along with the issue that women are culturally allowed to communicate freely in daily activity of their position, the respondents revealed the following opinions.

- concerning item number 2 in the table, 11.11%, 12.7%, 6.35%, 55.55% and 14.29 expressed strong disagreement, disagreement, a neutral response, agreement and strong agreement respectively. This signals that a considerable number
- (69.8%) of the respondents had the conviction that women were socially and culturally
- suffering from work stereotype and discrimination of labor.
- concerning item number 3 in the table, 9.52%, 20.63%, 3.17%, 41.27% and 25.4% of the respondents reported strong disagreement, disagreement, a neutral response, agreement and

strong agreement respectively. This shows that a large number (66.7%) of the respondents were of the opinion that work is performed better if women lead.

- 20.63%, 47.62%, 4.76%, 14.29% and 12.40% of the respondents stated that they strongly disagreed, disagreed, remained neutral, agreed and strongly agreed respectively regarding item 4 in the table. From this, one can infer that the majority (68.25 %) of the respondents revealed that women were not culturally allowed to communicate freely in daily activities of their position.

With regard to religious support to empower women for leadership position and in relation to the idea that women can lead challenging working environment as well as the issue that women are competent enough to acquire the necessary leadership skills, the following data were found from the respondents.

- Pertaining to the support of religions, 17.46%, 41.27%, 9.52%, 25.40%, and 6.35% of the respondents strongly disagreed, disagreed, remained neutral, agreed and strongly agreed respectively. One can, thus, infer that the majority (58.7 %) were unhappy about it.
- Concerning the idea that women can lead challenging working environment, 14.29%, 9.52%, 6.35%, 44.44% and 25.40% of the respondents reported strong disagreement, disagreement, a neutral response, agreement and strong agreement respectively. Thus, the majority (69.8%) of the respondents were in favour of the idea.
- As regards the issue that women are competent enough to acquire the necessary leadership skills, 7.94%, 3.17%, 6.35%, 55.55% and 26.98% of the respondents reported strong disagreement, disagreement, a neutral response, agreement and strong agreement respectively. This indicates that the majority (82.5%) answered in affirmative.

4.4 Challenges of Women in Leadership

Table 4: Challenges of Women in Leadership

No	Questions	SA	DA	UD	A	SA
1	Women are marginalized from decision making at all levels of public administration	11.11	14.49	4.76	53.97	15.87
2	Women are more responsible to take risk of carrying burdens of their families	7.94	4.76	3.17	31.75	52.38
3	Women had more access to their resource ownership and development	14.29	36.51	9.52	26.98	12.70
4	The hard work and long hours duty of leadership inhibit women's progression to top leadership	31.75	42.85	6.35	12.70	6.35
5	Family responsibilities are barrier to women empowerment	20.64	33.33	3.17	28.57	14.29
6	Traditional beliefs and cultural attitudes in society influence women's in decision making	17.46	12.70	4.76	49.21	15.87

Source: Field Survey (June, 2015)

Table 4 above features six issues relevant to challenges of the women in leadership as indicated in the details below. With regard to the idea that women are marginalized from decision making at all levels of public administration, 11.11%, 14.49%, 4.76%, 53.97% and 15.87% of the respondents stated that they strongly disagreed, disagreed, remained neutral, agreed and strongly agreed respectively. This implies that a large number (69.8 %) of the respondents responded in the affirmative.

In relation to the issue that women are more responsible to take risk of carrying burdens of their families, 7.94%, 4.76%, 3.17%, 31.75% and 52.38% of the respondents reported their strong disagreement, disagreement, a neutral position, agreement and strong agreement respectively. One can, accordingly infer that many (84.1%) of the respondents confirmed that the point raised is true.

As regards item 3 in the table, 14.29%, 36.51%, 9.52%, 26.98% and 12.7% of the subjects of the study revealed that strongly disagreed, disagreed, remained neutral, agreed and strongly agreed respectively. Therefore, one can deduce that a considerable number (50.8%) of the respondents disagreed with the issue that women had more access to their resource ownership and development.

Item 4 in the table deals with the issue of hard work and long hours duty of leadership and whether or not it inhibits women's progression to top leadership. Accordingly, 31.75%, 42.85%, 6.35%, 12.7% and 6.35% of the subjects reported that they strongly disagreed, disagreed, remained neutral, agreed and strongly agreed respectively concerning this issue.

The implication here is that a considerable number of (74.6%) the subjects revealed their disagreement in this regard.

Pertaining to the idea that family responsibilities are barrier to women empowerment, as indicated in item number 5, those who strongly disagreed, disagreed, remained neutral, agreed and strongly agreed were 20.64%, 33.33%, 3.17%, 28.57% and 14.29% respectively. This, therefore, signals that a large number (53.97%) of the respondents responded in the negative.

Finally, regarding the issue that traditional beliefs and cultural attitudes in society influence women's in decision making, the respondents who strongly disagreed, disagreed, remained neutral, agreed and strongly agreed were 17.46%, 12.7%, 4.76%, 49.21% and 15.87% respectively. This implies that a significant number (65.1%) of the respondents answered in the affirmative.

5. Conclusions and Recommendations

5.1 Conclusions

Based on the findings in section 4 above, the following conclusions have been made to concerned bodies. Women's participation in decision making was limited due to the fact that the women employees working in the selected institutions were not sufficiently represented in leadership positions. In addition, the women were not represented uniformly across public sectors at regional level in comparison with men. The women employees indicated that they had enough potential to guide, set vision and to motivate other women to reach leadership positions. If the women got support, mentored, coached, trained they would be confident in decision making.

Women in their organization did not have access to relevant training and any human resource development program featuring leadership. Although the women had clear understanding of the organizational mission and vision, the organization had no consistent plan to empower women as leaders. The organizations (the Benishangul Gumuz Regional Bureaus) had not set any sustainable motivation system for women empowerment, and they did not attend to and try to fulfill the need and concern of the women in leadership.

Furthermore, the managers were not investing their time and energy in helping women to overcome weakness and improve their potential and performance. There was less emphasis on openly supporting women to be successful through mentoring for leadership positions of the women; leaders were not committed to encouraging women's overall development to become more effective leaders.

It was also revealed that women were not expected to be leaders in the community due to negative cultural impacts. The women were socially and culturally suffering from work stereotype and discrimination of labor because of the socio-cultural systems in the society. Women employees also argued that they thought their jobs would be better if the women led the organizations in which they got employed.

To sum up, the women Benishangul Gumuz Regional Bureaus were found to be highly influenced by factors such as culture, lack of experience, education, training so that they could be effective in a position of making decisions. The women believed that they had the ability to take a risk of carrying burdens of their families even though there were cultural systems limiting their empowerment. Family responsibilities were not barriers to women empowerment but there was lack of concern for women empowerment from the organizational side. Namely, there were no organizational efforts of mentoring, training, experience sharing, coaching, and development of women employees in the selected organizations. Hence, in Benishangul Gumuz Regional Bureaus, the leadership challenges women face mainly stem from the cultural side and the organizational side.

5.2 Recommendations

Based on the major findings and the conclusions above, the following recommendations have been made to the Benishangul Gumuz Regional Bureaus and other concerned organizations. In an effort to empower women so that they can be very effective in decision making, there should be a series of human resource development programs including workshops on specific and varied issues of leadership.

- Even though there are written rules and regulations regarding women empowerment, the number of the women in the managerial positions should be increased with the help of mentors, coaches, trainers and incentives relevant to helping women to become effective and competent leaders.
- In order to reduce the negative cultural and organizational impacts on female leaders, there should be a culture of encouraging women leaders at grassroots levels as in Woreda, Kebele and school settings of leadership by organizing monthly, quarterly and yearly events of star female leaders. The events can be sponsored by the Benishangul Gumuz Regional Bureaus and other stakeholders including NGOs.
- Finally, further deep-rooted and large scale studies need to be conducted on women empowerment for the prevalence of ideas of transformational leaders in the Benishangul Gumuz region.

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Policies of Gender Equality in Ethiopia: The Transformative Perspective

*Dejene Mamo Bekana**

Abstract

This study qualitatively analyzes the transformational nature of gender equality policies in Ethiopia with due emphasis on the historical roles of women in social, economic and political development issues. To this end, the paper relied on integrated analytical review of relevant primary data generated through interview, policy documents, reports and relevant empirical literature. The data analyzed proved that Ethiopia is making several efforts to strengthen national structures for achieving gender parity not only through mainstreaming gender into existing policy paradigm following the integrationist approach but also through application of practical affirmative action. The persistency of the integrationist approach, however, has threatened the transformative nature of gender equality policy because it does not conceptualize gender parity as an end by itself. As a result, improvement towards gender parity was found to be insignificant despite the strong political commitment to gender equality by the highest level of the political echelon in the society. Specifically, the transformative nature of gender policy has been jeopardized by emphasis on economic outcomes, macro level conceptualization of gender issues and the limited role of civil society in influencing policy.

Keywords: *Gender Equality, Gender Roles, Transformative Gender Policy, Women Empowerment, Ethiopia.*

1. Introduction

Ethiopia is a landlocked country with a total area of 1.1 million km² located in the eastern part of Sub-Saharan Africa. The country shares frontiers with Eritrea (912 km) to the north and northeast, Djibouti (349 km) to the east, Somalia (1600 km) to the east and southeast, Kenya (861 km) to the south, and the Sudan (1606 km) to the west. Ethiopia's topographical diversity encompasses high and rugged mountains, plateaus and deep gorges with rivers and rolling plains. Altitudes range from 110 m below sea level in the Denakil Depression in the northeast to over 4600m above sea level in the Simien Mountains in the north. The nation is the second most populous country in Sub-Saharan Africa with a population of 99,390,750 (World Bank 2015). The population living in rural areas is 82.983 % and females make up 50.2% of the demographic structure.

Although Ethiopia has a long history of constitutional governance, the holistic effort to combat poverty and gender inequality through effective strategic plans and implementations of development policy is a recent phenomenon. The post socialist Ethiopia since 1991 crafted an economic policy framework which is neither the centrally planned type nor the *Laissez-faire* policy suggested by the mainstream orthodox economic policy argument as it can be implied from the constitution of the federal democratic republic of Ethiopia (FDRE 1994). The working constitution of Ethiopia is the first legal document in its constitutional history to recognize roles of women in the social, economic and political development of the country. The constitution stipulates the rights and roles of women in Ethiopian society under article No. 35 as an important milestone to bring gender equality to the social structure in the nation.

Ethiopian women like any other developing economies' women face the hurdles of gender inequality and poverty as a result of their socially ascribed roles in reproductive and community based activities (Gebreselassie 1988). Women play essential role in every household chore including collection of fire woods for lighting, cooking, heating as well taking care of children

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(Burgess 2013; Linda McDowell 1999). Because women and girls are primarily responsible for the bulk of the unpaid household work (CSA 2012), engendering policies to change the social roles of women is a very essential initial step but insufficient to bring gender parity to the socio-economic system. Achievement of gender parity requires transformational gender policy but not the simple integrationist policy approach which focuses on dealing with 'gender concerns within existing development policy paradigms' (Beveridge and Nott 2002). As for Walby (2005), the integrationist approach promotes gender parity as a way of more effectively achieving existing policy goals than analyzing it.

As a result of legal and policy based actions, the position of women in Ethiopia has been improving over the last two decades. Great strides have been made for ensuring equality for women in Ethiopian society. However, negations and gaps in protecting certain basic rights of women continue to exist due to the age-old social structure attributing low status to women. The Government has actively—both through law and policy—sought to improve the status of women (FDRE 1994; Women's National Policy 2004). Driven initially by the reformist movement in the post socialist Ethiopia, women's issues and concerns were taken forward by the nationalist movements and subsequently sustained by the global women's movement context with commitment of the political elites in Ethiopia. Ethiopia being predominantly an agricultural economy in the initial eras of socialism (1974-1991) and feudalism, the enormous contribution of women to the agrarian economy was insufficiently acknowledged by the economy. For any decades, women in Ethiopia have struggled for basic rights and property rights in spite of several protective legislations. Women's access to resources such as land, credit, skill training and education in particular, is relatively poor, while they still carry the burden of a 'double shift' at home that includes cooking, cleaning, taking care of the young and the old, adversely impacting their abilities to contribute to and compete effectively in the labor market.

Despite all the efforts exerted, Ethiopian women are still challenged by the incidence of gender inequality. They often face unpaid household tasks and low grade jobs in government offices (CSA 2012). At this juncture, therefore, would not be naïve to ask whether or not the gender policy in Ethiopia is transformational. The mainstream policy suggests equality of opportunity and participation of women in policy process to bring about gender parity (Beveridge and Nott 2002). However, the transformational approach focuses on building the *capability of women* to deliberate on and to question the existing social structure that adversely affects them. Transformative potential of policies entails improving the 'ability on the part of poor women to question, analyze and act on the structures of patriarchal constraint in their lives' (Kabeer 2005). In a similar way Verloo, (2005), argued that it is too simple to assume that the participation of women would lead directly to a fundamental change in itself and transform 'the hegemonic order'. This is because 'under conditions of inequality, deliberative processes tend to serve dominant groups, and subordinated groups would not get the opportunity to properly think through and articulate their interests' (Ibid.). This makes the participation of women a necessary but insufficient condition for transformation and counteracting 'ongoing hegemonization' (Ibid.).

This situation, then, calls for an inclusive policy process providing scope for not only political elites but also for non-elite actors to voice and promote their agenda of gender equality. This entails that failure to confer with organizations working on gender equality undermines the transformative potential of the gender mainstreaming approach in two respects argued by Debusscher and Vleuten (2012). Non-inclusion of non-elite voices is not only unfavorable to women empowerment; it also weakens the significance of policies. What shows up as a 'problem' or a 'solution' for policy makers is limited by their institutional culture and its predetermined goals. Noticeably, this would not only hamper the scope of policy making, but also the allocation of economic resources (Beveridge and Nott 2002).

Gender issues have come to the forefront in many development sectors including agriculture, education, energy, health, infrastructure, forestry and water development recognizing the divergent *strategic and practical interests* of females from male counterparts. Strategic gender interests are long-term, usually not material, and are often related to structural changes in society regarding women's status and equity while the practical interests refer to what women (or men) perceive as immediate necessities such as water, shelter and food (Molyneux 1985). Insufficient access to and control over resources and existing patterns of social structure affect women and men differently mainly because of their socially determined gender roles. Thus, greater attention to the needs and concerns of women in these areas could help governments promote overall development goals like eradication of poverty, achievement of Millennium Development Goals, employment, health, and education through transformative policies.

In the developing world, the abundant literature on gender scaffolds that there is a gender differential in strategic and practical interests between men and women. As Ethiopia is one of the developing economies, it is not an exceptional country and the fact that social role varies between women and their male counterparts are recognized by the national women policy (Women's National Policy 2004; FDRE 1994). In Ethiopia, there is already a pronounced gender inequality in designing and implementing many development programs, projects and activities. Many of the inequalities emanate from the socially ascribed roles of women and men in a community. Women's involvement is assumed to be only on home based chores (fetching water, firewood collection, taking care of children etc.) and community activities which are usually less profitable and regarded as priceless business. On the other hand, men are involved in more lucrative productive resources which usually generate better income. The problem is exacerbated by the access and control over key economic resources by the two groups. Men have more access and control over resources like land, credit and livestock than women.

Differential access and control over key resources and access to limited resources have also impacted men and women differently. The problem seems to be exacerbated by the low level of women's participation in political and legislative process. Evidence shows that the participation of women in political and policy decision making is still far from achieving equity. Females occupied only 27.79% of the legislative and limited number of ambassadorial and ministerial portfolios in the executive branch of the government. This is an irony in a nation where close to 52% of the population are females (CSA 2012). Participation of women in political decision making process facilitates the degree of engendering sectoral policies, programmes and projects. This observation would lead into a fundamental question over the *transformational nature* of gender policies in Ethiopia. As indicated in the introductory section, the literature on gender equality revealed that participation of women in the existing development policy is a necessary condition but insufficient to transform the men dominated social structure into a social system which achieved gender equality. Women's participation and representation matter lot for the reason that engendering policies influences the extent of mainstreaming gender in development policies.

Given this backdrop, therefore, it is essential to study the gender equality policy of Ethiopia and its transformative nature with respect to gender mainstreaming and the positive discrimination strategies (i.e. affirmative action) in Ethiopian context. The existing literature on gender issues in Ethiopia focuses on engendering policies for gender mainstreaming and affirmative action. The literature on the transformative aspect of Ethiopian gender policies has been a miniature. The current paper contributes to the existing body of literature through detailed analytical investigation of the transformative nature of Ethiopian gender policies as it is relevant to gender mainstreaming vis-vis the positive discrimination policies aimed at achieving gender equality.

The main objective of this study was to analyze the transformational nature of gender policies in Ethiopia in line with the government policy interventions and inclusiveness of the policy. Thus, this paper is supposed to provide analytical review of facts and available evidences concerning gender equality in Ethiopia in the light of the following research questions: (a) what are the major factors behind the existing hegemonic men dominated social structure leading to gender inequality in Ethiopia? (b) What are the adverse impacts on women due to the existing gender inequality in Ethiopia? (c) What are the gender roles in the development and implementation of policies, projects and strategies? (d) What is the extent of mainstreaming gender into development policies and strategies? (e) What is the transformative nature of the existing gender equality policies in Ethiopia? (e) What are the challenges that undermined the transformative nature of gender equality policies?

2. The Methods

This research paper draws on an integrated analytical approach involving analysis of primary and secondary data. The primary data was gathered through an interview held with purposively selected key informants from NGOs (working on gender issues), policy makers, parliamentarians, the Ministry of Women, Children and Youth Affairs and sectoral federal government ministries. On the other hand, the secondary data was collected through review of related literature, government policy documents and other publications and reports produced by international agencies such as the United Nation Development Program (UNDP), United Nation Economic Commission for Africa and World Bank. Moreover, annual reports from the Central Statistical Agency of Ethiopia and the National Bank of Ethiopia were intensively consulted to scale up the validity of the data analysis. Therefore, the study was conducted in line with qualitative a research method with thematic analysis of the data collected.

3. Results and Discussions

3.1 Gender Equality in Post-Socialist Ethiopia

Imperial and feudal Ethiopia (i.e. in the pre 1974 era) was dominated by men in much of the social, economic and political life although there were women movements claiming power for women in an organized manner (Burgess 2013). Basically in an Ethiopian society, women's ownership and inheritance of land was prohibited in those days. Women were discouraged from voicing their opinions and were expected to defer to men. Nevertheless, they managed to exert considerable autonomy in their role as mothers and food producers which are household chores (Gebreselassie 1988; Uwineza and Pearson 2009). During the socialist Derg rule (1974-1991), the gender inequality was even worsened although the military government seemingly put women's issues on the political agenda. Women do not occupy jobs of high managerial, administrative, technical, or scientific positions (Zewudie 1991).

The 1987 constitution (Article 36) of the military government stated that "women and men have equal rights," and that "the state shall provide women with special support, particularly in education." However, despite these patronizing words, little practical and affirmative action was taken on behalf of women. The first major development with regard to women's issues evolved pursuant to the change of government in 1991. The new government took major steps by establishing Women's Affairs section in the Prime Minister's Office. The 1994 federal constitution (Article 35) of Ethiopia states that "women are entitled to remedial and affirmative measures". Given the weight of patriarchal tradition in the society, however, it has been a long time before the idiom of the constitutional protection of women's rights is in fact translated into practice.

In a similar fashion to many developing post conflict societies around the world, the majority of women in Ethiopia had a subordinate status as a result of male dominated patriarchal society that keeps women in a lower position (Haregewoin and Emebet 2003; Hirut 2004). They have been

denied equal access to education, training and gainful employment opportunities. Their involvement in policy formulation, access to and control over productive economic resources, and decision-making processes has been very minimal. The irony is that women play a vital role in the community by taking care of all social activities. However, they do not enjoy the fruits of their labor and suffer from political, economic, social and cultural marginalization. In Ethiopia, a woman's identity is linked to her family and the ascribed gender role as a mother and home-maker (Burgess 2013; McDowell 1999). That is, women's socially ascribed roles are limited to home based chores (fetching water, firewood collection, taking care of children, etc.) and community activities which are usually less profitable and regarded as doing nothing. As for Staeheliet et al. (2004), inequality in gendered power resulting from ascribed roles and embedded power relations is maintained through everyday practice. However, as succinctly put by Connell (2005), such patriarchal gender relations are often challenged and transformed by counter hegemonic social and political movement.

Women have been the majority constituting more than 50% of the population and contribute the lion's share in agricultural production and other household activities. However, they have not reaped the benefits of their labor equally with their male counterparts. In Ethiopian, women's ownership and inheritance of productive assets, such as land, were prohibited until the reform in family law in 2000 (Federal Negarit Gazetta Extra Ordinary Issue 2000) and the introduction of land policy with related responsibility devolved to state governments (Neha Kumar et al 2015). The participation of women in qualified jobs and related fields is at its lowest level. For instance, the National Labor Force Survey (CSA 2007) indicates that women account for only 23.9% in technical and professional fields. The majority of women perform tiresome, low paid and even unpaid jobs. The 2007 census on employment also shows that women represented only 27.3% of the total government employees and 93.2% of them were engaged in low-grade clerical jobs.

While the political participation of women and girls is low, their representation has been increasing in recent years. Women held 21 percent of the seats in the last federal parliament (i.e. 2005-2010) and currently (2010-2015) hold 27.8 percent of the seats. Seven per cent of the cabinet ministers were women in the last executive body (but now there are 13 percent); fifteen percent of state ministers are currently females. A lack of finance for electioneering, household/family responsibilities, and gender-based discrimination were some of the factors identified in a recent study to explain the imbalance. Despite government efforts to reach out to women in rural areas, it is often difficult to create awareness or provide them with relevant information because of the lack of communications, infrastructure and transport. This poses a challenge for different associations and groups seeking to participate in events where gender inequality and its remedies are discussed. Nonetheless, this situation changed after the demise of the socialist political regime when gender equality became a political issue at the highest levels of political echelon in the society. Several steps were taken to expand women's rights and increase the participation of women in politics.

Ethiopia's constitution and national policies are consistent with international legal instruments on gender equality, such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Platform of Action, the African Charter on Human and People's Rights, and the Convention on the Rights of the Child. The Ethiopian constitution (Box 1) guarantees the rights of women as equal to those of men in all spheres including equality in marriage, the right to equal employment, and rights to maternity leave with pay, the right to acquire, administer, control, use and transfer property, with emphasis on land and inheritance issues and the right to access family planning and education. The labor proclamation 377/2003 clearly labels

discrimination against women as unlawful²⁸. The Civil Service proclamation No.262/2002 also provides equal employment opportunity for both sexes. A new Federal Family Code, based on the principle of gender equality, came into effect in July 2000²⁹. It rose the minimum age of marriage from 15 to 18 years and established the rights of women to share any assets the household had accumulated if only a couple had been living together for at least three years in an irregular union. The Ethiopian penal code criminalizes domestic violence and harmful traditional practices including early marriage, abduction and female genital mutilation. Three rationales can be developed to explain this shift in the post-socialist era commencing from 1991: (1) gender roles had changed during the period of internal conflict and war to transform the socialist state system (2) the women's movement played a very active role during and in the immediate post-socialist period; (3) post-socialist elites in leadership positions displayed a strong commitment to gender equality.

Box 1: Ethiopian Constitution, Article 35: The Rights of Women

1. Women shall, in the enjoyment of rights and protections provided for by this Constitution, has equal right with men.
2. Women have equal rights with men in marriage as prescribed by this Constitution.
3. The historical legacy of inequality and discrimination suffered by women in Ethiopia taken into account, women, in order to remedy this legacy, are entitled to affirmative measures. The purpose of such measures shall be to provide special attention to women so as to enable them compete and participate on the basis of equality with men in political, social and economic life as well as in public and private institutions.
4. The State shall enforce the right of women to eliminate the influences of harmful customs. Laws, customs and practices that oppress or cause bodily or mental harm to women are prohibited.
5. (a) Women have the right to maternity leave with full pay. The duration of maternity leave shall be determined by law taking into account the nature of the work, the health of the mother and the well-being of the child and family. (b) Maternity leave may, in accordance with the provisions of law, include prenatal leave with full pay.
6. Women have the right to full consultation in the formulation of national development policies, the designing and execution of projects, and particularly in the case of projects affecting the interests of women.
7. Women have the right to acquire, administer, control, use and transfer property. In particular, they have equal rights with men with respect to use, transfer, administration and control of land. They shall enjoy equal treatment in the inheritance of property.
8. Women shall have a right to equality in employment, promotion, pay, and the transfer of pension entitlement.
9. To prevent harm arising from pregnancy and childbirth and in order to safeguard their health, women have the right of access to family planning education, information and capacity.

²⁸ The proclamation in its section three article 14 stipulates that it is unlawful to: (1) discriminate against female workers, in matters of remuneration on the ground of their sex; (2) discriminate between workers on the basis of nationality, sex, religion, political outlook and any other conditions.

²⁹ The revised family law granted equal rights to spouses during conclusion, duration and termination of marriage. Moreover, women in irregular union for at least three years are granted the full rights of spouses by this law.

3.2 The Changed Gender Roles and Women's Movements: *How? And Why?*

The literature in gender studies shows how the distraction of gender relations caused by protracted conflict may actually offer substantial prospects for the transformation in post-conflict episode (Bauer and Britton 2006). During conflict and internal war argued by Bop (2001) the dispersion of families and the expansion of families headed by women generate situations where women had either to participate in decision making or to make decisions themselves. Burnet (2008) indicates that although post conflict situation is characterized by serious physical and psychological hardships and significant demographic changes, they do seem to create an opportunity to transform social relations as all structures and social relations need to be reconstructed. Such an environment generates room for new gender roles and deliberation about gender politics (Fuest 2008; Pankhurst 2002). This appears to be true also in the context of Ethiopia.

Although women's position in the civic and political areas has been marginal in Ethiopia, it has always been increasing with changing political systems (Burgess 2013). The evolution of organized quest for political, economic and social rights by the Ethiopian women dates back to the second half of the early twentieth century when the country was under the imperial ruler which survived until 1974. The prominent move was the formation of the Ethiopian Women Welfare Association in 1935 (Emebet 2010). The association was legally acknowledged after 18 years (i.e. in 1953), the year in which the expansion of its operation has reached forty branches all over the country. The achievement of the association was limited mainly because of its focus on membership drawn mainly from the higher rank of urban society in Addis Ababa and raising funds and sponsoring projects for urban women (Pankhurst 1992). That is the association was built on very narrow base of the Ethiopian women society because the vast majority of women in Ethiopia are in rural areas working on subsistence agriculture with 'three-fourth' of agricultural output going to the land lords. The Armed Forces' Wives Association and the Ethiopian Young Women's Christian Association were other forms of women's association formed in this period to pursue the interests of women within their constituents. However, they were forced to close their operational activities in 1974 when the socialist Derg toppled the political power in Ethiopia and declared nationalization of all their property (Emebet 2010).

The socialist Derg came to political power in 1974 through military coup turning the popular waves of civic unrest that persisted in the 1950s and 1960s led by students, teachers and taxi drivers in the capital Addis Ababa and by semi elites in rural Ethiopia (Kinfe, 1994; Keller, 1998). The common popular motto for social and political movement over this era was "*land to the tiller*". In the aftermath of the socialist institutionalization (1974-1991), the global quest for mass participation under socialist ideology forced the Derg not only to provide attention but also to take pragmatic steps to involve women in every spheres of public life. In this process. Trade unions and professional associations emerged in towns and Revolutionary Ethiopia Youth Association (REYA) was set up for the young (i.e. for both sexes). The noticeable action was the establishment of The Revolutionary Ethiopia Women's Association (REWA) in 1980. Available documents indicate that the organization had over five million registered members. The organization represented a more systematic engagement and association of women at the grassroots level than ever before although many argued that it was organized by women to serve government policies, many of which were suspected and considered oppressive and did not benefit women (Gemma Burgess 2013). Evidence from the interview held with the majority of the respondents confirmed that Revolutionary Ethiopia Women's Association was considered as a politicized association, simply used to envelop women issues into the political configuration and act as part of the machinery for ensuring loyalty, or at least thwart dissent, from the masses. In fact, women had little or no influence on state politics, policies, laws and regulations (Ibid).

Because of the emergence of counter socialist groups from the outset, the Derg regime embarked on mass killings through what it declared a 'Red Terror' in 1977 the purpose being to combat the counterrevolutionaries (Halliday and Molyneux 1981). According to Kinfu (1994), the regime reigned for seventeen years during which the country registered its worst human rights record as a result of unlawful killing, torture, imprisonment, illegal searches, arbitrary arrest and general derogation from basic freedoms and liberties disregard for the due process of law. The country had lost the lives of about 100,000 educated Ethiopians as a result of the killings in the Derg era (Ibid). The situation had resulted in an armed struggle in the quest for civilian government which would respect basic democratic and human rights. The then fragmented opposition groups ultimately got united to form the Ethiopian People's Revolutionary Democratic Front (EPRDF). This armed force entered Addis Ababa in 1991 and the rule of the Derg came to an end. In the process of armed and political struggle against the Derg regime, women played significant roles. Evidence shows that more than 40,000 or about one-third of the armed fighters of the EPRDF were women (Burgess 2013). This implies that women in Ethiopia have not only been engaged in associations and different forms of nonviolent activism, but also in active military organizations. The fact that approximately 3-4% of the Derg soldiers were females confirms the long history of Ethiopian women's participation in military organizations (Veale 2003). This history of women's participation in armed and political struggle has made women's organizations not only more acceptable but also geared towards policies to gender sensitive path in the aftermath of the socialist era.

In the immediate ramification of the socialist era, women and girls accounted for over 50 percent of the population (World Bank 1992). Men, who had been killed in the revolutionary war, were in prison or had to flee the country. Women could, therefore, no longer rely on husbands or fathers for their livelihood stated, according to one of the key informants during the interview. Some of the women mainly wives of the Derg soldiers and armed fighters were forced to adopt new roles including those socially considered males' responsibilities, such as heading the family. As indicated earlier, women had actively participated in the armed fight against the socialist regime along with their male compatriots and faced extreme challenges. Such experiences caused an enduring and fundamental shift in gender relations which in turn resulted in an increase of women's partaking in all spheres of the social life (Uwineza and Pearson 2009).

3.3 Commitment to Gender Issues by Post Socialist Political Elites

Upon the demise of the socialist regime in 1991, Ethiopia witnessed radical reform towards democratic political platform. A democratization process was initiated with the endorsement of transitional charter at a national conference that virtually conferred the EPRDF-dominated legislature a four-year transitional statute (Burgess 2013). The conference was organized with the objective of setting up multi-party electoral structure. According to Veale (2003), the charter expressed a broad commitment to democratic rights, including the rights of the different nations in Ethiopia to self-determination, up to and including secession. In 1992 series of economic reforms were introduced leaving behind the socialist policies. The economic policy ended with neither the *laizes fair* capitalist system nor the command system of economic management. It maintained the intervention of the state in strategic and key sectors of the economy while major deregulation and liberalization policies were ensued (Geda and Shimeles 2005). In 1994 the constitution of the Federal Democratic Republic of Ethiopia was ratified establishing the Ethiopian state with a federal state structure mainly along linguistic and ethnic lines with federal, regional, and local governments elected democratically by citizens (FDRE, 1994). Biseswar (2004) states that it also provides for the separation of powers needed for check and balance among legislative, judicial, and executive bodies of the state.

The Transitional Government of Ethiopia (1991-1994) was set up with an innovative political and socio-economic outlook. The new government endorsed a National Policy on women and set up a structure of Women's Affairs Offices (WAO) in 1993. The Ethiopian constitution guarantees the rights of women as equal to those of men in all spheres of social life. The WAO at the highest level is currently affiliated with the Prime Minister's Office. There are WAO within each government department at federal level. In addition, the decentralized state has also allowed the establishment of regional women's bureau and has given them a constitutional mandate. However, like the government led initiatives under the Derg era explained above, the Women's Affairs Offices were not regarded by of the activists interviewed in this research as being particularly effective. They were described as lacking sufficient or qualified staff with inadequate budgets and resources. They were described women activists, who were interviewed, as little more than a token gesture towards the consideration of women within the EPRDF's political and institutional structure.

The National Policy on Women, introduced in 1993, was the first policy that was specifically related to the affairs of women (Jelaludin et al 2001). The objectives of the policy included facilitating conditions conducive to the speeding up of equality between men and women so that women can participate in the political, economic and social life of their country on equal terms with men; ensuring that their right to own property as well as their other human rights are respected and that they are not excluded from both the enjoyment of the fruits of their labour or performing public functions and participating in decision making. Cognizant of the adverse impact of low status of women on the overall economic development in general and on reproductive health issues in particular, the National Population Policy of the country, which was also endorsed in 1993, included in its objectives women's status and health issues such as reduction of incidence of maternal mortality, improvement of females' participation at all levels of education and enhancement of the contraceptive prevalence rate (TGE 1993). The 1994 Education and Training Policy affirmed the importance of girls' education. It focused on the reorientation of the attitude and values of the society towards recognizing the roles and contributions of women in development. The policy included gender equality issues such as increasing girls' school enrolment ratio, preparing a gender sensitive curriculum, and reducing girls' dropout and repetition rates (FDRE 1994).

In an attempt to address customary practices and backward traditions that undermined roles of women in society, the National Cultural Policy was enacted in 1997. The main objectives of this policy were to ensure equal participation in and benefit from cultural activities, and to abolish traditional harmful practices that violate the rights of women such as early marriage, female genital mutilation and abduction (FDRE 1997). The penal code was also revised in 2004 to acknowledge the grave injuries and sufferings caused to women and children due to harmful traditional practices, the issue which was overlooked in the previous code. In the quest of improvement of the access to and control over productive economic resources for women, the Ethiopian government introduced a revised Family Code in 2000 thereby granting equal rights to the spouse in the event of conclusion, duration and dissolution of marriage. The law also requires equal division of all assets in the context of no-fault divorce (Federal Negarit Gazetta Extra Ordinary Issue 2000). Article 25 of the FDRE Constitution states that all persons are equal before the law and prohibit any form of discrimination on grounds of gender differences. In Article 35, equality in matters related to employment, equality in acquisition and management of property, equal participation in policy and decision making, and right of women to plan families are stated to ensure gender equality. Similarly, Article 42 states the right of female workers to equal pay for comparable work (FDRE 1995). Despite the fact that the country endorsed laws and policies for gender parity, there are gaps and limitations in implementation, as a result of which the status of women in the country remained very low as discussed in the previous section.

The major administrative reform measure over women's affairs was the upgrading and reorganization of the Women's Affairs Offices (WAO) into the Ministry of Women's Affairs set up in 2005 to champion, according to (Emebet 2010), issues of women's rights and gender equality in Ethiopia through:

- Developing and monitoring strategies, policies, legislations and programs to promote women's rights and gender equality and in particular the participation of women in economic, social and political affairs.
- Mainstreaming gender issues into existing strategies, policies, legislations and programs.
- Ensuring that women are well represented in decision-making positions in various government organs.
- Undertaking research and studies on gender-related issues.
- Coordinating activities of NGOs, Customary and Social organizations, and women's associations on issues concerning women.

3.4 Ethiopia's Achievements in Gender Equality: The Transformative Perspective

In the area of Gender Equality and Women's Empowerment, Ethiopia has registered remarkable achievements over the last two and half decades. The integration of gender issues into national policies is a basic principle within the Constitution of FDRE. Since the setting up of the new federal government structure after the 1995 elections, the participation of women in the political process has been increasing. In the latest government structure, women hold about 27.8% of the seats in federal parliament, 20.6% in The House of Federation (i.e. entrusted with legal interpretation) and 9.2% in the executive government cabinet. When evidence from the entire federal structure including state governments was accounted, parliamentary seats occupied by women grew from 26.6% in 2005 up to 34.3% in the 2010 elections (UNDP 2013). In a country where over 52% of its populations are females (CSA 2014), this evidence could lead to a logical deduction demonstrating a flawed political commitment to placing women in high political positions. However, for a society in which issues of gender equality were ignored for centuries, this is a tremendous accomplishment which cannot be undermined if not praised. The problematic issue that the researcher observed in this regard is the profile of the women represented in the government. Most of the women in the parliament and the house of federation are having very low profile both in terms of conventional education and political experience (Citation/Evidence Needed). Most of them are holding academic qualifications lower than a university degree. Because dialogue and debate inherently favor the dominant group which properly articulates the interests of its constituents, their influence in the policy process could be limited (Verloo 2005). The implication from here is that the country has not sufficiently invested in women's capability building and furtherance into the area of capacity building for Ethiopian women remains imperative if the gender relations are to be transformed.

The Government of Ethiopia has made a strong commitment to integrate gender into policy and strategic planning instruments. However, to succeed in bringing gender parity to the social system requires transformational gender policy as opposed to a simple integration of gender issues within existing development policy perspectives (Beveridge and Nott 2002). In all the five years plans³⁰ and in the Vision 2025, the Economic Development and Poverty Reduction Strategy (EDPRS) with the principal objective of putting the nation within the category of the Lower Middle Income countries, gender is highlighted as one of the pillars of development planning and as a cross cutting issue in all sectors. In addition, a Gender Responsive Budgeting program was initiated by the Ministry of Finance and Economic Development in Partnership with the Ministry of Women, Youth and Children's Affairs to ensure budget allocation to government interventions which are gender

³⁰ Ministry of Finance and Economic Development (MoFED), Growth and Transformation Plan (GTP)2010/11-2014/15 September 2010: Addis Ababa: Ethiopia

sensitive. Available evidence shows that unemployment has also been reduced over time although Ethiopian women are suffering from incidence of unemployment than their male counter parts. The Household Income, Consumption and Expenditure Surveys of different years indicate that the country has substantially reduced poverty rate (i.e. headcount basis) from as high as 56% in 1991 to 38.7% in 2005; 29.6% in 2011 and 26.4% in 2014. The aggregate unemployment was 18.9 % (11% for males and 27.4% for females) in 2009 and 16.5 % (10.5% for males and 23% for females) in 2013. According to the 2007 National Census, more women than men were living in poverty (i.e. Women accounted for 59.24% of economically inactive population). The 2013 national labor force survey indicates that 68.5% of employed females were in unpaid family workers. Improving their ability to earn better income frees women from extreme household drudgery and increases their educational and employment possibilities, and allows them to participate more fully in community and political affairs.

Ethiopia has made a promising progress in terms of social development thereby improving access to social services such as education and health care. Free of charge delivery of basic education is under implementation and has been facilitating full access to education for both girls and boys. In relation to gender, ³¹the education policy recognizes the centrality of women's contribution to national development and has, therefore, articulated the need to integrate gender with all education interventions and gear education towards reorienting society's attitude and value pertaining to the role and contribution of women in development. A woman's level of education, her employment status, particularly employment for cash, and media exposure are expected to be positively related to empowerment (Mason 1986; Kishor 2000). Current statistics shows that the enrollment of girls at primary schools like in most Sub-Saharan African economies has significantly improved although their participation at secondary and higher education institutions signifies that more effort should be exerted to bring gender parity in education and training. The narrowing of educational opportunities for girls becomes even more prominent at tertiary level. For instance, while the Girls-to-boys ratio has reached 94% in 2013 at primary schools level and 88% at secondary schools, it remained around 42% at higher education level (NBE 2014). The education index, which is used by the United Nations development program as one of the elements in evaluation of human development index of countries around the world, gained a momentum in the context of Ethiopia by surging from as low as 0.169 in 2000 to 0.317 in 2013 (See: UNDP 2014). This result is the dividend fetched from focused government expenditure on education amounting to about 5% of the GDP starting from 2005 (Ibid).

Although Ethiopia has made progress in addressing gender issues at the various levels of the education sector, there is still a long way to go in ensuring that these measures can take effect as in the need to have more women taking up technical careers so that more of them can begin to take up jobs that were once male dominated. Girls' education policy and its strategic plan have been put in place by the Ministry of Education to ensure access, retention performance of girls and women at all levels. Emphasis is put on girls' education in science and technology. In this regard, some affirmative actions were employed including the setting of lower admission standard for admission of girls to universities and colleges, and provision of additional tutorial services during university education along with efforts of granting girls awards and the like. It is a measure taken to reverse the longstanding absence of females from the world of education in Ethiopia. During the imperial era, the share of females in education was zero even at primary and secondary levels, and it remained below 10 percent and 14 percent during the regimes of Emperor Haile Sillassie and Derg respectively (Alemu 2001).

³¹ Federal Democratic Republic of Ethiopia (EFDRE) (1994). National Educational and Training Policy. Policy report, Addis Ababa, Ethiopia

As in the education sector development, the health sector progress has substantial implication for women in Ethiopia. This is because women bear the vast majority of the costs of healthcare service problem as a result of their socially ascribed role as house makers. Women would be compelled to remain economically inactive not only when they themselves encounter health problem but also when a family member faces illness due to the care service expected from them. Improving health service is, therefore, one of the key tools to empower women. Health and health services have improved significantly in Ethiopia since 2000, despite Ethiopia being a low-income country. Health in Ethiopia has improved markedly in the last decade, with government leadership playing a key role in mobilizing resources and ensuring that they are used effectively (Ethiopia MDG Report 2012). According to Evans et al (2013), a central feature of the sector is the priority given to the Health Extension Program, which delivers cost-effective basic services that enhance equity and provide care to millions of women, men and children all over the country. A particular focus at the moment is to build on recent increases in health care access to improve quality in general, and maternal and newborn health in particular.

Ethiopia has achieved the under-five mortality and communicable disease MDGs and is making concerted efforts to reduce maternal mortality (UNDP 2012). Moreover, these improvements are taking place in the context of overall poverty reduction – Ethiopia is also on track to achieve poverty reduction objective (MDG - 1), with the poverty headcount ratio falling from 45% in 1995 to 33% in 2013 (World Bank, 2014). The Ethiopian official data further reduces poverty rate to 26% over the same period (CSA 2014). In 1990 under-five mortality in Ethiopia was significantly higher than the Sub-Saharan average, now it is significantly lower. Ethiopia has a lower rate of child deaths compared to other African countries, such as Angola, Cameroon and Zambia³² which are significantly wealthier.

Many factors have contributed to the improved health of Ethiopians. A huge and rapid increase in the numbers of health facilities and health workers contributed greatly to these improvements in health outcomes and service delivery—a very deliberate decision was made to prioritize improved access to basic services in this colossal country. There was a significant infrastructure building program between 2005 and 2014 which concentrated on rural health facilities. Over 10,000 health posts, 2,000 health centers and 73 hospitals were constructed during this period. “Ethiopia has demonstrated that low-income countries can achieve improvements in health and access to services if policies, program and strategies are underpinned by ingenuity, innovativeness, political will and sustained commitment at all levels. An example is the development and rapid implementation of the Ethiopian Health Extension Programme, according to Balabanova et. al (2011).

Ethiopia’s Federal Ministry of Health has persistently followed a vision of supporting community-based health care. The idea was that the only way for one of the poorest countries in the world to improve health services would be to build an operation up from the communities, as opposed to focusing on the top tier of health care improving major hospitals and buildings. That gave birth to the hiring, training, and the deployment of more than 40,000 health extension workers, almost all of whom were women, and most of them were high school graduates. They were offered a 1 year training to work in pairs in villages all over the rural areas of more than 90 million people. Success soon followed (FMOH 2014). The number of women dying in childbirth decreased and the number of children immunized increased (UNDP 2014).

The health extension program followed consultation at grass roots level and this was one of the key factors which resulted in success stories. The scope for grassroots participation in the implementation of the program was extremely important. The grassroots population played an active role at the family level in consultative discussions with the health extension workers

³² <http://data.worldbank.org/country/Ethiopia>

dispersed throughout the country. It is an example of the bottom up approach properly aligned with the commitment at the upper echelon of the political commitment (i.e. productive interaction between bottom-up and top-down). Better local-level civic engagement helped policy makers not only to listen more to the demands of the people but also to scale up the effectiveness of this health related program. Civic engagement also improved the transparency and accountability in the program management ensuring a situation for productive use of health expenditure. For instance, corruption in Ethiopia's health sector was not as pervasive as in the same sector of other countries (Plummer 2012). As a result of all effort, some macro-level gender statistics are currently improving, and more importantly, the situation of the majority of rural women has improved.

Less than five years child mortality rate per 1000 live births was reduced from 240 in 1980 to 206 in 2013 (World Bank 2014). According to 2010 estimates by the UN agencies, the maternal mortality ratio declined to 380 deaths per 100,000 births from 700 in 2000, registering an average annual reduction of 6.9 percent over the 10-year period and life expectancy reached 63.6 years from 45 years about 20 years back. The health development index element of the human development index (HDI) improved for Ethiopia by surging from 0.496 in 2000 to 0.671 in 2013 (See: UNDP 2014).

3.5 Limits to the Transformative Nature of Gender Equality Policies

The facts analyzed in the previous sections unequivocally indicate that progress towards gender equality in Ethiopia has been little-by-little without undermining the promising recent developments. Why is that the case? What factors undermined the transformative nature of gender policy in Ethiopia despite all the commitments of the political elites discussed in the previous part? The next section would shade some lights on these basic questions.

Based on the transformative policy framework, the desired policy outcome in context is considered an end by itself rather than a means (Beveridge and Nott 2002). In other words, this paper assumes gender parity as an end in itself, rather than being a way of more successfully achieving existing policy objectives. For Jahan (1995) a policy with transformative substance pushes further than the program setting approach which emphasizes including women or their association in the agenda of determining development policy goals and strategic plans. It is also supposed to offer a space for less authoritative civil society groups to influence policy on behalf of women by properly articulating the strategic and practical interests of women (Verloo 2005). The transformative approach requires radical shift in terms of social outlook about gender parity. In this perspective, gender equality is not simply considered women issue rather it has to be conceived as the issue of the society as a whole. The next section provides brief discussion of tendencies that undermined the transformative capacity of the Ethiopian gender equality policy.

In Ethiopia, a development policy has been over emphasized for its economic outcomes: mainly poverty reduction and employment creation and gender parity issues are integrated with the existing development policy paradigm. The view point of policy that circles around gender parity has been geared towards participation of women in the development process. One of the key informants pointed out during the interview that the 'Ethiopian government officers often including the media state that the development vision of Ethiopia cannot be a reality without all-round participation of women'. This implies that gender equality is not among the first priorities of the Ethiopian government. Rather gender parity is conceived as an excellent instrument for achieving the existing development policy objectives. Ethiopia has The Vision 2025 with the principal objective of putting the country on the list of the Lower Middle Income Countries around the world (GTP 2010). Gender equality policy has been integrated with the development policy for the same purpose. However, simple integration of gender parity concerns with the existing policy contexts would not remedy the age-old gender biased outlook of the society (Jahan 1995).

The second problematic issue is that integrationist gender policy overlooks the importance and challenges of particular occupations dominated by women which are less observable in the community, but which are of critical significance from the viewpoint of local livelihoods and overall welfare of the society. Ethiopian women play major roles in three areas which are overlooked by the integrationist gender policy perspective: the unpaid household chores, the urban informal sector and rural subsistence agricultural roles. Most of the economically active women in Ethiopia work in subsistence agriculture in rural areas, the informal sector in urban areas and as house makers at large due to the socially ascribed women's roles in the country. The labor time of women working under these contexts is often not captured by the national income accounting or not incorporated to the measure of national GDP. These jobs are unpaid with those in the urban informal sector being exceptions. Obviously, such situation undermines the contribution of women to the society leading into misconception about gender roles within the society. This disregard of such category labor occupations in which women are excessively represented is striking given their substantial role to local livelihood and the overall welfare of the society. In the light of this, the problem would be exacerbated if one closely looks at the modernization objective of the Ethiopian society. The modernization aspiration and outlooks of the Ethiopian elites and policy craftsmen are oriented towards development of contemporary knowledge based society. This implies that there exists a significant rift between the pragmatic reality of the elites and the on-the-ground reality of the majority of the Ethiopian societies (Ansoms 2009) and, of course of, the majority of Ethiopian women involved in household chores, rural subsistence agriculture and urban informal sector. However, the policy tends to maintain subsistence farming by supporting small holder agriculturalists coinciding with on the ground realities of the majority of Ethiopian women working on subsistence agriculture.

The transformative capacity of gender policy is also challenged by the generic and macro-level conceptualization of it by policy makers. When gender policy is conceived at a macro-level, the execution of the policy follows a more formalistic approach in which improvement is evaluated by and large in terms of statistical gender outcomes. Such statistical approach to evaluation of progress in gender parity is a hollow perspective which does not offer appropriate approach to rectify the age-old male dominated hegemonic social gender norms, configurations and practices embedded in the society. It is evident from the explanation in the previous section that the government has shown its commitment to gender equality issues and women empowerment by issuing new laws and revising the existing ones. Nevertheless, good laws are actually good if they are implemented at the grass roots level beyond representation of women in the upper echelon of the political power. The ordinary citizens at the grassroots must also play a vigorous role in gender promotion of gender equality agenda. On the higher level of the political process, evidence suggests that there is a strong dedication to gender promotion. However, it is important to develop a bottom-up mechanism, where people are aware of their rights, position and understanding focusing on gender parity. Working at the grass roots level is essential to alter the male dominated hegemonic gender relations. Although representation of women in legislatures and the cabinet is a necessary condition, it is insufficient to ensure gender equality. The researcher confirmed that the Ethiopian government has established gender responsive structural apparatus in its bureaucracy starting from federal government down through the state governments and their respective constituents. A number of devices including affirmative action are in place and gender seems to have been mainstreamed, to a certain extent, at the various levels of policy formulation and implementation. Yet, the performance of these structural apparatus is challenged by the paucity of resources allocated to them (Burgess 2013).

The limited role of a civil society in the policy process is another basic issue cited by most of the participants in this research. The Ethiopian government employs a wide range of strategies to

manage and control the functioning of civil society. NGOs and civil society organizations are required to operate within the development policy framework of the government which most of the participants classified as “elitist dominated policy approach”. That is, their role is limited to supporting the implementation of policies with no or little room for an influence on the formulation of policies from the outset. The government preferred a civil society’s role to service delivery and gap filling. The government’s justification is that a civil society should work for the public interest and that a civil society is encouraged to ensure conformity of action plans for national development. In case these organizations step out of these domains, they are harshly disciplined given the repressive laws in place. For instance, in 2008 the government fractured down on, suspended and expelled NGOs or their staff following the revision of the regulatory framework for them. The government resorted to using co-opted umbrella structures to keep control over the activities of these organizations.

However, a close look at the existing regulatory framework could generate the understanding that NGOs and civil society organizations are not prohibited from pursuing the interests of the society they represent through influencing policy. Yet, the law limits advocacy concerning democratization and human rights issues only to domestic civil society organizations and an NGO must generate 90% of its fund from domestic sources to be registered as domestic charity organization. Otherwise, they must register as an international charity organization and face exclusion from advocacy to influence policies. The majority of the domestic civil society organizations are financed by international sources of funding and, hence, they are systematically excluded from influencing the policy process. Some of the interviewed people consider this as the unintended outcome of the government’s interest to shield its policy from the influence of foreigners—mainly from the neoliberal orthodox policy advocates given its antagonism with the Ethiopian government policy of “*the developmental state model*” which promotes strategic government intervention in the economy. As a result, scope for civil society advocacy or participation through bottom-up feedback structures is limited. While in principle some space is provided for grassroots feedback through the Women’s Associations, in practice the structured policy appears to be a top-down instrument.

4. Conclusions and Recommendations

4.1 Conclusions

The analysis on gender equality policy in Ethiopia in this paper led to the conclusion that Ethiopia has been making several efforts to strengthen national structures for achieving gender parity. There exists a strong commitment to gender equality at the highest level of the political echelon. Various gender sensitive laws have been enacted and the existing ones have also been revised (i.e. the Constitution Art.35, Family Law, Penal Code, Labor Law and Civil Service Code, among others) and administrative structure with a ministerial portfolio was established in 2005 entrusted with the role of pursuing the empowerment of women through engendering policies. Equality between men and women, and boys and girls, is one of the central pillars of the Growth and Transformation Plans. Despite all these commitments, progress towards gender equality in Ethiopia has been *little-by-little* with, of course, promising recent developments. This is because the transformative prospect of Ethiopian gender equality policies is limited although the political will of the government to promote gender equality is strong. The result-oriented government policies enable the monitoring and control of concrete results, and accountability of those who implement policy. However, various social and economic dynamics appear to obstruct the transformative prospects and sustainability of Ethiopia’s gender equality policies.

Because of the government’s recent emphasis on the economic outcomes of poverty reduction, growth and employment initiatives, it appears that roles of gender equality policies are essential to effectively achieve existing development policy objectives that are allied to economic growth and

modernization. Following the integrationist gender policy paradigm, issues of women have been integrated with education, health and employment policies so as to align industrial labor requirements with relevant skills supply. More importantly, they are used strategically as an untapped resource that can provide an enormous economic contribution to development (Moser 1993). This entails that when gender equality objectives penetrate into competition with economic development and modernization objectives, they are disregarded. This instrumental and integrationist approach to gender equality appears to be contradictory with the transformative paradigm which conceptualizes gender equality as an end in itself to be approached from a holistic view point.

The macro level conceptualization of gender issues has led into neglect of some occupations. These are *rural subsistence agriculture, urban informal sector and house hold chores* in which women are excessively represented and which indicate that policy makers prefer to keep the statuesque of the existing gender and power relations intact (overlooking one of the major sources of gender inequality in the society). Whether or not disregarding the purpose of neglecting labor in this category strategic reason, it signifies that gender parity objectives are prioritized equally. Moreover, the macro level implementation of gender parity has lead into formal and quantitative blind implementation of results-oriented policies that deeply fail to capture entrenched societal norms, practices and power structures within which gender inequalities are embedded (Longman 2006).

Finally, the scope of civil society advocacy or participation through bottom-up feedback structures is limited. While in theory some scope is provided for grassroots consultation through women's associations, in practice the structure is a top-down instrument. Although some forms of ad hoc participation do occur through personalized networks, there is no opportunity for non-hegemonic actors whose objectives do not conform to those of the government to defy the form and content of gender equality policies.

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