



School of Graduate Studies
College of Business and Economics
Department of Accounting and Finance

**APPRAISAL OF WOREDA-LEVEL FISCAL DECENTRALIZATION
IN ADDIS ABABA CITY GOVERNMENT: WITH PARTICULAR
REFERENCE TO SELECTED WOREDAS**

Prepared by: Eyob Ansaw

JUNE 2017
ADDIS ABABA, ETHIOPIA

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Prepared by: Eyob Ansaw

Advisor: Gebremedhin G/Hiwot

A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS ABABA
UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ACCOUNTING AND FINANCE

Certification

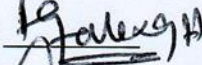
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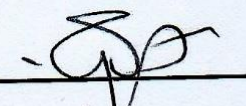
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Name: Eyob Ansaw

Signature: 

Date: 30/06/2017

Prepared by: Eyob Ansaw

Approved by Thesis Adviser

Gebreabdirahman G. Hailu (A.B.)
Advisor



Addis Ababa University

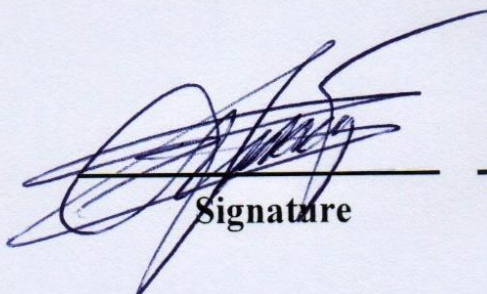
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Approved by Thesis Advisor

**Gebremedhin G/Hiwot (Ato)
Advisor**


Signature

June 30/2017
Date

Acknowledgements

First of all, I would like to thank Addis Ababa University for giving me the chance to further develop my graduate study and contribute my part to the developing country of Ethiopia. I also would like to thank my advisor Ato Gebremedhin G/Hiwot for his understanding of the subject matter and supporting in this research so that I can contribute to the excellence of Addis Ababa City Woreda administration challenges and recommend possible solutions. My gratitude also goes to Bureau of Finance and Economy Development (BoFED) staffs and Woreda Chief Executives of Kolfe Keranio, Bole, Kirkos and Arada for their support in achieving the research target. I also would like to thank my friend, Tewodros Mekonen, for his unreserved support in this research paper.

Abstract

Fiscal decentralization is seen as part of a reform agenda in developing countries to strengthen regional and local governments. It is believed that it improves the efficiency of public service delivery through preference matching and allocation efficiency. In light of this, this study was conducted to assess the practices of Woreda level fiscal decentralization in Addis Ababa City Government. In doing this study, explanatory mixed method research design was followed. Subjects of the study were government officials working in selected Woredas and sub-cities of Addis Ababa city. In the study, multi-stage sampling technique was used to select representative respondents. To this effect, one hundred ninety-two participants were selected using multi-stage sampling technique. Besides, sub-city and Woreda Finance and Economic Development Bureaus officials were purposely selected to conduct key informant interviews. The data gathering instruments were questionnaire, key informant interviews, and document analysis. The study followed statistical tests to test the research hypotheses. It applied Kruskal Wallis test of significance. The study involved strict respect for informed consent, voluntary participation, and confidentiality. The findings of the statistics tests indicates that respondents' responses concerning autonomy of Woredas in planning and budgeting, revenue generation and retention, expenditure assignments were significantly different. This implies that there is absence of uniformity in the practices of these aspects of fiscal decentralization in the city. On the contrary, the respondents' response concerning the functionalities of institutional and legal frameworks, inter-governmental fiscal relations, challenges, and constraints of fiscal decentralization, were not significantly different. In general, the practice of fiscal decentralization in the city was limited as existing institutional and legal frameworks were in short of clarity and uniformity. Respondents stated that Woreda administrations had weak revenue base, and need clear planning and budgeting, and expenditure assignment autonomy. Based on the findings of the study, the research hence recommended that existing institutional and legal frameworks should be structured in the way that it enables Woreda administrations to generate and utilize sufficient revenues, plan and budget their own activities, have clear autonomy of expenditure assignments. Inter-governmental fiscal relations should also be planned to reduce the vertical imbalances observed at Woreda Administration level.

Keywords: *Decentralization, Fiscal Decentralization, Revenue assignment, Expenditure assignment, Inter-governmental Transfer.*

List of Acronyms

ADB	African Development Bank
BoFED	Bureau of Finance and Economic Development
DLDP	District Level Decentralization Program
EU	European Union
FD	Fiscal Decentralization
FDRE	Federal Democratic Republic of Ethiopia
IGFRs	Inter-Governmental Fiscal Relations
IGFT	Inter-Governmental Fiscal Transfer
IGRs	Inter-Governmental Relations
IMF	International Monetary Fund
MoFED	Ministry of Finance and Economic Development
PSCAP	Public Sector Capacity Building Program
SN	Sub National
SNGs	Sub National Governments
UMDP	Urban Management Development Program
UN	United Nations
UNDP	United Nations Development Program

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Chapter One

Introduction

The chapter presents the introduction part of a research conducted on a title “Appraisal of Woreda-Level Fiscal Decentralization in Addis Ababa City Government: with Particular Reference to Selected Woredas”. In doing this, the first part chapter states the background of the study, statement of the problem, the research questions, research hypotheses and objectives of the study. In the second part, it discusses the significance, and scope of the study. The final part shows the organization of the thesis. The detail is presented in the following sections.

1.1. Background of the Study

Since the last decade of the 20th century, throughout the world, there are movements towards decentralization. The concept generally connotes the transfer of political, administrative, and financial powers from central governments to sub-national governments (Yusoff et.al 2016:693 and Abraham, 2011:16). In principle, decentralization is perceived as a means of improving the efficiency and responsiveness of the public sector. By transferring decision making power to levels of government that are close to beneficiaries, decentralization can give citizens greater influence over the level and mix of government services they consume and greater ability to hold their officials accountable (Mulugeta, 2012:39 and; Akpan, 2007 cited in Abraham, 2011:16).

According to Abraham (2011:17), the major rationale for decentralization is the transfer of significant amounts of power or authority, functions and capacity (financial and human resource base) from the central government to the local institutions to ensure efficient and effective local decision-making based on local knowledge without changing the socio-cultural, political and natural environment of these local areas. Similarly, Negalegn (2010:40), Aberra, 2015:4 and Mulugeta (2012:39) stated that decentralization is believed to increase motivation and innovation to enable localities to develop their area, exhaustively utilize endogenous knowledge and available resource, to deliver better services and to bring rapid transformation. In this context, thus, decentralization is understood as

“a process of state reform composed by a set of public policies that transfer responsibilities, resources, and authority from higher to lower levels of government in the context of a specific type of state. It places authority and responsibility for decision-

making outside the political and administrative center and generally enhances resource mobilization and utilization, effective performance and realization of local preferences, accountability, participation, and efficiency and responsiveness in service delivery” (Cheema and Rondinelli (1983: 24–5).

Decentralization also aims at promoting high-level community participation, democratic governance, and maximum accountability of decision-making. Thus, decentralized system of governance seeks to instill in the local people commitment and understanding of their development process to make them contribute positively to it (Aberra, 2015:4 and Demelash, 2011:18). When designed appropriately, decentralization can help governments better allocate financial and human resources in accordance with local preferences and customize essential services in line with local tastes.

Contemporary, researchers explain decentralization in its three dimensions; political, administrative, and fiscal. This way of classification shows the most widely recognized dimensions of decentralization (Demelash, 2011:17). Political decentralization deals with the alteration of power structure of central government to the lower levels of government institutions while administrative decentralization involves the transfer of any array of functional responsibilities and authorities to local level institutions for greater number of decisions and actions to be taken where most of the people reside (Yusoff et. al., 2016:697).

Fiscal decentralization being the transfer of financial power from center to local bodies, a growing number of countries have adopted it in an effort to improve the performance of their public sector (Moges, 2003:2). It is one component of decentralization, which gives authority to local governments in order to collect revenue through taxes and responsibility over spending decisions (Gondo and Mbedzi, 2010:1). In this context, fiscal decentralization, as a core component of decentralization, is the transfer of or control over resources from federal to local bodies. According to Chanie, fiscal decentralization is all about:

“...public revenue (taxes, grants, borrowings...), expenditure (recurrent and capital), intergovernmental transfers (matching grants for merit goods, grant to ensure minimum service level and grant to correct externalities or benefit spillovers), and domestic borrowings (for stabilization, for long term capital projects...” (Chanie, 2007 quoted in Mulugeta, 2012:41).

Nowadays, fiscal decentralization is the proper allocation by level of government of various taxes, speeding programs, and grants. Thus, the establishment of effective and transparent financial management is at the core of decentralization effort to reform the public sector of developing countries (United Nations Development Program, 1999:9).

Decentralized form of government structure in Ethiopia put its foot when the current government come into power in 1991 and proclaimed constitution that made the country a federal state (Demelash, 2011:1). So far, two phases of decentralization have been put in place in the current government administration. The first wave of decentralization (1991-2001) and devolution of powers and responsibilities at the Woreda level since 2002. The first wave of decentralization was aimed at creating and empowering national and regional state of governments whereas the second phase of decentralization was concerned about devolution of powers at Woreda levels-administration (Deribe, 2015:1). The second wave, which was officially launched in 2002, has its legal frameworks in the federal constitution and other laws promulgated therein (Mulugeta, 2012:3).

The major thrust of the initiative of Woreda level decentralization program was to devolve decision-making and financial authority to Woreda and transform them into strong institutions of local democratic governance and efficient means for delivering public services (Meheret, 2007:4). Regional and city authorities had controlling mechanism to check and monitor the powers and responsibilities of Woreda government structures. This situation promoted the central government to take the initiative to further devolve powers and responsibilities to Woreda in 2002 (Kassahun and Tegegne, 2004:7). In general, there is broad consensus that Woreda level decentralization program is a key to improve local economic development by enhancing service delivery and local empowerment. However, the full impact of Woreda decentralization and the challenges faced in its implementation requires an area specific and thorough assessment.

In Ethiopia, a recent decentralization literature (Abraham, 2011, Demelash, 2011 and Mulugeta, 2012) noted that most studies in fiscal decentralization as it pertains to federal-regional relations were either conducted prior to commencement of Woreda level decentralization or focused solely on federal-regional relations. These studies emphasized on expenditure distribution, revenue sources and adequacy of inter-governmental transfers on federal-regional relations. Therefore, the

focus of this study is to assess the implementation of Woreda level fiscal decentralization in Addis Ababa city Government thereby examining the practice, challenges, and prospects of Woreda fiscal decentralization in the selected Woredas.

1.2. Statement of the Problem

Since the beginning of the 1990s, most developing countries have embarked in a process of subsequent decentralization, combining political, administrative, and fiscal aspects (Boschmann, 2009:6). Similarly, Mulugeta (2012:98) stated that in the last quarter of the twentieth century, a growing number of developed and developing countries have embarked on decentralization policies. Devolution of power, responsibilities, and resources from central to local governments has been the foundation of decentralization reforms in developing countries like Ethiopia. The most recent decentralization reforms in Ethiopia began in the early 2000s at the Woreda (district) level, focusing on strengthening local governments as institutions of democratic governance and efficient service delivery (Aberra, 2015:1)

As one of the major dimensions of decentralization reform program, fiscal decentralization has been a worldwide phenomenon since the 1980s and since 1991 in Ethiopia. Oommen (2008) quoted in Deribe (2015:1) noted that fiscal decentralization which is an indispensable subset of decentralization assumed significance because without its proper functioning, decentralization becomes inoperative and meaningless. Generally, it refers to the devolution of taxing and spending powers from the control of central government authorities to government authorities at sub-national levels (regional, provincial, municipal, etc.). In a much-decentralized system, local governments have considerable power to mobilize resources, through taxing authorities accompanied by strong tax bases (Boschmann, 2009:6). As Demelash (2011:23) quoted Smoke, (2011), adequate enabling environment, assignment of an appropriate set of function to local governments, assignment of an appropriate set of local own-source revenue to local governments, establishment of adequate access of local governments to development capital are the necessary requirements to establish a good fiscal decentralization program.

In Ethiopia, the government has emplaced various legal frameworks to establish a well-functioning decentralization system in the country. In light of this, Article 50 of the Federal Constitution requires regional governments to transfer adequate power to lower levels of government (Federal

Democratic Republic of Ethiopia, 1995:56). Besides, proclamation No.7/1992 provides for the establishment of regional self-governments which are entrusted with broad powers, including, planning and directing economic and social establishments; preparing, approving and implementing their own budgets; borrowing from domestic sources; and levying taxes and dues.

Concerning local level decentralization process in the country, the government has endorsed Woreda level decentralization programs since 2002. The program calls for the concerted effort of all tiers of government, from federal to local level (Mulugeta, 2012:49). However, in practice, the program is facing an enormous task in dismantling the highly centralized, unrepresentative structures and replacing it with new, responsive structures that provide adequate political voice for all stakeholders and promote growth through the provision of necessary public goods. In many respects, Ethiopia's Woreda level decentralization process faces set of challenges, balancing reform, representation, and growth goals within a framework of national reconstruction (Gulyani, 2001:2). Besides, Paulos, (2007) cited in Mulugeta (2012:60) explained that Ethiopia's post 1991 decentralization reform are characterized by upward accountability rather than downward, sustenance of vertical and horizontal imbalance, a maintenance of traditional clienteles and keeping states purposely dependent on the center.

In addition, Abraham (2011) has conducted research concerning the implementation of Woreda level decentralization in Gambella Regional State. In the study, he attempted to explore the objectives, legal and institutional frameworks, and implementation status of Woreda level decentralization programs and fiscal decentralization in the Gambella region and concluded that weak revenue bases, capacity deficiency, tendency to decentralize expenditure than revenue were limiting fiscal decentralization in the region. Similarly, Demelash, (2011) conducted a study on the trends of fiscal decentralization in Ethiopia in general and Somali National Regional State in particular and concluded that the region have very limited resource and sever financing gaps. Moreover, Mulugeta (2012:3), stated that

“...on top of poor planning and inefficient flow of human and financial resources have always been inadequate and at insufficient levels. This has adverse implications for the capacity of local governments to perform their assigned functions. The weaknesses of the

district implementers is always said to be evident, to the extent that they are not even aware of their powers.”

Besides, in situation where there is a need to have increased autonomy, adequacy of resource flows, poverty reduction and employment creation, augmented capacity and revenue sources for local governments, there would be a necessity to have well informed decentralization programs in the country. In light of this, assessments made by independent institutions and researchers (Abreham, 2011; Aberra, 2015; Addis Ababa Development and Improvement Project Office, 2002; Demelash, 2011; Kena, 2016; Mulugeta, 2012; Paulos, 2007 & United Nations Human Settlement Program, 2015) do not yet give sufficient insight into the practice of Woreda level decentralization in the country in general and in Addis Ababa city in particular. As to the knowledge of the researcher, there are few studies focused on the practice of Woreda level fiscal decentralization in the city. Hence, the extent to which Woreda level decentralization has been implemented and whether it had brought any meaningful changes in city is not yet well known. An evaluation of the practical role of the hitherto schemes of Woreda decentralization in the city is worthwhile. In general, an inquiry that targets to examine the practice, challenges, and prospects of Woreda level fiscal decentralization in Ethiopia in general and in the study area in particular will have significant contribution in designing and implementing of sound decentralization programs. It will also energize the efforts of making decentralization programs effective by pin pointing essential and feasible policy inputs.

1.3. Research Questions

The research will attempt to answer the following major questions:

1. What are the institutional frameworks in place to implement Woreda level decentralization in the city administration?
2. How is budget preparation and planning conducted at Woreda level in the study area?
3. How is Woreda level fiscal decentralization practice in revenue generation explained in Addis Ababa City Government?
4. To what extent is Woreda level fiscal decentralization practice in expenditure authority explained in Addis Ababa City Government?

-
5. How intergovernmental relation (IGR) practice is takes place in Addis Ababa City Government?
 6. What are the challenges and constraints of Woreda level fiscal decentralization in the study areas?

1.4. Objective of the Study

1.4.1. General Objective

The research has the primary objective of assessing Woreda-level fiscal decentralization practices in Addis Ababa city government with particular reference to selected Woredas.

1.4.2. Specific Objectives

The specific objectives of the study are:

1. To examine the institutional frameworks in place to implement Woreda level decentralization in the city administration;
2. To examine the budget preparation and planning of Woreda in light of fiscal decentralization in the study area;
3. To appraise the practice of revenue generation of Woreda level fiscal decentralization in the study area;
4. To examine the practice of expenditure authority of Woreda level fiscal decentralization in the study area;
5. To assess the intergovernmental relation (IGR) practice in Addis Ababa City Government;
6. To assess the challenges and constraints related to the practical implementations of fiscal decentralization in the study areas.

1.5. Research Hypotheses

This study generally, investigates the challenges and prospects of Woreda level fiscal decentralization in Addis Ababa City Government. Hence, the general hypothesis of this study is that responses provided by respondents from selected Woreda of sub cities do not significantly vary at the 0.05 level of significance.

Specifically, the following hypotheses were formulated in line with the specific objectives of the study.

Hypothesis 1: Ho: For all the variables under the institutional framework of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the institutional framework of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

Hypothesis 2: Ho: For all the variables under budget preparation and planning of Woredas within fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under budget preparation and planning of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

Hypothesis 3: Ho: For all the variables under the practices of revenue generation of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the practices of revenue generation of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

Hypothesis 4: Ho: For all the variables under the practices of expenditure authority of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the practices of expenditure authority of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

Hypothesis 5: Ho: For all the variables under intergovernmental relation practice (IGR) of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under intergovernmental relation practice (IGR) of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

Hypothesis 6: Ho: For all the variables under challenges and constraints related to the practical implementations of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under challenges and constraints related to the practical implementations of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

1.6. Significance of the Study

In the last two decades, the program of decentralization in general and fiscal decentralization in particular is becoming a key concern for ensuring effective and efficient public services to the public especially in developing countries (Yusoff et. al., 2016:1). It is also believed that, if fiscal decentralization is strictly implemented, it can help in achieving socio-economic development (White, 2011:1). Moreover, in the long term, it is hoped that fiscal decentralization may bring a change in the sustainable development of the public services. However, these are possible only in the presence of continuous follow-ups, ongoing identification of challenges, and their proper remedies. In this regard, this research will try to bring relevant information in the study area on the challenges that limits the proper implementation of the Woreda level fiscal decentralization program and its prospects.

It is, therefore, important that the findings of this research will help different stakeholders involved in the formulation and implementation of Woreda level fiscal decentralization in the country in general and in Addis Ababa city in particular. Particularly, Addis Ababa City government, Sub cities administrations, and Woreda administrations under sub cities, and other concerned stakeholders found at federal and regional levels could utilize the findings of the study to identify and grasp the challenges and opportunities of applying Woreda-level fiscal decentralization. The research findings will also help finance and economic development bureau of Addis Ababa city government and planning bureau to determine additional interventions, which are needed to make the implementation process of the fiscal decentralization program meet its objectives.

In addition to these, the research is expected to suggest relevant policy recommendations to program planners, program implementers, and program advisors that help in the formulation and implementation of decentralization programs in general and Woreda-level fiscal decentralization programs in particular. Finally, this study can serve as a springboard for future researches in the area.

1.7. Scope of the Study

Decentralization is a broad initiative in the Development Strategies of Ethiopia that involves multiple actors and factors at its phase of adoption, implementation, and evaluation (Demelash, 2011:18). It consists of three interrelated dimensions namely fiscal, political, and administrative decentralization. In this view, to incorporate such broadness will make simultaneous assessment of programs' formulation, implementation, progresses, and challenges very difficult. Hence, this study is limited to the evaluation of Woreda-level fiscal decentralization program in Addis Ababa City government. This is done by studying the program implementation and analyzing the responses of study respondents in the study area. In terms of the area that the study covers, the scope of the research is limited to purposively selected sub-cities and systematically selected Woreda administrations.

1.8. Organization of the Thesis

The thesis is organized into five chapters. The first chapter is the introduction, which consists of the background of the study, statement of the problem, objectives of the study and others. The second chapter presents a review of related literature on the theoretical, conceptual, and empirical issues that provide a brief framework for the study. The third chapter presents the methodology and methods of the study while the fourth chapter presents the analysis and interpretation of data. Finally, chapter five presents conclusions and recommendations of the study. In the end, references, appendixes and other relevant documents are attached.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

The literature review presented in this chapter contains four major parts. The first section of the chapter presents the introductory section of the chapter. The second section primarily deals with the theoretical and conceptual foundation of decentralization in general and fiscal decentralization in particular taking the international framework and experiences into consideration. In this section, the researcher has tried to present the conceptual meanings of the concept of decentralization, reviewed the major rationales of decentralization, and identified the factors affecting the implementation of decentralization frameworks. In addition to these, it has also examined the major dimensions of decentralization. In the final part of this section, focus is given to discuss the theoretical frameworks of fiscal decentralization by studying the arguments for and against fiscal decentralization and the pillars of fiscal decentralization. The third section of the chapter discusses fiscal decentralization in Ethiopian context considering empirical situation. Finally, the chapter explores district/Woreda level fiscal decentralization in Ethiopia based on the review of empirical literature. To this effect, the following section presents the theoretical foundation of fiscal decentralization.

2.2. Theoretical Foundation of Fiscal Decentralization

2.2.1. Concept of Decentralization

In the last quarter of the twentieth century, a growing number of developed and developing countries have embarked on decentralization policies (World Bank, 2001, p. 3). Decentralization, which reflects the assignment of fiscal, political, and administrative responsibilities to lower levels of government, is occurring worldwide for different reasons, at different paces, and through different means (White, 2011, p. 2). However, the concept of decentralization is not easily defined. It takes many forms and has several dimensions (World Bank, 1998, p. 4). Indeed, wide varieties of institutional restructurings are encompassed by this label, and several variants may be operating at the same time within a country, and even within a sector. United Nations Development Program (UNDP) (1999, p. 2) stated that one of the most critical prerequisites to translate decentralization from theory to practice is a clear understanding of the concept. In light of this, it is affirmed that

understanding decentralization and finding best way of planning and implementing it requires knowing its intricacies and how its challenges can be overcome, (World Bank, 2001, p. 1). In this context, despite wide array of understanding and interpretations, scholars in the field have advanced several working definitions for the concept. Anderson stated that decentralization is the process of pushing responsibilities and resource to lower levels of government within a multilevel government setting (Anderson, 2003 cited in Mbedzi and Gondo, 2010, p.98). Decentralization is the transfer of legal and political authority from a central government to sub-national units of government to manage the process of decision making and managing public functions (Kasahun and Tegegne, 2004 cited in Abreham, 2011, p. 16). Similarly, Mulugeta, (2012) stated that decentralization, following two forms: functional and territorial, is the transfer of power, authority, responsibility, resources and functions from the central government to regional and sub - regional structures, sectors or to the private sector (p. 39). This is believed to increase motivation and innovation to enable localities to develop their area, to utilize endogenous knowledge and available resource, to deliver better services and to bring rapid transformation. According to UNDP (1997),

“...decentralization refers to the restructuring or reorganization of authority so that there is a system of co-responsibility between institutions of governance at the central, regional, and local levels according to the principle of sub-sidiarity, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national levels. Decentralization could also be expected to contribute to key elements of good governance, such as increasing people's opportunities for participation in economic, social and political decisions; assisting in developing people's capacities; and enhancing government responsiveness, transparency and accountability”
(4).

In general, it resembles that there is implied agreement among development scholars and researchers that decentralization is a concept that it is used for devolving political, economic, and administrative power to the sub-national and local level government to achieve certain political, economic, and social objectives. These objectives are improve government responsiveness towards the need and preferences of the local community, reducing the overload of administration, promoting effectiveness and efficiencies of an economic development, enhancing mass mobilization of the local community and self-determination.

In principle, decentralization is perceived as a means of improving the efficiency and responsiveness of the public sectors. By transferring decision making power to levels of government that are close to beneficiaries, decentralization can give citizens greater influence over the level and mix of government services they consume and greater ability to hold their officials accountable (Akpan, 2007 cited in Abreham, 2011, p. 16). World Bank (2001, p. 2), described that decentralization allows for good politics and good economics to come together by enhancing political responsiveness and participation at the local level while simultaneously furthering economic objectives of improving allocation and operational efficiency of public expenditures. In general, when designed appropriately, decentralization can help governments better allocate financial and human resources in accordance with local preferences (for example, spending more money on education rather than roads, or on more teachers rather than classroom expansion) and customize essential services in line with local tastes.

2.2.2. Rationales for Decentralization

Since the beginning of the 1990s, most developing countries have embarked in a process of decentralizing their governance, combining political, administrative, and fiscal aspects (Boschmann, 2009, p. 6, White, 2011, p. 2 & Neven, 2002, p.1). It is described in the above subsection that decentralization is the transfer of powers from central government to lower levels in a political-administrative and territorial hierarchy. According to Neven (2002, p. 2), the trend of decentralization is driven by a range of push and pull factors, including efforts to reduce central bureaucracies and cut budgets, a history of government service management failures, increased economic liberalization and market orientation, and growing commitment to more socially just and equitable development. In light of this, the political objectives of increasing political responsiveness and participation at the local level can coincide with the economic objectives of better decisions about the use of public resources and increased willingness to pay for local services. For Abreham, (2011, p.20), the major rationale for decentralization is the transfer of significant amounts of power or authority, functions and capacity (financial and human resource base) from the central government to the local institutions to ensure efficient and effective local decision making based on local knowledge without changing the socio-cultural, political and natural environment of these local areas.

In similar position, Smith strongly confirmed that:

“Theory suggests that greater autonomy will motivate a more responsive local government, which will more effectively shape public policies that contribute to a community’s needs. Local economic development theory suggests that this commitment and development strategy will assist communities to address the needs of the poor and promote growth for their societies” (Smith, 2012, p. 16)

For Kim, Smith, Sommers and Varela, (2015, p. 5) decentralization carries many clear benefits if implemented well. Primarily, decentralization can increase good governance practices through the principle of sub-sidiarity, which states that services are improved when handled by authorities closest to the people. According to this principle, decentralization of governance should result in increased accountability, citizen participation, and efficiency in local service delivery. Correspondingly, Demelash (2011, p. 18) citing Oates (1972) stated that decentralization enhances economic efficiency because local government have better knowledge of local condition and preferences or the provision of public good than national governments due to their physical and institutional proximity. This informational proximity allow local government to deliver public goods and services that better match local preferences or deliver the same public goods and services at lower cost at the same time by diversifying government output according to local preference

In general, researchers and scholars in the field of decentralization stressed that decentralization improves the overall level of good governance and service delivery due to the principle of sub-sidiarity, which states that small local institutions are better equipped to provide public services than large national organizations due to greater public participation, limited bureaucracy, and greater interests in local needs (Kim, Smith, Sommers and Varela, (2015, p. 6), White (2011, p. 3), Boschmann (2009, p. 6) & Smoke (2001, p. 1). If designed well, it can move decision making closer to people, thereby enhancing the efficiency and responsiveness of public service delivery. It might also improve economic growth and offer a potentially powerful tool for alleviating (Bahl and Martinez-Vazquez, 2005, p. 1).

2.2.3. Dimensions of Decentralization

According to White, (2011, p. 2), Boschmann, (2009, p. 20), & Kim, Smith, Sommers and Varela, (2015, p. 4) decentralization has three major dimension political, administrative and fiscal decentralization. Political decentralization relates to the transfer of functions or authority from central levels of government to local institutions that are governed by local political representation. It means that certain, well-described decision making powers, but also systems of accountability, are being transferred from central government to lower levels of government (Boschmann, 2009, p. 20). It aims to give citizens or their elected representatives more power in public decision-making.

Political decentralization is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies (Neven, 2002, p. 5). According to Smith, (2011, p. 23), the 1990s literature framed decentralization as creating good governance, active decision-making and local control while increasing citizen participation. Civil society groups promoted civic participation, which was adopted by the international system as an idea of how to assist the poor. For example, the process of decentralization led to innovations at the local level such as participatory budgeting practices, civic round tables, open space debates, and the increase use of referendums (World Bank, 2001, p. 1 & Smith, 2012, p. 23). This form of decentralization is often associated with pluralistic politics, but it can also give citizens and their representatives increased influence in the implementation of said policies (Kim, Smith, Sommers and Varela, (2015, p. 5). In general, Political decentralization is denotes the extent to which political institutions track and collect citizen interests and turn them into policy decisions.

Administrative decentralization on the other hand refers to the de-linking of line ministry staff from their respective ministries and bringing them under the control of the local authority, which includes procedures for establishing a local payroll (Boschmann, 2009, p. 20). It means that local authorities can hire and fire their own staff (White, 2011, p. 2). It seeks to redistribute authority, responsibility, and financial resources for providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government

agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities (Neven, 2002, p. 3).

Administrative decentralization highlights the need for national governments to think of the appropriate level of government structure to manage the implementation and funding of social programs (Smith, 2012, p.16). Theoretically, it involves redistributing authority, responsibility, and financial resources for providing services among different areas of government. This includes increasing capacity of local governments to take responsibility for key public services (Kim, Smith, Sommers and Varela, (2015, p. 5). In all, it concerns the ways in which political institutions turn policy decisions into allocation outcomes through fiscal and regulatory actions.

Finally, fiscal decentralization relates to the transfer of functions or authority from central levels of government to local institutions regarding local decision making on the allocation of financial resources (i.e. financial discretionary powers) and the powers to levy local taxes. Full fiscal decentralization requires political decentralization and, at least to some extent, administrative decentralization (Boschmann, 2009, p. 20). Financial responsibility is a core component of decentralization. If local governments and private organizations are to carry out decentralized functions effectively, they must have an adequate level of revenues either raised locally or transferred from the central government as well as the authority to make decisions about expenditures (Neven, 2002, p. 3).

Fiscal decentralization involves the transfer of financial resources to decentralized authorities, as well as the development of local budgeting and auditing capacity. It incorporates legal, regulatory, and policy framework to ensure local autonomy in revenue collection and spending power (Kim, Smith, Sommers and Varela, (2015, p. 5). It includes the development of local revenue collection systems that provide local governments with the ability to collect local taxes, effective transfer systems to distribute national funds to local governments, and clear and concise protocols to guide the budget creation process for local governments. In essence, fiscal decentralization's primarily focus is to maximize financial resource collection and distribution effectiveness on a needs basis, with the goal of ensuring local government capacity in providing key government services (Kim, Smith, Sommers and Varela, (2015, p. 6). To sum-up, it regards the extent to which local entities collect taxes, undertake expenditures, and rectify imbalances.

2.2.4. Conceptualizing Fiscal Decentralization

In recent decades, there has been a growing interest among development specialists, multilateral development agencies, economists, and governments on fiscal decentralization as a primary tool for promoting economic growth (United Nations, 1991; Oates, 1994; Bruno and Pleskovic, 1996 cited in Rodríguez-Pose and Kroijer, 2009, p. 1). Fiscal decentralization who sets and collects what taxes, who makes what expenditures, and how any vertical imbalance is rectified has been especially prominent in recent discussions in many countries, but as just indicated many of the more fundamental questions relate to political and administrative decentralization (UNDP, 1999, p. 18). It comprises the financial aspects of devolution to regional and local Government. Fiscal decentralization sets the framework of expenditures, revenues, and legal discretion within which regional and local governments operate (Davey, 2001, p. 7). It refers to the structure of financial and broader relationships between central and subordinate levels of government. The process of altering the structure of fiscal decentralization by devolving powers to lower levels of government is generally known as fiscal decentralization. Essentially, fiscal decentralization is a specific process meant to alter financial state of affairs (Boschmann, 2009, p. 21).

Scholars suggest that fiscal decentralization is more efficient by allowing local governments to determine the appropriate level of service delivery, and creating competition between local governments while allowing voters to move from one jurisdiction to another to obtain optimal preference of service provision (Smith, 2012, p. 7, Bahl and Martinez-Vazquez, Boschmann, 2009, p. 21 & Rodríguez-Pose and Kroijer, 2009, p. 1). According to Neven (2002, p. 3) fiscal decentralization can take many forms, including

- a) Self-financing or cost recovery through user charges,
- b) Co-financing or coproduction arrangements through which the users participate in providing services and infrastructure through monetary or labor contributions;
- c) Expansion of local revenues through property or sales taxes, or indirect charges;
- d) Inter-governmental transfers that shift general revenues from taxes collected by the central government to local governments for general or specific uses and
- e) Authorization of municipal borrowing and the mobilization of either national or local government resources through loan guarantees.

As it is stated in Stigler (1957) cited in Demelash, (2011, p. 17) the roles of fiscal decentralization with the rationality of the local government existence could improve the resource allocation to achieve an efficient level and he used two principles to interpret rationality. First local government are closer to their resident than the central government, second the residents have a right to choose by voting different kinds and quantities of public service but what type of public service could be provided by the local or central government. In light of this, in many developing countries, local governments or administrative units possess the legal authority to impose taxes, but the tax base is so weak and the dependence on central government subsidies so ingrained that no attempt is made to exercise that authority (Smith, 2011, p. 16).

As rightly concluded by Mulugeta (2012, p. 41), fiscal decentralization as the core component of decentralization is the transfer of or control over resources from federal to regional states or sectors. It comprises of public revenue (taxes, grants, borrowings), expenditure (recurrent and capital), intergovernmental transfers (matching grants for merit goods, grant to ensure minimum service level and grant to correct externalities or benefit spillovers), and domestic borrowings (for stabilization, for long term capital projects).

2.2.5. Reasons for Fiscal Decentralization

Fiscal decentralization has many proponents, in particular as a strategy to improve service delivery at local level. Commonly accepted objectives for fiscal decentralization include those of an efficient allocation of resources via a responsive and accountable government, an equitable provision of services to citizens in different jurisdictions, and preservation of macroeconomic stability and promotion of economic growth (Boschmann, 2009, p. 22, Mulugeta, 2012, p. 41). It has recently become a central concern, especially in developing and transition economies, which try to find a way to manage the public side of their growth process (Kwon, 2002 cited in Helen, 2010, p. 16). For, Helen, the most important benefit of fiscal decentralization is the welfare gain that comes from moving governance closer to the people. Several accepted theories provide strong rationale for decentralized decision making on the grounds of efficiency, accountability, manageability, and autonomy. According to Rodriguez-Pose and Kroijer the basic economic arguments in favor of fiscal decentralization rest on two assumptions that:

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- (1) Fiscal decentralization will increase economic efficiency as local governments are capable of providing better services due to proximity and informational advantages, and
 - (2) That competition and population mobility across local governments for the delivery of public services will ensure the right matching of preferences between local communities and local governments (Rodriguez-Pose and Kroijer, 2009, p. 1).

Fiscal decentralization can improve the efficiency of public service delivery through preference matching and allocation efficiency (Melkamu, 2004, p. 1). Local governments possess better access to local preferences. Fiscal decentralization can also ameliorate efficiencies by fostering stronger accountability. Furthermore, fiscal decentralization can improve efficiency through the “voting with one’s feet” hypothesis (Zemenu, 2016, p. 2). However, fiscal decentralization can worsen public service delivery if scale economy is important. Devolution of public service delivery to a small-scale local government can decrease efficiency and increase costs if economies of scale are important in the process of production and provision of some specific public goods. For instance, shifting the production and provision of public services to a municipality with a small size of government officials (producers and providers) and a small population (beneficiaries) can reduce efficiency. Fiscal decentralization can also obstruct the redistribution role of the central government. Fiscal decentralization can also hinder public service delivery if accountability is loose (International Monetary Fund, 2015, pp. 4-5).

According to De Mello (2000b: 365) cited in Demelash, (2011, p. 20), the arguments in support of fiscal decentralization are:

1. Fiscal decentralization enables sub-national governments to take account of local differences in culture environment, endowment of natural resources, economic and social institutions.
2. Information on local preferences and needs can be extracted more cheaply and accurately by local governments, which are close to the people and hence more identified with local causes.
3. Bringing expenditure assignments closer to revenue sources can enhance accountability and transparency in government action.
4. Fiscal decentralization can help promote, streamlining public sector activities and the development of local democratic traditions.

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5. By promoting a locative efficiency, fiscal decentralization can influence macroeconomic governance, promote local growth and poverty alleviation directly as well as through spillovers.

In general, fiscal decentralization is being promoted by researchers, scholars, and development partners hoping to bring services closer to the people and thus facilitate poverty reduction as well as public accountability (Boschmann, 2009, p. 21).

2.2.6. Pillars of Fiscal Decentralization

Fiscal decentralization has to do with the degree of fiscal autonomy and responsibility given to sub-national governments. It is a subject on policy agenda in many developing, transitional, and industrialized countries (Bahl, 2000 cited in Helen, 2010, p. 20). According to Bell et al (2006) cited in Helen (2010, p. 20) and Melkamu (2004, p. 3), a key characteristic of fiscal decentralization is the degree of autonomy that sub-national governments have over revenue raising and spending decisions. Fiscal autonomy relates to the ability of the local jurisdiction both to raise enough revenues from the local economy and then to determine how to spend those revenues. It involves the ability of the jurisdiction to set tax rates and establish the revenues base without outside influence as well as having the ability to provide the service levels that are demanded by the jurisdiction's citizens. With this regards, Bird (2003, p. 7) citing Bahl (1999) and Bird (2001) suggests that there should be a mechanism which bind the various players in the intergovernmental relation together if the outcome is to be the efficient and responsible provision of public services in an equitable and stable way. He further stressed that such thing as clear expenditure of assignments, giving responsibility for determining the rates of some major revenues to sub-national governments, and distributing transfers by a pre-determined formula must be properly conducted.

Besides, Aisyah (2008, p. 5) & Smoke (2001, p. 19), stated that fiscal decentralization is financial aspects of devolving to regional and local government consisting of three major issues. First, it involves the division of spending responsibilities and revenue sources between national, provincial, and district level of government. Second, it involves the amount of discretion given to regional and local governments to determine their expenditures and revenues, and third, intergovernmental transfer between the center and sub-national bodies. The following section discusses these three issues in detail.

In general, it is stressed that fiscal autonomy is considered the most important measure of sub-national financial autonomy. Fiscal autonomy deals with tax autonomy thereby delineating the share of own-source revenue from the total sub-national revenue. For this reason, the power to levy taxes (tax autonomy) is the fundamental attribute of fiscal autonomy since it is such power that distinguishes autonomous (own-source) revenues from other types of revenue. Fiscal autonomy is equated with the ability of constituent units to access resources independently, including sub-national discretion over tax bases and tax rates. Moreover, fiscal autonomy allows local governments to decide the size of their autonomous revenues (Zemenu, 2016, p. 44).

2.2.6.1. Expenditure Assignment and Spending Autonomy of Sub-National Governments

One of the basic arguments in the theory of fiscal decentralization is the assignment of expenditure responsibilities and decision-making power to lower levels of government to improve the local government capacity to efficiently identify and address the needs of their citizens (Degefa, 2003 cited in Demelash, 2011, p. 33). According to McLure & Martinez-Vazquez (1998, p. 1), the first fundamental step in the design of a system of intergovernmental fiscal relations is the assignment of functional responsibilities among different levels of government. In light of this, the design of functional system of intergovernmental fiscal relations requires a clear assignment of functional responsibilities among different levels of government (Bird, 2003, p. 6). A stable and meaningful decentralization requires an unambiguous and well-defined institutional framework in the assignment of expenditure responsibilities among the different levels of government together with the sufficient budgetary autonomy to carry out the assigned responsibilities at each level of government (McLure & Martinez-Vazquez, 1998, p. 2). A clear assignment of expenditure responsibilities clarifying who is responsible for what, increases accountability, avoiding unproductive overlapping, duplication of authority and legal challenges (Boschmann, 2009, p. 33). Local governments must have significant control over their expenditure package (production efficiency), and responsibility to deliver services that are important to the local population (allocative efficiency). If central (direct or indirect) mandates on local budget choices rule the day, it is unlikely that the efficiency gains from decentralization will be captured. In fact, however, local discretion is often limited in several ways including minimum expenditure requirements, unfunded mandates, conditional grants, and higher-level government determination of the

hiring/firing and compensation of local public employees (Bahl and Martinez-Vazquezp, 2005, p. 22-23).

2.2.6.2. Revenue Assignment and Revenue Autonomy of Sub-National Governments

Revenue assignment refers to the question of vertical sharing of public resources (what share of the total government budget should be decentralized (Bird, 2003, p. 7). Contributions from development partners should be included as well, as those resources normally become available at the national level, while part of this is meant to fund activities that fall within the expenditure assignments of local governments (Bahl and Martinez-Vazquezp, 2005, p. 22). If fiscal decentralization is to be a reality, sub-national governments must control their "own" sources of revenue. Sub-national governments that lack independent sources of revenue can never truly enjoy fiscal autonomy. Each level of government should be assigned taxes that are related to the benefits of its spending (Boschmann, 2009, p. 37).

Four basic guidelines are suggested as starting points for defining or evaluating revenue system (Oates, 1972 cited in Demelash, 2011, p. 35). First local taxes should be as neutral as possible in terms of their effect on economic behavior. Second, the benefits and costs of local taxes should be clear to those for whom services are to be provided; third, the pattern of incidence of local taxes should meet basic equity standards. Forth, administration and compliance costs should be minimized by avoiding the assignment of complex taxes to local governments (Demelash, 2011, p. 35)

In general, sub-national governments must be given some revenue autonomy if there is to be a hard budget constraint imposed on them, and if they are to have discretion in deciding on the level of their budgets. This means that a decentralization program must allow some provision for local governments to choose the level of their taxes and charges, and where appropriate, to access capital markets for financing of long-lived infrastructure assets (Bahl and Martinez-Vazquezp, 2005, p. 23). Fiscal autonomy of sub-national governments implies that, to some extent, they can arrange their own sources of revenues by exercising their taxing powers to cover costs occurring in the provision of public goods and services.

2.2.6.3. Inter-Governmental Fiscal Transfers

Intergovernmental fiscal relations must be thought of as a fiscal system, and all the pieces of that system must fit together (Bird, 2003, p. 8). Fiscal imbalance refers to both vertical and horizontal regional imbalances. The former refers to imbalance between revenue means and expenditure needs at different levels of government while the latter refers to regional variations in correspondence between revenue base and expenditure requirement (Tegegne et al, 2007 cited in Demelash, 2011, p. 34). Because of the imbalance of revenue-generating advantages at the central government level and certain spending advantages at the local-government level, fiscal decentralization usually includes the transfer of financial resources from central to local government. These transfers can take many forms, with a varying degree of control and conditionality (Boschmann, 2009, p. 42-43). It is also important that sub-national governments receive intergovernmental transfers that give them discretion to choose the mix of their public expenditures. Unconditional grants or block grants can provide such discretion, whereas tightly earmarked transfers do not. Unless local government decision makers do not have such freedom to decide on the use of transfers, they will not be held fully accountable by the local voters for the outcome of the public expenditures (Bahl and Martinez-Vazquez, 2005, 23).

The intergovernmental fiscal system should seek to match the delivery responsibilities with adequate, optimized own revenue sources including sufficiently buoyant direct and indirect taxes (most notably, urban property, automotive, incomes and sales taxes as well as user and development fees). Even if own revenues were optimized; local governments in most developing countries would face a gap between their available resources and the actual fiscal costs of meeting their delivery responsibilities. To fill this “fiscal gap,” governments typically seek to provide a range of predictable and transparent sub-national transfers (for example, block, equalization, and conditional grants) that enable local authorities to meet their recurrent and investment needs (International Development Agency, 200, 5).

2.2.7. Functional Fiscal Decentralization Programs

According to Smoke (2001, p. 19, Martinez-Vazquez, Lago-Peñas, and Sacchi, 2015, p. 5 & Bird, 2003, p. 7), fiscal decentralization has four major pillars. These elements include an adequate enabling environment, assignment of an appropriate set of function to local governments,

assignment of an appropriate set of local own-source revenue to local governments, the establishment of adequate access of local governments to development capital (Smoke, (2001, p. 19). Since these elements are actually important to be discussed in this paper, all ideas presented in Smoke, Martinez-Vazquez, Lago-Peñas, and Sacchi, and Bird writings are adopted and presented below.

A. Adequate Enabling Environment

An enabling environment for fiscal decentralization can begin with constitutional or legal mandates for some minimum level of autonomy rights and responsibilities for local governments. This provides a foundation on which to build decentralization but it does not guarantee successful decentralization.

B. Assignment of Appropriate Functions to Local Government

The principles for assignment of service to local government as developed in the fiscal federalism literature and expenditure side appear to be related more to a lack of attention to implementation than to decentralizing inappropriate services. First, no matter what constitution or law says, central government agencies rarely have a desire to decentralize services they have been providing particularly of decentralization involves loss of prestige and resources to these agencies and they perceive each other as competitor, thus almost invariably slow the process. Second, if too many sectors are decentralized too rapidly and local governments do not have the capacity to handle those new responsibilities they will perform.

C. Assignment of Appropriate Revenues to Local Government

The fiscal federalism principles of assignment of revenues to local governments, like the services assignment principle above are well defined and generally, appropriate many developing countries follow these principles with few prominent exemptions (Bahl, 1992; Saha, 1994 cited in Smoke, 2001, p. 21). Central government revenue bases that are relatively immobile and should therefore not lead to serious spatial efficiency effects that do not compete seriously with central tax bases and so on. Four particular problematic concerns remains on the revenue side are first assigned revenue are almost never adequate to meet local expenditure requirements. This means the central governments transfer program are inevitably required. Second local government often use too many unproductive revenue sources that barely cover the cost of the collecting them. Third, the same lack of attention to implementation in relation to service centralization also plays the revenue

side. Fourth individual local revenue sources suffer from some serious design problems such as static basis overly complex structures and ineffective collection mechanisms.

D. Developing an Appropriate Inter-governmental Transfer System

It is pointed out that because local own- resources revenues generally do not cover local government expenditures responsibilities, virtually all governments have intergovernmental transfer programs these serve multiple often inter related purpose, three of which are particularly important.

2.3. Fiscal Decentralization in Ethiopia: Empirical Review

Decentralization reforms have been entered into the agendas of many countries since 1990s as the result of disappointing progress in meeting national goals through centralized processes, which created unaccountable and corrupt governments (Aberra, 2015, p. 4 & Kundishora, 2009, p. 12 cited in Deriba, 2015, p. 1). During this time, it has become an increasingly widespread and significant dimension of political and administrative reform in many developing countries including Ethiopia (Kassa, 2015, 24). This is associated with the hope that bringing government closer to the people will improve the provision of public services by increasing people's voice in decision-making, and by making the government more accountable to them (African Development Bank, 2011, p. ii & Kassa, 2015, 23).

Fiscal decentralization is now seen as part of a reform agenda to strengthen regional and local governments. This is because central government alone cannot satisfy all of the competing needs of its constituent units. Besides, local and regional governments help in the implementation of national economic development strategies and this can be more reliable with adequate taxation powers to meet their expenditure responsibility (Kena, 2016, p. 46 & Oates, 1991 cited in Belay and Ayele, 2016, p. 57). However, Smith (2011, p. 16) suggests that in many developing countries local governments or administrative units possess the legal authority to impose taxes but the tax base is so weak and the dependence on central government subsidies so ingrained that no attempt is made to exercise their authority.

The Ethiopian federal system, as initiated in the Transitional Charter and reaffirmed by the 1995 Constitution of Federal Democratic Republic of Ethiopia, has introduced political, administrative, and fiscal decentralization endeavoring to assure the right to self-administration (Zemenu, 2016,

p. 2). Abu stressed that the government adopted decentralization as it improves efficiency of public resource utilization, creating enabling environment for private sector development and the growth of the national economy (Abu, 2003, p. 3). The theory of fiscal decentralization addresses three issues related to fiscal decision-making: assignment of responsibilities and functions between the federal government and sub-national governments, the assignment of taxation power and the design of inter-governmental transfer (subsidy) of fiscal resources coupled with provisions about the borrowing windows to sub-national governments (Abu, 2003, p.3). According to Chanie (2009) & Gebre-Egziabher (2007) cited in Deriba, (2015, p. 1), the 1991 government change in Ethiopia has created an opportunity for the introduction of decentralized system of governance in the country. In light of this, the government adopted a constitution, which clearly indicates the Federal and Regional Governments' taxing powers and responsibilities, and tax bases that are assigned to both governments (Article 96 and 97 of the Federal Democratic Republic of Ethiopian Constitution). Although there are some tax bases concurrently assigned to both governments, the implementation and administration of these tax bases have become tedious and revenues from these sources have become unpredictable (Tadewos, Mishra and Melesse, 2014, p. 205).

Accordingly, Ethiopian fiscal decentralization reform followed the political imperative of establishing a federal political structure (Abera, 2015, p. 55). Currently, Ethiopia is among those African countries that have constitutions in which self-rule and the existence of local governments is formally recognized (World Bank, 2001, p. 2). Furthermore, the government has introduced constitutional, administrative, and institutional reforms to deepen and broaden the decentralization process to Woreda through Woreda/ District Level Decentralization Program (DLDP) in 2001 (World Bank, 2003; Deresse, 2003; MoCB, 2004 cited in Helen, 2010, p. 2). So far, two phases of decentralization have been put in place in the current government administration: The first wave of decentralization (1991-2001) and devolution of powers and responsibilities at the Woreda level since 2002. Similarly, Abera (2015, p. 61) states, beginning in 2001/2, regions decided to transfer major responsibilities and resources to the Woreda level. In these states, Woreda became a legally sanctioned lower tier of government that was closest to the people and entrusted with significant responsibilities to plan, formulate, and implement policies on economic development and social services

The first wave of decentralization was aimed at creating and empowering national and regional state of governments whereas the second phase of decentralization was concerned about devolution of powers at Woreda levels-lower levels administration (Deriba, 2015, p. 4). Specifically, the first wave of decentralization started in the mid-1990s transferred expenditure responsibilities from the federal to regional governments. In this era, decentralization was motivated by the goals of improving resource allocation while enhancing decentralized democratic governance, given the ethnic and socioeconomic diversity of the country. However, the continued administrative rigidity and fiscal hierarchy motivated a second wave of fiscal decentralization that began in 2001 with the four largest regions - Amhara, Oromiya, Southern Nations Nationalities and Peoples Region (SNNPR), and Tigray proceeding as pilots in transferring expenditure responsibilities to the Woreda (International Monetary Fund, 2005, p. 24).

Despite such endeavors in the political decentralization, review of available studies on the performance of Ethiopian fiscal decentralization in general and Woreda-level fiscal decentralization in particular reveals the fact that it has not been able to create the expected fiscally autonomous sub-national governments, Abu (2003, p. 3), Helen (2010, p. 3) & Deriba (2015, p. 4). According to the comparative study of Ndwa cited in Derrese (2003: pp; 14), Ethiopia is one of the least fiscally decentralized countries in the world. Paulos (2009, p. 313) also concludes that the reforms failed to create autonomous regional governments, as they are still highly dependent on central subsidy. Oates (1991:133-156) stated in Belay and Ayele (2016, p. 57) that if local governments are to carry out decentralized functions effectively, they must have an adequate level of revenues either raised locally or transferred from the central government as well as the authority to make decisions about expenditures. Hence, for fiscal decentralization to be effective and meet its desired objectives it strongly requires linking pleasure of spending with pain of revenue generation. In Addis Ababa context, decentralization in general and fiscal decentralization in particular took root in proclamation No. 87/1997. The proclamation defines decentralization frameworks in the city.

2.4. District/Woreda Level Fiscal Decentralization in Ethiopia: Empirical Review

Recently devolution of power to lower level units has become a vital concern in many developing countries. The task indeed has also become a complex process as it involves resource mobilization

and service delivery. It has also become an issue of poverty reduction, good governance, and capacity building (Litvack et al, 1998; Worku, 2005; Yigremew et al, 2005 cited in Demelash, 2011, p.4). Like any other country, empowerment, governance, capacity building, poverty reduction, and sustainable development are interwoven aspects in the development of Woreda level decentralization in Ethiopia.

In light of this, in 2002/03 the government of Ethiopia initiated the second phase of decentralization with a series of political, fiscal and administrative reforms beginning with four of the largest regions (Amhara, Oromia, SNNP, and Tigray), which together account for more than 80 percent of Ethiopia's population (Kassa,2016, p. 1). It was during this phase that Woreda administrations and eventually urban administration with Woreda status became autonomous as local governments in Ethiopia (Garcia & Rajkumar, 2008; Gebre-Egziabher, 2007 cited in Deriba, 2015, p. 30 & Kassa, 2015, p. 1-2). This phase of decentralization seeks to empower communities to engage in development interventions, improve local democratic governance, and enhance the scope and quality of delivery of basic services at the local level (Deriba, 2015, p. 31).

There are constitutional and legal framework put in place to empowering Woreda and municipalities (Urban Planning and Environment in Sub-Saharan Africa, 2001, p.2, Deriba, 2015, p. 30 & Mulugeta, 2012, p. 115). In launching the second wave of democratic decentralization in mid-2001, each of Ethiopia's four most populous regions undertook far-reaching constitutional and legal reforms designed to clarify the separation of powers (between the executive, legislative, and judicial branches of government), to transfer authority to the Woreda sphere, and to empower municipalities (Planning and Environment in Sub-Saharan Africa, 2001, p.2). Enabling legislation was passed to define the delivery responsibilities of different levels of government as well as the fiscal sources (for example, transfers or own revenues) available to meet recurrent and investment needs (International Development Agency, 2004, p. 9).

According to the new legislation, responsibilities of regional states or state functions such as primary education and healthcare have been reassigned to Woreda and financed largely through the block grant and to a lesser extent, user fees (Melkamu, 2004, p. 34). Few if any direct taxes are retained by Woreda to finance the capital and recurrent needs of delegated state functions. The legal framework for Woreda and municipalities assigns various municipal or own-source functions

to these urban centers such as management of urban land use, central markets, and abattoirs, as well as waste removal, and street lighting (Urban Planning and Environment in Sub-Saharan Africa, 2001, pp. 2-3). Woreda and urban centers are empowered to retain virtually all their own revenues to finance these types of municipal functions. It is not yet clear whether sub-regional transfers such as the Woreda block grant would also be made available to urban centers (or their Woreda) to finance the capital or recurrent needs of their state functions (for example, primary healthcare or education (Mulugeta, 2012, p. 116). Nor is it evident that regions have adequately provided - through the appropriate assignment of own fiscal sources - for the growth of municipal functions in Woreda, particularly those in rural hinterlands of urban areas (International Development Agency, 2004. 10).

The Federal constitution reveals a strong preference for activist welfare state oriented government that is heavily involved in providing social and economic infrastructure for development (FDRE Constitution, 1995, Preamble). Besides, proclamation No.33/1992 is the most important instrument in the fiscal decentralization in Ethiopia. The proclamation defined the sharing of revenues between the central government and national /regional government are to enable the central government and national /regional governments to carry out their duties and responsibilities. It also helps the National /Regional government develops their own initiative, narrow the gap in development and economic growth between regions, and encourage activities that are common interest to regions (Demelash, 2011, 32). At present, there are five levels of government in the Ethiopian Federal structure: the Federal, Regional, Zonal, Woreda and Kebele levels of government. The functions assigned to the Federal Government are national in scope: monetary policy, foreign relations, and defense. While regions are responsible for drawing and implementing budgets, providing public services such as primary and secondary education and health, carrying out socio-economic and infrastructure development at regional and local levels (Meheret, 2007:37).

The Woreda are considered as the key level of local governments, centers of development and the governments at the regional and federal levels are trying to enable rural Woreda play their important roles through coordinated capacity building measures (Kassa, 2015, p. 1). The Woreda, which are the lowest and basic units in the hierarchy of the government structure, are also provided with more power than it had been before to play a much greater role. Within the framework of

current state structure, Woredas and Kebeles are constitutionally recognized as lower tiers of local government (FDRE Constitution). By law, these two levels of government have elected councils and executive committees that are responsible for local governance, provision of public services and socio economic development (ibid).

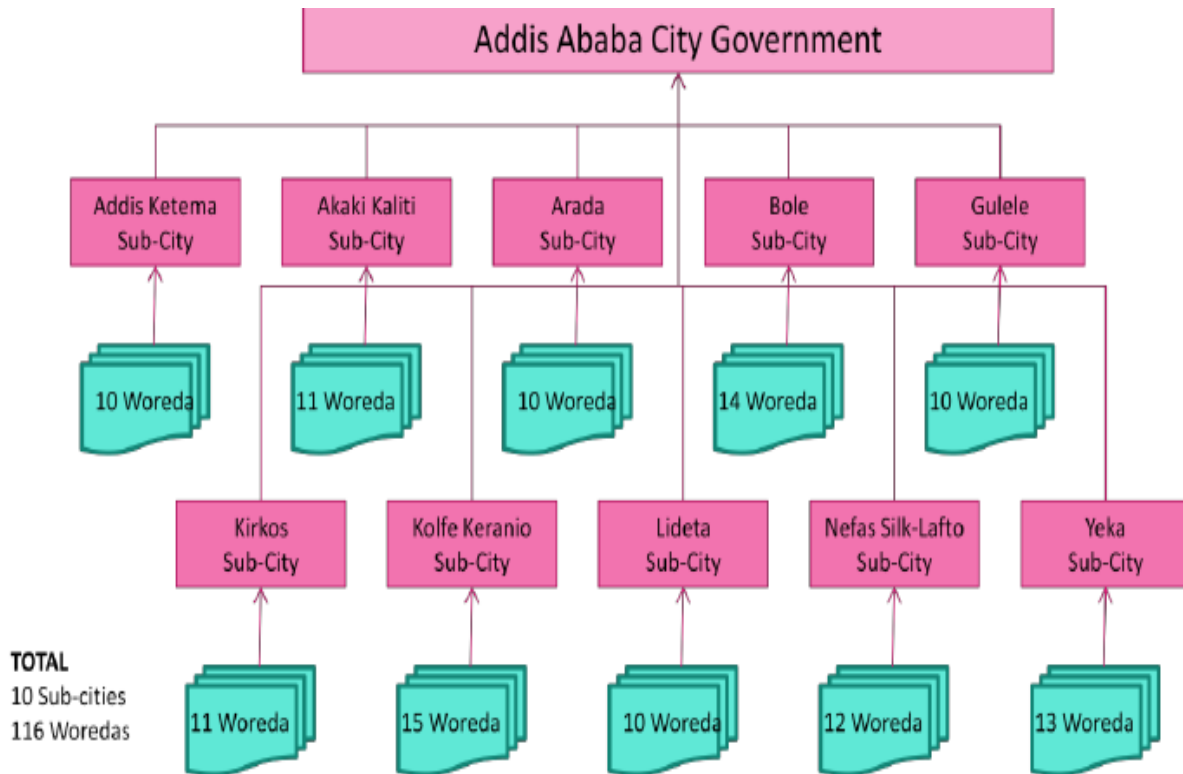
Woreda level decentralization is one of the 14 programs that have been undertaken by the Ministry of Capacity Building. It is one of the six sub-programs incorporated in the larger Public Sector Capacity Building Program (PSCAP) implemented by the ministry in the nine regional states. It was first launched in 2001/02 as an enabling measure to article 50(4) of the FDRE constitution, which declares, adequate power shall be granted to the lowest units of the government to enable the people to participate directly in the administration of such units.

Woreda level decentralization program encompasses all the three major aspects of decentralization namely political, administrative, and fiscal. It is aimed at supporting the decentralization and democratization efforts of the government to alleviate poverty. The overall objective of the program is to enhance the institutions working systems and human capital in an integrated and coordinated manner at Woreda and Kebele levels to ensure democratization, empowerment, and good governance. According to studies conducted on Woreda level decentralizations, for effective Woreda level decentralization implementation, it was hoped that Woreda governments would be enabled to implement their administrative and development plans without undue interference from higher tiers of authority (Urban Planning and Environment in Sub-Saharan Africa, 2001, pp. 1-2, Deriba, 2015, p. 30, Kassa, 2015, pp. 1-2 & Mulugeta, 2012, p. 117). Accordingly, it creates a situations closer to genuine local self-rule through block grants, re-deployment of skilled and experienced personnel to serve in local government sector offices and Woreda autonomy in activity and budgetary planning, expanded freedom of operation in terms of raising and putting to use resources originating from own revenue resources, hiring required staff and others (Mulugeta, 2012, pp. 117-118 & Kassa, 2015, p.2). The policy of Woreda decentralization has not fully achieved its target of democratic governance and participatory development (Kassa, 2015, p. 2 & Urban Planning and Environment in Sub-Saharan Africa, 2001, p.2). It is concluded in many studies that the performance of Woreda-level fiscal decentralization in the country is limited by various institutional, administrative, and political challenges (International Development Agency (2004), Kena (2016), & Deribe (2015). Insufficient administration and institutional capacity such

as lack of well-trained local government personnel; top-down decision and authority structures afflicting the state system; absence of transparency and accountability at the local level. Limited political space for non-state actors and non-ruling party organizations to partake in governance and development and shortage of budgetary and financial resources frequently faced by Woreda governments are often cited as major limitations for promoting effective decentralization (Worku, 2005; Meheret, 2007 cited in Abreham, 2011, p. 38).

Concerning the performance of Woreda level fiscal decentralization in Addis Ababa, resources are highly scarce and few documents are available. However, the following section tells the administrative structure of the city and financial powers of each level of the city. The City of Addis Ababa has three administrative levels: the City Government of Addis Ababa is the first level, which includes 58 budgetary institutions - sectoral bureaus, authorities and agencies. The second level of the city consists of ten sub cities, which are equivalent to the zonal level in the regions. Sub cities are a separate level of government below the City Government, having their own cabinets and elected councils. Sub cities administer the Woredas under their jurisdiction and are responsible for law and order in their respective areas (Revised Addis Ababa City Gov't Charter, Procl. No. 361/2003, Section 30). The third level is urban Woredas, which are units of sub cities. There are currently 116 Woredas, but the number has been increasing. Sub cities and Woredas have elected councils, so they have dual accountability to their councils and upward to the city government.

This administrative structure of the city is illustrated in the following figure;



Source: TAK-Innovative Research and Development Institute (2015, p 16)

According to the World Bank (2015, p. 12), the city budget and accounts consolidate revenue and expenditure at all three levels: there are no separate accounts at each level. A single legal framework also applies at all three levels. This assessment therefore covers all three levels, even though the sub cities and Woredas are separate legal bodies and have considerable autonomy in budget allocations. Woreda administrations comprise, a council supported by a chief executive, a Woreda manager, spokesperson, secretary, standing committee, social court, and executive bodies. The Woreda is the center of development and people participation, and where services are delivered; revenue collection is through the Woreda offices for category-C taxpayers and municipal taxes, fees and charges. For category-A and B taxpayers, collections are undertaken at the sub city level (Revised Addis Ababa City Gov't Charter, Procl. No. 361/2003).

Chapter Three

Research Methodology and Method

3.1. Research Approach

The research employed mixed methods research approach in order to collect and analyze both quantitative and qualitative data. It is argued that the complexities of assessing fiscal decentralization and any policy interventions to that end require the use of a broad spectrum of qualitative and quantitative approach (Negalegn, 2010:8). In addition, the complexity of the phenomena requires data from a large number of perspectives. Hence, this approach provides mechanisms of triangulating and substantiating qualitative approach with quantitative and vice versa in order to achieve the objectives of the research.

3.2. Research Design

The research followed explanatory mixed methods research design with cross-sectional and sequential data collection and analyses techniques under mixed methods research approach. As Kothari states, explanatory mixed methods design uses mixed data collection techniques including surveys and fact finding and it explains what and why things happens and involves finding primary data through direct communication with respondents (Kothari, 2004, p. 36). To this effect, this design helped the study to assess the practices of Woreda level fiscal decentralization in selected Woreda of Addis Ababa city government and identify the challenges that limits its proper application in the study areas.

3.3. Population of the Study

Addis Ababa city government has ten sub cities and one hundred sixteen Woredas. Hence, these Sub-Cities, Woredas, and government officials working in Woredas' Bureau of Finance and Economic Development, Revenue Authority, Audit Bureau, Bureau of Trade and Industry, Health Bureau, Education Bureau, Housing and Urban Development Bureau and Woreda Administration Bureau constitute the population of the study. Cognizant of this fact, a certain percent of sample is taken for this study as a representative of the population.

3.4. Sampling Technique and Sample Size

Currently, the Addis Ababa City administration is divided into ten administrative zones (sub cities) and one hundred sixteen Woreda. These sub cities are named as Gulele, Yeka, Nefas Silk-Lafto, Addis Ketema, Kirkos, Kolfe-Keranio, Lideta, Akaki-Kality, Arada, and Bole. In light of this, the researcher has applied multi-stage samplings technique in order to select sample respondents. Primarily, the study has assumed the pre-existing geographical cluster of Addis Ababa city into ten geographic clusters (sub cities), and then it has employed judgmental sampling techniques and selected four sub cities among those ten sub cities of Addis Ababa city as the focus of the study. This technique is also called purposive or deliberate selection of particular units of the universe that may represent the whole population. This type of sampling technique is applicable where cross-section of the sample is selected based on certain predetermined criterion (Adams et. al., 2007:90). With this regards, the researcher has used the 2009 E.C. annual budget allocation to sub cities as a criterion to apply judgmental sampling technique. Those selected sub cities are which have the highest budget allocation in the fiscal year of 2009 E.C. As it is stated in the following Table 3.1, Kolfe-Keranio, Bole, Kirkose, and Arada sub cities are having the highest budget allocation for the fiscal year respectively. Taking the highest amount of source of finance and expenditure justifies the selection as the amount is related to the activity and number of business sectors of sub cities. This selection can show the highest monetary movement in terms of both revenue collection and expenditure utilization.

In the budget two items are underscored, source of revenue and expenditure level. The source of revenue are tax collection, service fees, non-tax revenue, administrative fees and charges, sales of goods & services, urban land lease income, miscellaneous revenue, subsidy revenue (road fund), municipality revenue, municipality tax revenue, municipality rent revenue, municipality service charge, sales of goods and services, external assistance, multilateral institutions, external loans, multilateral loans. The expenditure part includes the major recurrent and capital expenditures. These are the various expenditures of sectorial bureaus. As this research aims in showing the financial autonomy, selecting the highest financial transaction can show the practice clearly than with low financial transaction of sub cities. Accordingly, taking the budget year of 2009 E.C the highest budget held by sub-cities in terms of expenditure and source of revenue are Kolfe-Keranio, Bole, Kirkos and Arada sub cities respectively as shown on the table below:

3.1 Sub Cities Budget by type of Expenditure and Source of Finance (2009 E.C)

Sub cities	Recurrent Expenditure	Capital Expenditure	Total
Arada	721,054.18	298,329.90	898,147.03
Addis Ketema	600,227.27	170,486.28	770,713.55
Lideta	522,856.70	153,460.39	676,317.08
Kirkos	638,564.91	316,517.67	955,082.58
Yeka	588,410.56	177,092.86	886,740.46
Bole	692,775.36	353,904.72	1,046,680.08
Akaki-Kaliti	609,812.30	212,429.75	822,242.04
Nefas Silk-Lafto	718,427.44	156,298.43	874,725.87
Kolfe-Keranio	964,138.75	211,614.85	1,175,753.60
Gulele	654,525.51	119,215.19	773,740.70
Sub cities Total	<u>6,710,729,962.00</u>	<u>2,169,350,035.00</u>	<u>8,880,142,997</u>

Sub cities	Treasury	Retained Revenue	Total
Arada	881,018.25	17,128.78	898,147.03
Addis Ketema	761,171.40	9,542.15	770,713.55
Lideta	666,372.46	9,944.62	676,317.08
Kirkos	936,284.08	18,798.50	955,082.58
Yeka	872,111.96	14,628.50	886,740.46
Bole	1,023,053.88	23,626.20	1,046,680.08
Akaki-Kaliti	805,850.04	16,392.01	822,242.04
Nefas Silk Lafto	850,765.65	23,960.22	874,725.87
Kolfe-Keranio	1,140,192.97	35,560.62	1,175,753.60
Gulele	761,442.72	12,297.98	773,740.70
Sub cities Total	<u>8,698,263,416.00</u>	<u>181,879,581.00</u>	<u>8,880,142,997.00</u>

Source: Addis Ababa City Government Proclamation Number 47/2008

Secondly, systematic sampling technique was applied in order to select representative Woreda within Kolfe-Keranio, Bole, Kirkos and Arada sub cities. According to the data gained from city administration, there are fifteen Woreda in Kolfe-Keranio, fourteen Woredas in Bole, eleven Woreda in Kirkos and ten Woredas in Arada sub city. The names of these Woreda are numbered Woreda 1. Woreda 2, Woreda 3....to Woreda 10.... Since similar political, legal, and administrative structures and processes of fiscal decentralization are in place in the city administrative functions in general and in Kolfe-Keranio, Bole, Kirkos and Arada sub cities in particular, fifty percent of Woredas were selected using systematic sampling as representative sample of the study from each selected sub cities. Accordingly, as the names of the Woreda in the sub city are numbered from one to ten, using systematic sampling, Woreda numbered in odd number (Woreda 1, Woreda 3, Woreda 5...) were selected from each sub-cities proportionally as representative sample of the study. Hence, eight Woredas from Kolfe-Keranio, four Woredas from Bole Sub-city (three Woredas were not accessible due to involuntary responses of officials to fill the questionnaire), six Woredas from Kirkos and six Woredas from Arada sub city (one Woreda was added as a compensation for Bole sub-city) were systematically selected. With this regards, twenty-four Woredas were selected as representative samples.

Finally, the study employed purposive/judgmental sampling technique in order to select respondents of the study. In light of this, the study considered eight sector offices in each Woreda, which are significantly important in the context of Woreda-level Fiscal decentralization. These selected sector offices are Bureau of Finance and Economic Development, Revenue Authority, Audit Bureau, Bureau of Trade and Industry, Health Bureau, Education Bureau, Housing and Urban Development Bureau and Woreda Administration Bureau. At last, one senior expert working in each bureau in all sampled Woredas were approached to fill the questionnaire prepared in order to assess Woreda-level fiscal decentralization in the city. This implies that 192 experts working in eight sectors of twenty-four Woredas were participated in the study. The sector bureaus are selected based on their significance to the context of Woreda-level Fiscal decentralization.

In general, this study gives particular emphasis to four sub cities namely Kolfe-Keranio, Bole, Kirkos and Arada and twenty-four Woredas found in these four sub cities. This is because conducting research on the study topic at city level is actually difficult as the researcher faced time, financial and capacity limitations. Hence, in order to assess the state of Woreda level fiscal

decentralization practices, challenges and prospects, Woreda level administrations and sector offices found in Kolfe-Keranio, Bole, Kirkos and Arada sub cities were taken as units of analysis for the study. Woreda level government structure were considered due to its relative closeness to the grassroots population and its being viable unit of government for meaningful socio-economic development at the local level.

3.5. Data Source and Type

The data sources for the research were from both primary and secondary sources. The primary data were collected from surveyed government officials at different levels and key informants. The data is also supported by document analysis. In utilizing secondary sources, published articles, research works, previous studies, books, government reports from the federal, and city administration offices, and other sources were reviewed.

3.6. Data Collection Tools

To collect primary data, the study used questionnaire, key informant interview, and document analysis techniques. Besides, secondary data were secured through the review of relevant articles, research works, books, journals, officially published documents, and other pertinent sources.

A. Questionnaire

Questionnaire as instrument to conduct the survey is prepared and distributed to illicit information from randomly selected Woreda officials working in systematically selected Woreda of Kolfe-Keranio, Bole, Kirkos and Arada sub cities. The Questionnaire dominantly had closed ended questions. However, there were also few open-ended questions included in the questionnaire to illicit information, which has helped in substantiating the responses gained through closed-ended questions. It is developed by the researcher and the validity is checked with a pilot test and made reliability test also for the consistency of the questionnaire.

B. Key Informant Interviews

The second data collection tool, which is used in the study, is key informant interview. The researcher conducted interview with heads of Finance and Economic Development Bureau of two sub-cities and three Woreda Finance and Economic Development Bureau heads. The selection of key informant interviewee was done using convenient sampling technique. The researcher has

selected informants as they were easily assessable to the study. The interviews provided a chance to have face-to-face interaction and clarify any questions and gives chance to triangulate data, which is gathered through questionnaire.

C. Document Analysis Technique

Necessary documents related to the study were reviewed in order to get sufficient data that supports the study. There are financial data from the city government Bureau of Finance and Economic Development, sub cities and Woreda offices. In addition, secondary data are secured from relevant publications related to the study.

3.7. Methods of Data Analysis and Presentation

The sequential collection and analyses of primary and secondary quantitative and qualitative data are carried out respectively with a view to enable substantiation of quantitative data with qualitative data. With this regards, in the first place, quantitative analyses were made using statistical methods and SPSS. Different tests were used, to mention, Kruskal Wallis Test, Spearman Correlations among variables, Friedman Test, Wilcoxon Signed Rank Sum Test (Pair Wise Test). Concerning this, the study employed both descriptive and inferential analysis. The descriptive analysis was used ratio, percentage, and simple statistical tools while inferential statistics was used to test the hypotheses.

With this regards, Kruskal–Wallis test was applied to test hypotheses of the study. This test is applicable when the test variable is ordinal. The Kruskal–Wallis one-way analysis of variance by ranks is a non-parametric method for testing equality of population mean among independent groups. It is identical to a one-way analysis of variance with the data replaced by their ranks. Unlike standard ANOVA, it does not assume normality, and it can be used to test ordinal variables. In applying Kruskal Wallis test, the following decision rule is applicable to reject or not reject the null hypothesis.

Decision rule: We reject the null hypothesis if:

$$K > \chi^2_{\alpha}(g-1)$$

Where;

- K is the Kruskal Wallis test result
- $\chi^2_{\alpha}(g-1)$ is the critical value from the chi-square distribution
- (g-1) degrees of freedom and
- α is the level of significance

After analyzing, the data are used to present the study outcomes. Besides, qualitative data analysis and interpretation were made to substantiate the quantitative analyses and involved cautious undertaking of logical analysis of interviews. Tables and graphs were also be used to present the study outcomes.

3.8. Description of the Study Area

The study is conducted in selected Woreda of Kolfe-Keranio, Bole, Kirkos and Arada sub cities of Addis Ababa city, the capital of the country. Addis Ababa lies 9°1'48"N latitude and 38°44'24"E longitude. The city is located at the heart of the country, at an altitude ranging from 2,100 meters at Akaki in the south to 3,000 (9,800 ft.) meters at Entoto Hill in the North. This makes Addis Ababa the third highest city in the world, after La Paz and Quito in Latin America. The city occupies a total area of 540 square kilometer. According to data from City Government, in 2012, the total population of Addis Ababa was estimated to be 3,048,631 of whom 1,595,968 were females and the rest 1,452,663 were males.

Addis Ababa is the main economic financial and communication center and gateway to external market. Health services and facility, access, and coverage infrastructure such as water, road, transport services, and housing also made substantial progress. Regardless of the focus of the city administration, there were also shortages in housing, water, and sanitation, transport services compared to the ever-growing demand of the city residents. In the city, there is a wide sex and wealth gap disparities in economic activity. According to the 2007 census, men were found to be more economically active than women were (71.9% against 55.9%). According to 2012 survey study result on Ethiopian, progress Towards Eradicating Poverty an Interim Report, 28.1% of the residents of Addis Ababa was under general poverty. On the other hand, 26.1% of the residents

were under food poverty. When we compare poverty in terms of sex, females were more affected by poverty than males.

Addis Ababa is the major political, economic, and cultural center of the country, on the verge of transforming the socio economic conditions of its people. Addis Ababa is the largest as well as the dominant political, economic, cultural, and historical city of the country established in 1887 by emperor Menilik II. It has the status of both a city and a state. It is the capital of federal government and a chartered city. It is where the African Union and its predecessor, the OAU are based. It also hosts the headquarters of the United Nations Economic Commission for Africa (UNECA) and numerous other continental and international organizations. It is the largest city in Ethiopia. The city is divided in to ten sub cities, which are the second administrative units next to city administration. In terms of area coverage, Bole is the largest sub city followed by Akaki-Kality and Yeka. Addis Ketema is the smallest and followed by Lideta and Arada Sub cities. The sub cities are also divided in to Woreda, which are the smallest administrative unit in the city. There are 116 Woreda in the city administration. The number of Woreda varies based on the geographic size of sub cities (Addis Ababa Government City Government, 2013:4).

Chapter Four

Data Analysis and Discussion

4.1. Introduction

This research has the primary aim of assessing the practices of Woreda level fiscal decentralization in Addis Ababa City Government taking a particular look at systematically selected Woredas. Besides, it has also specific objectives related to the assessments of the institutional frameworks of fiscal decentralization, budget preparation, and planning autonomy of Woredas, practice of revenue generation of Woreda, and expenditure authority of Woredas and others. In light of this, this chapter presents the data analysis and discussion made concerning the above issues. The data were gathered through questionnaire and key informant interviews. Descriptive statistical techniques using frequency distributions were made to determine the demographic characteristics of the respondents. Besides, SPSS 20 version of software was used for data analysis and hypothesis testing purpose. The data analysis and discussion is supported by relevant literatures and researcher's own opinion. The chapter begins with the analysis of socio-demographic characteristics of respondents and forges ahead with the analysis and discussion of major issues that include institutional and legal frameworks of Woreda decentralization, budget preparation, and planning authority of Woredas, revenue generation and execution authorities of Woredas and others.

In conducting the study, 192 questionnaires were distributed to selected respondents. Besides, key informant interviews were conducted with selected respondents from selected sub-cities and Woredas. In addition, other secondary documents were also analyzed to substantiate the findings of the study. The total populations included in the study were 116 Woredas and using multi-stage sampling technique around 20 % (*Twenty-four Woredas*) of the total population was used as a sample. In each selected Woreda, eight sector offices, each represented by one senior expert were selected as source of pertinent data. Thus, 192 questionnaires were distributed to respondents. Accordingly, from the 192 questionnaires distributed to respondents working in those eight sector offices of selected Woredas, 175 questionnaires were found complete and being analyzed.

In this context, despite the effort made by the researcher to produce the largest rate of return of the questionnaires from each of respondent, some questionnaires were either discarded for incompleteness or not returned at all. The rate of return of questionnaire is computed as follows;

$$\text{Rate of return} = (R / (S-ND)) \times 100$$

Where;

R = number of questionnaires that were returned

S = total number of questionnaires sent out, and

ND = number of questionnaires unable to be delivered (“returned to sender”)

$$\text{Rate of return} = 175 / (192-0) \times 100$$

$$\text{Rate of return} = 91.14\%$$

From the total sent out questionnaires, 175 questionnaires were returned timely whereas 17 questionnaires were not returned or discarded for errors occurred during the time respondents filled the questionnaire. Thus, the information gained from 91% of the returned questionnaire and supplementary interviews were used in analyzing the data. Before distributing the questionnaire to respondents, the researcher has conducted a pilot test and made reliability test for the consistency of the questionnaire. In this context using Cronbach Alpha test of reliability (see the table below), consistency of questionnaire for all variable is checked and the reliability statistics was 0.87. This implies that there was a higher level of consistency in the questionnaire in measuring all the variables of the study. The following table indicates the test statistic for Cronbach Alpha test.

Table 4.0: Reliability Statistics

Cronbach's Alpha	No. of Items
0.87	49

4.2. Demographic Characteristics of Respondents

Gender of Respondents

Table 4.1: Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	142	81.1	81.1	81.1
	Female	33	18.9	18.9	100.0
	Total	175	100.0	100.0	

Source: Own Survey, April, 2017

Table 4.1 shows respondents by gender category. The table indicates that, 81.1% of the respondents were male whereas 18.9 % were females. This shows that most of the respondents who filled the questionnaire were males.

Age of Respondents

Table 4.2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	19	10.9	10.9	10.9
	26-30	77	44.0	44.0	54.9
	31-35	48	27.4	27.4	82.3
	36-40	15	8.6	8.6	90.9
	Above 41	16	9.1	9.1	100.0
	Total	175	100.0	100.0	

Source: Own Survey, April, 2017

Table 4.2 indicates that 10.9% of the respondents were between 20 and 25 ages while 44.0% of the respondents were between 26 and 30 ages. 27.4% of the respondents were between 31 and 35 age. The rest 8.6% were between 36 and 40 age, and 9.1% were above 40 ages. This shows that largest number of the respondents of the questionnaire (44.0%) were between 26 and 30 age category.

Work Experience of Respondents

Table 4.3: Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Up to 5	53	30.3	30.3	30.3
	6 - 10	72	41.1	41.1	71.4
	11 - 15	28	16.0	16.0	87.4
	16 - 20	13	7.4	7.4	94.9
	Above 21	9	5.1	5.1	100.0
	Total	175	100.0	100.0	

Source: Own Survey, April, 2017

The above table 4.3 shows the level of work experience of respondents. Accordingly, 30.3% of the respondents had work experience of up to 5 years, 41.1% of the respondents were having

between 6 and 10 years of experience. Sixteen percent of the respondents' had work experience between 11 and 15, while the remaining 7.4% and 5.1 % of respondents were having between 16 and 20, more than 21 years of experience respectively. According to data obtained from the participants of the study, the largest numbers of them (71.4%) had working experience of up to 10 years. This shows that overwhelming number of respondents were senior officials having sufficient experience in the respective offices.

Frequency Distribution of Respondents in Sub cities

Table 4.4: Sub city of Addis Ababa

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Kolfe-Keranio	45	25.7	25.7	25.7
	Bole	30	17.1	17.1	42.9
	Kirkos	48	27.4	27.4	70.3
	Arada	52	29.7	29.7	100.0
	Total	175	100.0	100.0	

Source: Own Survey, April, 2017

Table 4.4 shows the frequency distribution of respondents who filled and returned the questionnaire by sub city category. Accordingly, 25.7% of respondents were from Kolfe-Keranio sub city, while 17.1% of respondents were from Bole sub city. The remaining respondents constituting 27.4 % and 29.7 % were from Kirkos sub city, and Arada sub city of Addis Ababa respectively.

Frequency Distribution of Respondents in Woredas

Table 4.5: Respondents Woredas

		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	Kolfe-Keranio Woreda 1	5	2.9	2.9	2.9	
	Kolfe-Keranio Woreda 3	6	3.4	3.4	6.3	
	Kolfe-Keranio Woreda 5	8	4.6	4.6	10.9	
	Kolfe-Keranio Woreda 7	5	2.9	2.9	13.7	
	Kolfe-Keranio Woreda 9	7	4.0	4.0	17.7	
	Kolfe-Keranio Woreda 11	1	.6	.6	18.3	
	Kolfe-Keranio Woreda 13	9	5.1	5.1	23.4	
	Kolfe-Keranio Woreda 15	4	2.3	2.3	25.7	
	Bole Woreda 1	10	5.7	5.7	31.4	
	Bole Woreda 3	6	3.4	3.4	34.9	
	Bole Woreda 5	7	4.0	4.0	38.9	
	Bole Woreda 7	7	4.0	4.0	42.9	
	Kirkos Woreda 1	9	5.1	5.1	48.0	
	Kirkos Woreda 3	10	5.7	5.7	53.7	
	Kirkos Woreda 5	6	3.4	3.4	57.1	
	Kirkos Woreda 7	8	4.6	4.6	61.7	
	Kirkos Woreda 9	6	3.4	3.4	65.1	
	Kirkos Woreda 11	9	5.1	5.1	70.3	
	Arada Woreda 1	12	6.9	6.9	77.1	
	Arada Woreda 3	7	4.0	4.0	81.1	
	Arada Woreda 4	14	8.0	8.0	89.1	
	Arada Woreda 5	7	4.0	4.0	93.1	
	Arada Woreda 7	7	4.0	4.0	97.1	
	Arada Woreda 9	5	2.9	2.9	100.0	
	Total		175	100.0	100.0	

Source: Own Survey, April, 2017

Table 4.5 shows the summary of the frequency distribution of respondents of the questionnaire by their respective Woreda. In overview, 25.7% of respondents were from Kolfe-Keranio sub city, 17.1% of respondents was from Bole sub city, 27.4% of respondents were from Kirkos sub city, whereas 29.7% respondents were from Arada sub city of Addis Ababa. Besides, in terms of frequency distribution of respondents, the highest number of respondents were from Woreda 4 (14

respondents) and Woreda 1 (12 respondents) of Arada Sub city, while the lowest number of respondents were from Woreda 11 (1 respondent) and Woreda 15 (4 respondents) of Kolfe-Keranio. In general, Kolfe-Keranio and Bole sub cities had the lowest return rate while Arada and Kirkos sub cities had the highest return rate respectively.

4.3. Institutional Frameworks of Woreda-Level Fiscal Decentralization in the Study Area

The study has formulated under hypothesis one as:

Ho: For all the variables under the institutional framework of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the institutional framework of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

According to McLure and Martinez-Vazquez (1998, p. 1) & Degefa (2003) cited in Demelash, (2011, p. 33) an effective decentralization programs (decentralization of political, financial and administrative power to local level governments) base itself in the establishment of conducive institutional and legal frameworks. With this regards, the Ethiopian government has endorsed various institutional and legal and frameworks to in place fiscal decentralization program effective meet the needs and demands of local authorities (Federal Democratic Republic of Ethiopia Constitution, 1995, p. 37 Mulugeta, 2012, p. 116, International Development Agency, 2004. 10). The government has introduced constitutional, administrative, and institutional reforms to deepen and broaden the decentralization process to Woreda through Woreda/ District Level Decentralization Program (DLDP) in 2001 (World Bank, 2003; Deresse, 2003; MoCB, 2004 cited in Helen, 2010, p. 2). However, researches conducted by Paulos, (2004) and Mulugeta, (2012) argued that the institutional and legal frameworks in place lack honest commitment on the parts of the government to translate them into practices. In light of this, this research has tried to assess the functionality of the existing institutional frameworks in place in Addis Ababa city to decentralize

financial powers to Woreda level. The analysis concerning this issue is made based on the responses gained from study participants.

Table 4.6* Level of Satisfaction of Respondents in Existing Institutional Framework Placed to Enable Woreda Fiscal Decentralization - Cross-Tabulation

			I am satisfied with the existing legal framework placed to implement Woreda fiscal decentralization.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe-Keranio	Count	5	7	9	22	2	45
		% within Sub city of Addis Ababa	11.1%	15.6%	20.0%	48.9%	4.4%	100.0%
	Bole	Count	4	8	3	9	6	30
		% within Sub city of Addis Ababa	13.3%	26.7%	10.0%	30.0%	20.0%	100.0%
	Kirkos	Count	14	10	8	9	7	48
		% within Sub city of Addis Ababa	29.2%	20.8%	16.7%	18.8%	14.6%	100.0%
	Arada	Count	9	10	8	18	7	52
		% within Sub city of Addis Ababa	17.3%	19.2%	15.4%	34.6%	13.5%	100.0%
	Total	Count	32	35	28	58	22	175
		% within Sub city of Addis Ababa	18.3%	20.0%	16.0%	33.1%	12.6%	100.0%

Source: Own Survey, April 2017

The result from respondents who filled the questionnaire (Table 4.6) above indicates that 33.1% and 12.6% of the respondent responded that they agree and strongly agree respectively with the implementation of existing institutional frameworks in place to implement fiscal decentralization. This shows that in aggregate, 45.7% of the respondents generally held a thought that they are satisfied with existing institutional frameworks placed to implement Woreda fiscal decentralization in the city. However, the remaining 20% and 18.3% of respondents said that they disagree and strong disagree respectively on the same issue respectively. This in turn leads to the conclusion that 38.3% of respondents believed that they were not satisfied with existing institutional frameworks to implement fiscal decentralization. The rest 16% respondents remained undecided regarding this issue. Frequency results from respondent for other four items under institutional and legal framework are attached in Appendix 1.

Table 4.7: Kruskal Wallis Test

Table 4.7a: Ranks

	Sub city of Addis Ababa	N	Mean Rank
Institutional and Legal frameworks	Kolfe-Keranio	45	95.33
	Bole	30	97.80
	Kirkos	48	80.04
	Arada	52	83.35
	Total	175	

Source: Own Survey, April, 2017

4.7b: Test Statistics^{a,b}

	legal framework
Chi-Square	3.723
Df	3
Asymp. Sig.	.293

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

According to the test result from Kruskal Wallis test indicated in Table 4.7b of the above, the P value of 0.293 (Chi square 3.723, df= 3), indicates that the level of agreement among respondents concerning the level of satisfaction on the existing institutional and legal frameworks across the Woredas in Sub cities (Kolfe-Keranio, Bole, Kirkos and Arada) is not significantly different from each other. Therefore, the result shows that the null hypothesis is not rejected as responses across the twenty-four Woredas of the four Sub cities of Addis Ababa city is almost similar at 5% (0.05) level of significance.

Besides, Table 4.7a shows that respondents from Bole sub city had the highest level of agreement (mean rank= 97.80) and respondents from Kirkos sub city had the lowest level of agreement to the issue (mean rank= 80.04). In addition, whereas, respondents from Kolfe-Keranio and Arada sub cities had responded in between the two mean ranks (mean rank=95.33 and 83.35 respectively). This finding is similar with the result, which the researcher found through key informant interview. The researcher has conducted an interview with the head of Finance and Economic Development Bureau of Kirkos and Kolfe-Keranio sub cities and found similar responses. As the interview respondents stated, there is a relative improvement in the implementation of the institutional and legal frameworks. With this regards, the researcher has the opinion that the city government is trying to implement institutional and legal frameworks, which it adopted to establish effective Woreda level decentralization however, there are sub cities, and Woredas, which are still lacking a proper implementation of fiscal decentralization. As affirmed by the studies conducted by Mulugeta (2012), Deriba (2015), & Paulos (2007), an effective fiscal decentralization programs are characterized legitimate endorsement and uniform application of institutional and legal frameworks. Hence, there should be an intervention from the side of the city government to maintain uniform and effective implementation of the fiscal decentralization in the city.

4.4. Budget Preparation and Planning Autonomy of Woredas in Addis Ababa City

The study has formulated under hypothesis two as:

Ho: For all the variables under budget preparation and planning of Woredas within fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under budget preparation and planning of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

Budget preparation and planning autonomy of sub-national governments is one of defining feature of successful fiscal decentralization programs (Smith, 2012, p. 7). Scholars suggest that fiscal decentralization becomes more efficient when it allows local governments to determine their

appropriate level of service delivery and plans the required budget to meet the needs and preferences of the localities (Bahl and Martinez-Vazquez, Boschmann, 2009, p. 21 & Rodriguez-Pose and Kroijer, 2009, p. 1). Moreover, Melkamu stressed that fiscal decentralization enables local governments to have the autonomy to prepare and execute their annual budget based on the needs and preferences of the local people (Melkamu, 2004, p. 34). In light of this, the study has looked into the extent to which local governments in Addis Ababa city are capable of preparing and planning their annual budget in the context of existing fiscal decentralization frameworks. With this regards, the following section presents the findings of the study.

Table 4.8 * Extent of Woreda Autonomy in Connection to Budget Planning and Execution - Cross-tabulation

			Your Woreda has full autonomy in connection to budget planning and execution					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe-Keranio	Count	2	10	8	11	14	45
		% within Sub city of Addis Ababa	4.4%	22.2%	17.8%	24.4%	31.1%	100.0%
	Bole	Count	4	14	2	7	3	30
		% within Sub city of Addis Ababa	13.3%	46.7%	6.7%	23.3%	10.0%	100.0%
	Kirkos	Count	6	18	5	13	6	48
		% within Sub city of Addis Ababa	12.5%	37.5%	10.4%	27.1%	12.5%	100.0%
	Arada	Count	5	16	10	17	4	52
		% within Sub city of Addis Ababa	9.6%	30.8%	19.2%	32.7%	7.7%	100.0%
	Total	Count	17	58	25	48	27	175
		% within Sub city of Addis Ababa	9.7%	33.1%	14.3%	27.4%	15.4%	100.0%

Source: Own Survey, April, 2017

The result from respondents who filled questionnaire (Table 4.8 above) indicates that 27.4% and 15.4% of the respondents agree and strongly agree respectively, which shows that 42.5% of the respondents generally agreed that Woredas found in Addis Ababa city administration have full autonomy in preparing and executing their annual budget. Hence, according to these respondents, planning and preparation of budget at Woreda level is implemented as it is framed at Woreda fiscal decentralization programs. However, 33.1% and 9.7% of respondents show disagreement and strong disagreement respectively, and hence, 42.8% of respondents do not believe that Woredas have full authority in planning and preparation their own budget. The remaining 14.3% respondents remained undecided about the scenario. The frequency results from respondent for other four items of autonomy of Woredas in planning and preparation of budget within the frameworks of fiscal decentralization in Addis Ababa City Government are attached in Appendix 2.

Table 4.9: Kruskal Wallis Test

Table 4.9a: Ranks

	Sub city of Addis Ababa	N	Mean Rank
Budget	Kolfe-Keranio	45	108.42
	Bole	30	84.03
	Kirkos	48	72.81
	Arada	52	86.63
	Total	175	

Source: Own Survey, April, 2017

Table 4.9b: Test Statistics^{a,b}

	Budget
Chi-Square	11.968
df	3
Asymp. Sig.	.007

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

To testing the hypothesis formulated concerning the autonomy of Woredas in planning and executing their own annual budget, the study has conducted Kruskal Wallis test. The results of the test as indicated in Table 4.9b of the above, the P value of 0.007 (Chi square 11.968, df= 3), indicates that the level of agreement among respondents across twenty-four Woredas found in the four sub cities (Kolfe-Keranio, Bole, Kirkos and Arada) is significantly different from each other. Therefore, the result dictates that the null hypothesis is rejected, as responses across Woredas of the four Sub cities of Addis Ababa were significantly different at the 5% (0.05) level of

significance. This significant difference in responses is because of the difference in opinions, which is explained by the mean ranks of the responses.

Besides, as indicated in above Table 4.9a that the difference in responses of respondents is emanated from the fact that respondents from Kirkos sub city tended to agree less with mean rank of 72.81 while respondents from Bole and Arada sub cities show approximately similar level of responses with mean ranks of 84.3 and 86.63 respectively. Responses from Kolfe-Keranio sub city show the highest level of agreement with mean rank of 108.42. Hence, these statistical results have created a statistically significant variation of responses across the twenty-four Woredas in those four sub cities regarding Woredas' autonomy annual budget. This finding is also attested by the interview result gained from key informants. The interviewed Woreda Finances and Economic Development Bureau heads stated that there is a difference in the autonomy of Woredas in planning and executing across sub cities. However, contrary to this view, the key informant interview from Kolfe-Keranio sub city Finance and Economic Development Bureau stated that the City Government is allowing Woredas to prepare and use their annual budget independently.

In general, it is stated in many literature that local governments needs to have autonomy in planning, preparing and utilizing their own annual budget without unnecessary interventions from the higher hierarchy of governments (Smoke, 2001, p. 19), Martinez-Vazquez, Lago-Peñas, and Sacchi, 201`5, p. 5, Bird, 2003, p. 7, Boschmann, 2009, p. 21, & Rodriguez-Pose and Kroijer, 2009, p. 1). In light of this, what is observed in Addis Ababa city government is contradictory to the existing literature. Woredas should have the possibilities to exercise the legally allowed autonomy while the city government should expand the legal framework to let Sub cities and Woredas exercise their legal authority in planning, preparing, and utilizing their annual budget independent of the interference from higher level-governments.

4.5. Revenue Generation and Retaining Authority of Woredas in Addis Ababa City

The study has formulated under hypothesis three as:

Ho: For all the variables under the practices of revenue generation of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the practices of revenue generation of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

Fiscal decentralization incorporates legal, regulatory, and policy framework to ensure local autonomy in revenue collection and spending power (Kim, Smith, Sommers and Varela, (2015, p. 5). It involves the development of local revenue collection systems that provide local governments with the ability to collect local taxes, effective transfer systems to distribute national funds to local governments, and clear and concise protocols to guide the budget creation process for local governments (Smoke, 2001, p. 21). If local governments are to carry out decentralized functions effectively, they must have an adequate level of revenues –either raised locally or transferred from the central government– as well as the authority to make decisions about expenditures (Neven, 2002, p. 3). In light of this, this research has tried to see the extent of revenue generation and retaining authority of Woredas in Addis Ababa City within the existing frameworks of fiscal decentralization. The results of the study are discussed in the following section.

Table 4.10 * Extent of Woreda has Sufficient Own Revenue Sources to Finance their Expenditures - Cross-tabulation

			Your Woreda has sufficient own revenue sources to finance their expenditures.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe-Keranio	Count	4	11	14	13	3	45
		% within Sub city of Addis Ababa	8.9%	24.4%	31.1%	28.9%	6.7%	100.0%
	Bole	Count	7	7	5	6	5	30
		% within Sub city of Addis Ababa	23.3%	23.3%	16.7%	20.0%	16.7%	100.0%
	Kirkos	Count	6	25	10	5	2	48
		% within Sub city of Addis Ababa	12.5%	52.1%	20.8%	10.4%	4.2%	100.0%
	Arada	Count	10	15	21	5	1	52

		% within Sub city of Addis Ababa	19.2%	28.8%	40.4%	9.6%	1.9%	100.0%
Total		Count	27	58	50	29	11	175
		% within Sub city of Addis Ababa	15.4%	33.1%	28.6%	16.6%	6.3%	100.0%

Source: Own Survey, April 2017

According to the above Table 4.10, 15.4% and 33.1% of the study respondents stated that they strongly disagree and disagree respectively concerning the availability of adequate revenue sources to meet the annual budget requirements of Woredas. This implies that out of the total respondents, 48.5% of the respondents indicated that there is no adequate revenue source to finance their expenditure in the context of Woreda-level fiscal decentralization in the city. However, 16.6% and 6.3% of the respondents showed their agreement and strong agreement respectively on the same issue. This implies tells out of the 175 respondents only 22.9% of respondents believed that there is adequate revenue sources, which meets the budget requirement of Woredas. According to these respondents, Woredas have sufficient ability in gathering and utilize revenue from their own sources. Besides, 28.6% percent of respondents responded that they were remaining undecided about the issues. The frequency results from respondent for other fourteen items of revenue generation and retention authority in the context of existing fiscal decentralization in Addis Ababa City Government are attached in Appendix 3.

Table 4.11: Kruskal Wallis Test

Table 4.11a: Ranks

	Sub city of Addis Ababa	N	Mean Rank
Revenue Retaining and Sharing	Kolfe-Keranio	45	108.19
	Bole	30	94.98
	Kirkos	48	77.03
	Arada	52	76.63
	Total	175	

Source: Own Survey, April 2017

Table 411b: Test Statistics^{a,b}

	Revenue Retaining and Sharing
Chi-Square	12.608
df	3
Asymp. Sig.	.006

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

Test of hypothesis concerning the authority of Woredas in generating and retaining revenue from their own source is conducted using Kruskal Wallis test. The result of the test is shown in the above Table 4.11b. Accordingly, the result shown above indicated the P value of 0.006 (Chi square 12.608, df= 3). This in turn demonstrates that the level of agreement between the different Woredas in those four Sub cities (Kolfе-Keranio, Bole, Kirkos and Arada) is significantly different from each other. Therefore, based on this result, the null hypothesis is rejected, as responses across the twenty-four Woredas within those four Sub cities of Addis Ababa are significantly different at 5% (0.05) level of significance. This significant difference in responses is because of the difference in opinions which is explained by the mean ranks of the responses.

As indicated in Table 4.11a, respondents from eight Woredas of Kolfе-Keranio had the highest level of agreement (mean rank= 108.19). In addition, respondents from four Woredas of Bole had the second highest level of agreement with mean rank of 94.98. On the contrary, respondents from six Woredas of Kirkos and six Woredas of Arada sub cities had the lowest agreement with mean rank of 77.03 and 76.63 respectively. This finding is similarly attested by the interview result gained from Woreda Finances and Economic Development Bureau heads. The interviewee stated that the capacity of Woredas in generating and retaining revenue from their own source is frail. They added that the existing institutional framework inadequately allows local governments to generate elastic revenues and retain for their functions. With this regards, the finding is similar with the conclusion Smith (2011, p. 16) made about local government authorities in generating and retaining revenue. He stated that in many developing countries, local governments or administrative units possess the legal authority to impose taxes but the tax base is so weak and the dependence on central government subsidies so ingrained that no attempt is made to exercise their authority. However, the document published by Addis Ababa Development and Improvement Project Office (2002, p. 7) contradict the responses provided by respondents as it stated that local governments which are responsible for spending should also be responsible for raising the requisite revenue. In general, the researcher, based on the respondents ideas and available documents, concluded that although the institutional and legal frameworks in place provides the right to use certain revenue sources for their own activities, the practice of revenue generation and retention by Woreda administrations is limited. This might be attributed to the capacity shortage of local

governments to use those rights effectively and the influence from the higher government hierarchy to control each activity of local governments.

4.6. Expenditure Authority and Responsibility of Woreda Administrations in Addis Ababa City

The study has formulated under hypothesis four as:

Ho: For all the variables under the practices of expenditure authority of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under the practices of expenditure authority of Woreda-level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

It is stated in Rodriguez-Pose and Kroijer work that assigning expenditure responsibilities to local governments increase economic efficiency as local governments are capable of providing better services due to proximity and informational advantages (Rodriguez-Pose and Kroijer, 2009, p. 1). Similarly, Melkamu stressed that it can also improve the efficiency of public service delivery through preference matching and allocation efficiency (Melkamu, 2004, p. 1). In this context, Addis Ababa Development and Improvement Project Office (2002, p. 15) stated that government resources can be allocated most efficiently if responsibilities for each type of public expend is given to the level of government that most closely represent the beneficiaries of these outlays. Considering this argument, the study has tried to see the expenditure authority and responsibility of Woreda administrations in Addis Ababa City analyzing the responses of the study participants. The following paragraphs present the findings of the study.

Table 4.12 * Extent of Woreda Autonomy in Decision-making on Expenditure Assignment - Cross-tabulation

		Your Woreda has autonomy in decision-making on expenditure assignment					Total	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree		
Sub city of Addis Ababa	Kolfe-Keranio	Count	2	8	10	22	3	45
		% within Sub city of Addis Ababa	4.4%	17.8%	22.2%	48.9%	6.7%	100.0%
	Bole	Count	2	6	5	13	4	30
		% within Sub city of Addis Ababa	6.7%	20.0%	16.7%	43.3%	13.3%	100.0%
	Kirkos	Count	8	19	8	8	5	48
		% within Sub city of Addis Ababa	16.7%	39.6%	16.7%	16.7%	10.4%	100.0%
	Arada	Count	2	10	14	20	6	52
		% within Sub city of Addis Ababa	3.8%	19.2%	26.9%	38.5%	11.5%	100.0%
	Total	Count	14	43	37	63	18	175
		% within Sub city of Addis Ababa	8.0%	24.6%	21.1%	36.0%	10.3%	100.0%

Source: Own Survey, April 2017

Table 4. 12 presents the cross- tabulated responses of study participants. As the respondents state their responses in the questionnaire, 36.0% and 10.3% of the respondents agree and strongly agree respectively in the idea that Woredas have autonomy in decision-making on expenditure pattern of the Woredas. This implies that, 46.3% of the responses of the study participant that Woredas had the authority make decision on the patterns and ways of spending their revenue. However, 24.6% and 8% of the respondents stated that they disagree and strongly disagree respectively, with the idea that Woredas have autonomy in decision-making on expenditure patters. This shows that out of the total respondents, 32.6% of respondents believed that Woredas had no authority and

autonomy in planning and decision-making concerning expenditure assignment. The remaining 21.1% percent of respondents mentioned that they were undecided about the situation. Concerning the frequency distribution, results of responses for other nine items within Woreda autonomy in expenditure assignment and decision-making in Addis Ababa City Government are attached in Appendix 4.

Table 4.13: Kruskal Wallis Test

Table 4.13a: Ranks

	Sub city of Addis Ababa	N	Mean Rank
Expenditure Authority, Autonomy and Responsibility	Kolfe-Keranio	45	100.89
	Bole	30	97.25
	Kirkos	48	72.20
	Arada	52	86.10
	Total	175	

Source: Own Survey, April 2017

Table 4.13b: Test Statistics^{a,b}

	Expenditure Authority Autonomy and Responsibility
Chi-Square	8.684
df	3
Asymp. Sig.	.034

- a. Kruskal Wallis Test
 b. Grouping Variable: Sub city of Addis Ababa

Concerning the test of hypothesis formulated about the autonomy of Woredas in decision-making on expenditure assignment, the study conducted Kruskal Wallis test (Table 4.13b). Accordingly, Table 4.13b shown above indicated that the P value is 0.034 (Chi square 8.684, df= 3). This in turn indicates that the level of agreement between those twenty-four Woredas found in four sub cities (Kolfe-Keranio, Bole, Kirkos and Arada) is significantly different from each other. Therefore, the result shows that the null hypothesis is rejected, as the responses across Woredas within the four sub cities of Addis Ababa are significantly different at 5% (0.05) level of significance. This significant difference in responses is because of the difference in opinions of respondents, which is explained by the mean ranks of the responses.

Besides, Table 4.13a revealed that respondents from Kolfe-Keranio had the highest level of agreement with mean rank of 100.89 while respondents from Bole sub city had the second highest rank with mean rank of 97.25. On the contrary, respondents from Arada sub city had lower (third) rank with mean rank of 86.10 and respondents from Kirkos sub city had the least agreement having

mean rank of 72.20. This result clarify the idea that Woreda administrations found in Addis Ababa city had different level of autonomy of decision making concerning expenditure assignment. It is also attested by the interview result that local governments in the city had low autonomy in making decisions concerning expenditure assignment. Besides, the document published by Addis Ababa Development and Improvement Project Office (2002, p. 12) clearly mentioned that the necessary delegation concerning planning, budgeting and spending authority has not clearly given to sub-national authorities. However, literature on the same issue indicates that assignment of expenditure responsibilities and decision-making power to lower levels of government is one of the basic arguments in the theory of fiscal decentralization that improves the local government capacity to efficiently identify and address the needs of their citizens (Degefa, 2003 cited in Demelash, 2011, p. 33). Hence, the researcher concluded that what is observed in the study area is not in line with existing fiscal decentralization literature. The city government needs to device appropriate frameworks to empower local governments to make appropriate decisions on spending revenue, as they are in the forefront of responding to the demands and preferences of the local people.

4.7. Inter-Governmental Fiscal Transfer (IGFT) to Woredas in Addis Ababa City

The study has formulated under hypothesis five as:

Ho: For all the variables under intergovernmental relation practice (IGR) of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under intergovernmental relation practice (IGR) of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

According to Boschmann, fiscal decentralization usually includes the transfer of financial resources from central to local government (Boschmann, 2009, p. 42-43). This transfer takes the form of intergovernmental fiscal system, which seeks to match the delivery responsibilities of local governments with adequate financial capacities. However, in most cases, local governments in developing countries would face a gap between their available resources and the actual fiscal costs

of meeting their delivery responsibilities. To fill this fiscal gap, governments typically seek to provide a range of predictable and transparent sub-national transfers (for example, block, equalization, and conditional grants) that enable local authorities to meet their recurrent and investment needs (International Development Agency, 200, 5). In light of this, the study has tried to see context and presence of inter-governmental fiscal transfer to Woredas in Addis Ababa city government based the responses of study participant. The following section presents the findings of the study.

Table 4.14 * Extent of Addis Ababa City Administration Make Transfers to Woredas to Fill the Gap in Excess of Own Revenue - Cross-tabulation

			A.A City Administration make transfers to Woredas to fill the gap in excess of own revenue					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe-Keranio	Count	0	6	11	24	4	45
		% within Sub city of Addis Ababa	0.0%	13.3%	24.4%	53.3%	8.9%	100.0 %
	Bole	Count	4	3	6	14	3	30
		% within Sub city of Addis Ababa	13.3%	10.0%	20.0%	46.7%	10.0%	100.0 %
	Kirkos	Count	3	9	4	29	3	48
		% within Sub city of Addis Ababa	6.2%	18.8%	8.3%	60.4%	6.2%	100.0 %
	Arada	Count	3	9	18	17	5	52
		% within Sub city of Addis Ababa	5.8%	17.3%	34.6%	32.7%	9.6%	100.0 %
	Total	Count	10	27	39	84	15	175
		% within Sub city of Addis Ababa	5.7%	15.4%	22.3%	48.0%	8.6%	100.0 %

Source: Own Survey, April 2017

Table 4.14 of the above shows the summary of the responses provided by study participants concerning the context and presence of inter-governmental fiscal transfer to Woredas in Addis Ababa city government. Accordingly, the result from respondents who filled the questionnaire indicates that 48.0% and 8.6% of the respondents show their agreement and strong agreement respectively on the practice of inter-governmental fiscal transfer to Woredas in Addis Ababa city government. In aggregate, majority of (56.6%) of the respondents stated their agreement that the existing framework on inter-governmental fiscal transfer to Woredas in Addis Ababa city government is practical. This financial transfers to Woredas might help to fill the vertical imbalances which is caused by the excess of expenditure over own revenue. However, 15.4% and 5.7% of the respondents mentioned their disagreement and strong disagreement respectively on the practice of inter-governmental fiscal relation in the city. They showed that there is a weak practice of inter-governmental fiscal relation. The remaining 22.3% of respondents maintained that they were undecided about the situation of inter-governmental fiscal relation in the city. The frequency distribution results gained from respondent on other four items under inter-governmental fiscal relation practices in making Woredas fill the vertical gap caused by the excess of expenditure over revenue are attached in Appendix 5.

Table 4.15: Kruskal Wallis Test

	Sub city of Addis Ababa	N	Mean Rank
Inter-governmental relation	Kolfe-Keranio	45	100.82
	Bole	30	88.28
	Kirkos	48	85.03
	Arada	52	79.48
	Total	175	

Source: Own Survey, April 2017

Table 4.15b: Test Statistics^{a,b}

	Inter-governmental relation
Chi-Square	4.576
df	3
Asymp. Sig.	.206

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

As the research-formulated hypothesis concerning the practices Woreda centered inter-governmental fiscal relation in the city, the hypothesis is tested using Kruskal Wallis test. Accordingly, Table 4.15b of the above shows that the P value of 0.206 (Chi square 4.576, df= 3). Hence, this indicates that the level of agreement among the twenty-four Woredas found in four sub cities (Kolfe-Keranio, Bole, Kirkos and Arada) is not significantly different from each other. Therefore, based on the Kruskal Wallis test result, the null hypothesis cannot be rejected, as responses across Woredas of the four Sub cities of Addis Ababa are not significantly different at 5% (0.05) level of significance.

Besides, Table 4.15a revealed that respondents from Kolfe-Keranio had the highest level of agreement with mean rank of 100.82 while respondents from Bole sub city had the second highest rank with mean rank of 88.28. On the contrary, respondents from Kirkos sub city had lower (third) rank with mean rank of 85.03 and respondents from Arada sub city had the least agreement having mean rank of 79.48 respectively. This finding is also supported by the interview result gained from the head of Finance and Economic Development Bureau of Kolfe-Keranio sub city. The interviewee indicated that there are improved inter-governmental fiscal transfer schemes adopted by the city government recently. In this scheme, he added, Woreda administrations are given adequate financial support from the city government. As Birds stated, however, intergovernmental fiscal relations must be thought of as a fiscal system, and all the pieces of that system must fit together (Bird, 2003, p.8). Besides, Addis Ababa Development and Improvement Project Office (2002, p. 8), stated that inter-governmental transfer to lower level of governments should be

predictable and stable. In general, the findings of the study implies that although there is a program launched to apply inter-governmental fiscal transfer schemes based on principle, the findings of the study showed that there are still gaps in fully addressing the vertical imbalances of Woreda administrations found in Addis Ababa city government.

4.8. Challenges and Constraints of Woreda Level Decentralization in Addis Ababa City

The study has formulated under hypothesis six as:

Ho: For all the variables under challenges and constraints related to the practical implementations of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda do not significantly vary at the 0.05 level of significance.

HA: For all the variables under challenges and constraints related to the practical implementations of Woreda level fiscal decentralization, responses provided by respondents from selected Woreda significantly vary at the 0.05 level of significance.

In light of this, the following section presents the Kruskal Wallis test result on the hypothesis test and the subsequent discussion.

Fiscal decentralization is system of decentralizing financial powers to local level of government where the people needs and interests are reflected. However, this process faces various challenges in most of developing countries. Concerning the performance of Woreda-level fiscal decentralization in the Ethiopia, it is concluded in many studies that it is limited by various institutional, administrative, and political challenges (International Development Agency (2004), Kena (2016), & Deribe (2015). Insufficient administration and institutional capacity such as lack of well-trained local government personnel; top-down decision and authority structures afflicting the state system; absence of transparency and accountability at the local level. Limited political space for non-state actors and non-ruling party organizations to partake in governance and development and shortage of budgetary and financial resources frequently faced by Woreda governments are often cited as major limitations for promoting effective decentralization (Worku, 2005; Meheret, 2007 cited in Abreham, 2011, p. 38). Considering this view, this study has tried to see the challenges and constraints of fiscal decentralization in Addis Ababa city government.

Table 4.16 * The Main Challenges of Fiscal Decentralization Application in Woreda Level is the Legal Framework - Cross-tabulation

			The main challenges of fiscal decentralization application in Woreda level is the legal framework					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe-Keranio	Count	5	11	7	18	4	45
		% within Sub city of Addis Ababa	11.1%	24.4%	15.6%	40.0%	8.9%	100.0%
	Bole	Count	4	4	6	9	7	30
		% within Sub city of Addis Ababa	13.3%	13.3%	20.0%	30.0%	23.3%	100.0%
	Kirkos	Count	5	12	10	16	5	48
		% within Sub city of Addis Ababa	10.4%	25.0%	20.8%	33.3%	10.4%	100.0%
	Arada	Count	7	14	13	18	0	52
		% within Sub city of Addis Ababa	13.5%	26.9%	25.0%	34.6%	0.0%	100.0%
	Total	Count	21	41	36	61	16	175
		% within Sub city of Addis Ababa	12.0%	23.4%	20.6%	34.9%	9.1%	100.0%

Source: Own Survey, April 2017

Table 4.16 of the above indicates the summary of respondents' responses concerning the challenges and constraints of fiscal decentralization in Addis Ababa city. The result from respondents who filled in the questionnaire (Table 4.16) indicates that 34.9% and 9.1% of the respondents agree and strongly agree respectively or in aggregate 44% of the respondents generally agreed that the main challenges of fiscal decentralization application in Woreda level in the city is the institutional and legal framework. However, 23.4% and 12.0% of the respondents disagree and strongly disagree respectively with the idea that the major challenges of fiscal decentralization in the study area are institutional and legal framework. This implies that out of the total respondents, 35.4% of respondents disagree and strongly disagree with the idea that the main challenges of fiscal decentralization are the institutional and legal framework. Besides, 20.6% percent of respondents responded that they were undecided about the issue. In addition to this, the frequency

distribution results from respondent for other eight items concerning the challenges and constraints of fiscal decentralization in Addis Ababa are attached in Appendix 5.

Table 4.17: Kruskal Wallis Test

	Sub city of Addis Ababa	N	Mean Rank
Challenges & Constraints	Kolfe-Keranio	45	92.24
	Bole	30	91.18
	Kirkos	48	94.51
	Arada	52	76.48
	Total	175	

Source: Own Survey, April 2017

Table 4.17b: Test Statistics^{a,b}

	Challenges
Chi-Square	3.929
Df	3
Asymp. Sig.	.269

a. Kruskal Wallis Test

b. Grouping Variable:
Sub city of Addis
Ababa

To test the research hypothesis concerning the challenges and constraints of fiscal decentralization in Addis Ababa city, the researcher has applied Kruskal Wallis test. The test result is summarized in Table 4.17a and b). Accordingly, the result shown above indicated the P value of 0.269 (Chi square 3.929, df= 3). This further implied that the level of agreement among the responses of respondents across the twenty-four Woredas within the four sub cities (Kolfe-Keranio, Bole, Kirkos and Arada) is not significantly different from each other. Therefore, the result shows that the null hypothesis cannot be rejected, as responses across Woredas within these four sub cities of Addis Ababa concerning the challenges and constraints of fiscal decentralization are not significantly different at 5% (0.05) level of significance. Besides, Table 4.17a of the above showed that respondents from Kirkos sub city had the highest level of agreement with mean rank of 94.51, while the respondents from Kolfe-Keranio sub city and Bole sub city had mean rank of 92.24 and 91.18 respectively. On the other hand, respondents from Arada sub city had the lowest level of agreement with mean rank of 76.48. With this regards, the interviews result gained from all key informant interviewees indicated that the practices of fiscal decentralization in the city is facing various institutional, legal, human resource and financial challenges. Similar to these findings, Kena (2016), & Deribe (2015) reached at the findings that insufficient administration and institutional capacity such as lack of well-trained local government personnel; top-down decision and authority structures afflicting the state system; absence of transparency and accountability at

the local level. In conclusion, the researcher believes that the city government should work to alleviate the challenges and to place the implementation of fiscal decentralization effective.

4.9. Spearman Correlations Among Variable of Fiscal Decentralization in the Study Area

The study is conducted on the assessment of the practices of Woreda-level fiscal decentralization in Addis Ababa city taking representative samples. With this regards the study has come –up with certain findings which are discuses in the above sections. Besides, the following section presents the Spearman Correlations test results made to assess the correlation between and among the variables of the study (between and among legal and institutional framework, budget, revenue sharing, expenditure, intergovernmental fiscal relations).

Table 4.18: Spearman Correlations between Legal & Institutional Framework, Budget, Revenue Sharing, Expenditure and Intergovernmental Fiscal relations

		Correlations					
		Legal Framework	Budget	Revenue Retaining and Sharing	Expenditure Authority Autonomy and Responsibility	Inter-governmental Relation	
Spearman's rho	Legal Framework	Correlation Coefficient	1.000	.615**	.532**	.533**	.276**
		Sig. (2-tailed)	.	.000	.000	.000	.000
		N	175	175	175	175	175
	Budget	Correlation Coefficient	.615**	1.000	.635**	.614**	.218**
		Sig. (2-tailed)	.000	.	.000	.000	.004
		N	175	175	175	175	175
	Revenue Retaining and Sharing	Correlation Coefficient	.532**	.635**	1.000	.661**	.391**
		Sig. (2-tailed)	.000	.000	.	.000	.000
		N	175	175	175	175	175
	Expenditure Authority, Autonomy and Responsibility	Correlation Coefficient	.533**	.614**	.661**	1.000	.280**
		Sig. (2-tailed)	.000	.000	.000	.	.000
		N	175	175	175	175	175
Inter-governmental Relation	Correlation Coefficient	.276**	.218**	.391**	.280**	1.000	
	Sig. (2-tailed)	.000	.004	.000	.000	.	
	N	175	175	175	175	175	

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

Source: Own Survey, April 2017

Result from Spearman's correlation shows that there is a significant correlation between institutional frameworks of fiscal decentralization in Woredas with budget planning and utilization autonomy of Woredas, revenue generation and retaining authority, expenditure assignment authority and inter-governmental fiscal relations at 1% (0.01) level of significance. On the other hand, there is a significant correlation between budget planning and utilization autonomy of Woredas with revenue generation and retaining authority, expenditure assignment authority, and inter-governmental relations at 1% (0.01) level of confidence. In addition, there is a significant correlation between revenue generation and retaining authority of Woredas with expenditure assignment authority of Woredas and inter-governmental relations at 1% (0.01) level of confidence. Furthermore, there is also a significant correlation between expenditure assignment authority of Woredas and intergovernmental fiscal relation at 1% (0.01) level of confidence. The above relations implies that there was a significant interdependence between and among these variables. The interdependence shows that there is strong influence between and among one variable to the other. The influence of one variable significantly reach the other and vice versa.

4.10. Respondents' Concern for all Fiscal Decentralization Variables

In the study, Friedman procedure is used to test multiple ordinal responses that come from the same population. Thus, the test analyzed whether respondents, coming from different Woredas of Addis Ababa city administration, concern for all variables of Woreda-level fiscal decentralization ratings differ in the population or not. The variables in Woreda-level fiscal decentralization were institutional frameworks of fiscal decentralization in Woredas, budget planning and utilization autonomy of Woredas, revenue generation and retaining authority of Woredas, expenditure assignment authority of Woredas and inter-governmental fiscal relations. The following table (Table 4.19) presents the results of the test.

Table 4.19: Friedman Test

Table 4.19a: Ranks

	Mean Rank
Legal Framework	1.94
Budget	1.94
Revenue Retaining and Utilizing	4.92
Expenditure Authority, Autonomy and Responsibility	4.05
Inter-governmental Relation	2.15

Table 4.19b: Test Statistics ^a

N	175
Chi-Square	554.016
Df	4
Asymp. Sig.	.000

a. Friedman Test

Source: Own Survey, April 2017

The Friedman test conducted to see the concerns of respondents on those variables show that the P value is less than 1% (Chi square 554.016, df= 3). This indicates that the level of agreement among respondents coming from different Woredas of the four sub-cities (Kolfe-Keranio, Bole, Kirkos and Arada) across institutional frameworks of fiscal decentralization in Woredas, budget planning and utilization autonomy of Woredas, revenue generation and retaining authority of Woredas, expenditure assignment authority of Woredas and inter-governmental fiscal relations is significantly different from each other. This implies that respondents concern for institutional frameworks of fiscal decentralization in Woredas, budget planning and utilization autonomy of Woredas, revenue generation and retaining authority of Woredas, expenditure assignment authority of Woredas and inter-governmental fiscal relations are significantly different. This significant difference in responses is because of the difference in opinions, which is explained by the mean ranks of the responses. As it can be seen from Table 4.19a, as compared to institutional frameworks of fiscal decentralization in Woredas, budget planning and utilization autonomy of Woredas, and inter-governmental fiscal relations, respondents tended to have a higher concern for revenue generation and retaining authority of Woredas and expenditure assignment authority of Woredas with mean rank of 4.92 and 4.05 respectively. However, the concern of respondents for institutional frameworks of fiscal decentralization in Woredas, and budget planning and utilization autonomy of Woredas is low with similar mean rank of 1.94.

In addition, the concerns of respondents for inter-governmental relation of fiscal decentralization in Woredas is in between of the above two variables.

In conclusion, the Friedman test confirmed that the level of concern of respondents towards fiscal decentralization variables is different. In this context, when the assumptions required by paired-samples t-test are not satisfied, it is important to perform appropriate multiple comparison tests on the group medians using the Wilcoxon signed ranks test for two related samples. This test is a non-parametric hypothesis test relevant to see multiple comparisons for the case of two related samples. Accordingly, Wilcoxon signed-rank test results are depicted in the following Table 4.20.

Table 4.20: Wilcoxon Signed Rank Sum Test (Pair Wise Test)

Test Statistics ^a

	Budget - Legal Framework	Revenue Retaining and Sharing - Legal Framework	Expenditure Authority, Autonomy and Responsibility - Legal Framework	Inter-governmental relation - Legal Framework	Revenue Retaining and Sharing - Budget	Expenditure Authority, Autonomy and Responsibility - Budget	Inter-governmental relation - Budget	Expenditure Authority, Autonomy and Responsibility - Revenue Retaining and Sharing	Inter-governmental relation - Revenue Retaining and Sharing	Inter-governmental relation - Expenditure Authority, Autonomy and Responsibility
Z	-1.390 ^b	-11.475 ^c	-11.407 ^c	-2.930 ^c	-11.476 ^c	-11.448 ^c	-3.590 ^c	-11.011 ^b	-11.474 ^b	-11.446 ^b
Asymp. Sig. (2-tailed)	.165	.000	.000	.003	.000	.000	.000	.000	.000	.000

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks

c. Based on negative ranks

Source: Own Survey, April 2017

The result from Wilcoxon Signed Rank Test (Table 4.20) indicated that except for budget planning and utilization autonomy of Woredas, and institutional frameworks of fiscal decentralization in Woredas with P value of 0.165, level of respondents concern towards others variables of Woreda level fiscal decentralization are significantly different. This implies that equality of medians for other fiscal decentralization variables is rejected due to a significant difference between the concerns of respondents. The difference in respondents concern is between revenue generation and retaining authority of Woredas and institutional frameworks of fiscal decentralization; between

expenditure assignment authority of Woredas and institutional frameworks of fiscal decentralization; between inter-governmental fiscal relation versus institutional frameworks of fiscal decentralization; and between revenue generation and retaining authority of Woredas and budget planning and utilization autonomy of Woredas. In addition, the difference in respondents' concern is also seen between budget planning and utilization autonomy of Woredas and expenditure assignment authority of Woredas; inter-governmental fiscal relation versus budget planning and utilization autonomy of Woredas between expenditure assignment authority of Woredas versus revenue generation and retaining authority of Woredas; Inter-governmental fiscal relation and revenue generation and retaining authority of Woredas and finally, between inter-governmental fiscal relation and expenditure assignment authority of Woredas.

Finally, concerning the general issues which were indicated on the survey questionnaire, they were used as supportive questions to substantiate the analysis and discussion made on the six hypothesis test result discussions and the discussions concerning them is already included in these hypothesis test result discussions.

Chapter Five

Conclusions and Recommendations

5.1. Conclusions

This explanatory study has given due attention to analysis of the Woreda level fiscal decentralization in Addis Ababa City based on samples taken from the total population. In doing this, it focused on the statistical testing of hypotheses formulated in the introductory part of the thesis. The study has tried to see the practices of fiscal decentralization the city taking basic pillars of Woreda-level fiscal decentralization. Examining the practices of institutional frameworks of fiscal decentralization, budget planning, and utilization autonomy, revenue generation, and retaining authority, expenditure assignment authority of Woredas and inter-governmental fiscal relation were the primary concerns of the study. Besides, the paper has also analyzed the challenges and constraints of fiscal decentralization in the study area. With this regards, the following paragraphs presents the major conclusions of the study.

Primarily, the study found that city government has adopted institutional and legal frameworks to implement and establish an effective Woreda level decentralization in the city. However, it is found in the study that there were Woreda administrations, which still lacked adequate authority and autonomy to plan and conduct their own activities in line with the needs and interests of their jurisdiction. This attested by the results of the hypothesis test that more than fifty percent of the respondents stated that they were either dissatisfied or undecided about the relevance of existing fiscal decentralization frameworks. Secondly, it is found that that the necessary delegation concerning planning, budgeting, and spending authority has not clearly given to sub-national authorities. This is also indicated in the Kruskal Wallis test result that responses across sampled Woredas of Addis Ababa are significantly different at the 5% (0.05) level of significance. This significant difference in responses is because of the difference in opinions, which is explained by the mean ranks of the responses. Thirdly., although institutional and legal frameworks in place provides a few rights to collect and use certain revenue sources for their own activities, the practice of revenue generation and retention by Woreda administrations in the city is limited. Besides, the test conducted using Kruskal Wallis test attested that there was a significant difference in the responses of study participants concerning the authority of Woreda administrations to generate

and use revenues from their own source across sampled Woredas at 5% (0.05) level of significance. This significant difference in responses is because of the difference in opinions, which is explained by the mean ranks of the responses. In fourth place, concerning Woredas' autonomy in expenditure assignment, the study found that Woredas had weak expenditure assignment autonomy. There were narrow legal frameworks that inhibit Woredas to exercise their legal authority in expenditure assignment. Woredas had weak authority in planning, preparing, and utilizing their annual budget independent of the interference from higher level-governments. Besides, the Kruskal Wallis test result concludes that there was a significant difference in the responses of study participants concerning expenditure assignment authority of sampled Woreda administrations at 5% (0.05) level of significance. Fifth, the findings of the study implied that there is an effort to establish uniform and effective inter-governmental fiscal transfer schemes, however; there were still gaps in fully addressing the vertical imbalances of Woreda administrations found under Addis Ababa city government. With this regards, the test of hypothesis indicates that there is not a significant difference on the responses of respondents across sampled Woredas concerning the application of inter-governmental fiscal relations. This implied that the practices of inter-governmental fiscal relation actually existed in the city although it has shortcomings. Finally, the study found that the practice of fiscal decentralization in the city is facing challenges. The test of hypothesis indicates that there is not a significant difference on the responses of respondents across sampled Woredas concerning the challenges and constraints of fiscal decentralization. Inadequate institutional and administration frameworks, institutional capacity shortages such as lack of well-trained local government personnel, top-down decision-making approaches, and limited autonomy and authority structures and absence of transparency and accountability at the local level were among the challenges.

In general, the Friedman test statistics concluded that respondents concern for institutional frameworks of fiscal decentralization in Woredas, budget planning and utilization autonomy of Woredas, revenue generation and retaining authority of Woredas, expenditure assignment authority of Woredas and inter-governmental fiscal relations are significantly different. This significant difference in responses is because of the difference in opinions, which is explained by the mean ranks of the responses. Respondents had higher concern for revenue generation and retaining authority, and expenditure assignment authority of Woredas with mean rank 4.92 and

4.05 respectively. However, respondents had lowest concern for institutional frameworks of fiscal decentralization, and budget planning and utilization autonomy of Woredas with similar mean rank of 1.94.

5.2. Recommendations

The study has examined the practices of fiscal decentralization in light of six variables and came up with findings. Based on the findings, the study has forwarded certain recommendations. The recommendations addressed here, therefore, present options for program implications and practical interventions by the City Government to improve the implementation of Woreda level fiscal decentralization, and thereby increase its efficiency and effectiveness. Hence, based on the study findings, the following major recommendations are forwarded

1. To a certain extent, the revised Charter of Addis Ababa City has assigned powers and responsibilities to sub-national governments. However, the practice of fiscal decentralization in the City shows that there is little devolution of authority to Woreda levels. Hence, the City Government should devise relevant legal and institutional frameworks to make Woreda administrations to have sufficient decision-making power, serve as autonomous units, and manage the service provisions in their areas to maximize the benefits of local residents. In order to maintain effective fiscal decentralization program, the City Government should work in partnership with local governments in formulate and implementing sound institutional and legal framework setting out the powers, rights, and duties of different government tiers in the city.
2. Woreda governments in the City should be given full autonomy in the planning and budgeting of their activities, especially in allocating and utilize the budget according to the local needs and preferences.
3. The City Government should make Woreda governments to have the authority to generate and utilize their revenue from their own sources, as unnecessary high-level dependence on the higher level of government structure makes them vulnerable to stick to the decisions and discretions of the City Government.
4. Woreda Administrations should exercise basic authority to develop their human, administrative, and financial capacity to strengthen their performance. Concerning this, the city government should provide the required authority to these local governments to

strengthening their institutional capacity. Woredas administrations should be capacitated with human and material resources, administrative and technical capacities to help them evolve as viable and autonomous units of administrations.

5. Fiscal decentralization effort in the City Government should first capacitate local governments in terms of authority of expenditure assignment. The city government needs to device appropriate frameworks to empower local governments to make appropriate decisions on spending revenue, as they are in the forefront of responding to the demands and preferences of the local people.
6. There is inter-governmental fiscal transfer scheme in the city; however, the program launched to apply the schemes based face gaps in the context of its implementation. Therefore, the existing scheme should be structured in the way that the fiscal transfer should help local governments meet the gaps in the vertical imbalances of Woreda administrations found in Addis Ababa city government.
7. The city government should provide incentives for responsible local government fiscal behavior, enables conducive environment, and develop the skills of Woreda government employees to meet the requirements fiscal decentralization. Besides, it should facilitate the ways its officials can to assist local governments in the process of evolution to greater autonomy of local bodies.
8. Effective fiscal decentralization programs require adequate financial strength. Hence, measures should be taken by the City and Sub-city administrations to increase the revenue base of Woreda administrations.
9. As it is observed in the study Woredas in the City Government had varied practices of fiscal decentralization in light of the considered variables. Hence, the City Government and Sub-city administrations should work together to maintain uniform and effective applications of the components of fiscal decentralization.
10. Finally, the researcher recommends further similar studies be conducted in the city on the issue in order to provide more conclusive findings.

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School of Graduate Studies
College of Business and Economics
Department of Accounting and Finance

Survey Questionnaire

**Appraisal of Woreda-Level Fiscal Decentralization in Addis Ababa
City Government: With Particular Reference to Selected Woredas**

Prepared by: Eyob Ansaw

Advisor: Gebremedhin G/Hiwot

April 2017
Addis Ababa, Ethiopia

Questionnaire

Title of the Research: **Appraisal of Woreda-Level Fiscal Decentralization in Addis Ababa City Government: With Particular Reference to Selected Woredas**

College: **Addis Ababa University, College of Business and Economics (CBE)**

Major: **Accounting and Finance**

Year: **2016/2017**

Research made by: **Eyob Ansaw**

I. Introduction

Dear Sir/Madam,

First of all, I would like to thank you for sharing your valuable time to respond to this research questionnaire. **Your feedback is valuable to the outcome of the research and remember that the cumulative result of the feedback can make a difference that you are part of it.** The survey is being done for MSc in Accounting and Finance under the College of Business and Economics (CBE), Addis Ababa University.

All of the answers you provide in this survey will be kept confidential and only be used for the purpose of these study. No identifying information will be provided to other parties. The survey data will be reported in a summary fashion only and will not identify any individual person and feel free to give whatever you think or believe is correct or helpful.

Purpose of the study

This research is aimed to evaluate, improve and give recommendation to the **Woreda Level Fiscal Decentralization in Addis Ababa City Government in particular reference to selected Woredas.** As it is known, the Federal and Addis Ababa Charters and Proclamations

clearly indicates that Woredas in Addis Ababa city have the autonomy **in planning and preparing their own budget, utilize their revenue collected under predetermined tax types and to authorize expenditures within their jurisdiction.** These questioner is intended to evaluate the practice with reference to the Proclamations and Charters of Addis Ababa city government.

II. Questions

General Instruction: Read the following and respond to each statements by indicating your level of agreement or disagreement with each of the statements regarding the subject matter. Place a **check mark** to your choice and/or provide a short answer where necessary.

Please, do not leave the open ended questions unanswered. You can attach additional paper if required. Language perfection is not required and feel free to express your thoughts. The core ideas are bolded for simplicity.

1. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Legal and Institutional framework

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
1.1. I am satisfied with the existing legal framework placed to implement Woreda fiscal decentralization.					
1.2. The current A.A City Charter, Proclamation and Regulations in place are sufficient to the application of Woreda level fiscal decentralization.					
1.3. The existing A.A City Administration legal framework related to Woreda fiscal decentralization is helpful in attaining power to Woredas.					
1.4. Training is given for concerned employees in relation to legal framework of Woreda fiscal autonomy so that the application can be smooth.					

1.5 What are the **institutional frameworks** in place to implement Woreda level fiscal decentralization in Addis Ababa city administration?

2. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Budget

Representation: **1** – Strongly Disagree, **2** – Disagree, **3** – Neutral, **4** – Agree, **5** – Strongly Agree

	1	2	3	4	5
2.1 Your Woreda has full autonomy in connection to budget planning and preparation.					
2.2 Your Woreda has autonomy in planning capital budget .					
2.3 Your Woreda office has autonomy in preparing Woreda budget according to the need of the community .					
2.4 Your Woreda participates the Woreda community while planning and preparing budget.					

2.5 What do you think is the case that Woredas **budget planning and preparation contradicts with the legal framework?**

3. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Revenue retaining and sharing

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
3.1 Your Woreda has sufficient own revenue sources to finance their expenditures.					
3.2 Your Woreda have financial autonomy in deciding to expand revenue types.					
3.3 Your Woreda retains and utilizes some of its collected revenue for own utilization.					
3.4 Your Woreda has sufficient tax base/types to maximize its collection of revenue.					
3.5 Your Woreda exhausted alternative revenue options to maximize its revenue.					
3.6 Your Woreda can recommend new revenue sources to maximize its overall collections of revenue.					
3.7 Your Woreda has the mandate of selecting specific tax instruments/types to be retained for own utilization.					
3.8 Your Woreda office has autonomy in utilizing its collected revenue for the purpose of its own need.					
3.9 The most suitable way to handle revenue under the Woreda jurisdiction is to retain and utilize them for own purpose.					
3.10 The most suitable way to handle revenue under the Woreda jurisdiction is to share some of revenues with A.A City Administration.					
3.11 The most suitable way to handle revenue under the Woreda jurisdiction is to transfer to A.A City Administration and request transfer money when needed.					
3.12 Your Woreda has autonomy in decision-making on revenue maximization.					
3.13The overall application and experience of Woreda fiscal decentralization in relation to revenue autonomy is satisfactory.					
3.14The degree of autonomy of Woredas found in sub cities in decision-making on revenue raising is satisfactory.					

3.15 How does Woreda level fiscal decentralization practice of **revenue generation** is explained in Addis Ababa City Government?

4. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Expenditure – Authority, Autonomy and Responsibility

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
4.1 Your Woreda has autonomy in decision-making on expenditure assignment.					
4.2 Your Woreda has expenditure decision autonomy in planning and spending without sub city or city administration authorization.					
4.3 The most suitable way to handle expenditures under the Woreda jurisdiction is to utilize from the own revenue collected.					
4.4 The most suitable way to handle expenditures under the Woreda jurisdiction is to request money transfer from A.A City Administration.					
4.5 Your Woreda has the authority and autonomy to approve expenditures that are intended to benefit the community.					
4.6 Your Woreda depends on approval from A.A city administration or sub city to authorize expenditures.					
4.7 Your Woreda have financial autonomy in authorizing expenditures that are needed under its vicinity.					
4.8 The degree of autonomy of Woredas found in sub cities in decision-making on expenditure assignment is satisfactory.					
4.9 The overall application and experience of Woreda fiscal decentralization in relation to expenditure responsibility is satisfactory.					

4.10 **To what extent** does Woreda level fiscal decentralization practice of expenditure authority is **explained** in Addis Ababa City Government?

5. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Inter-Governmental Fiscal Transfer (IGFT)

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
5.1 A.A City Administration make transfers to Woredas to fill the gap in excess of own revenue.					
5.2 The formula adopted to compute transfers to Woredas satisfies equalization principle.					
5.3 The formula adopted to compute transfers to Woredas incorporate incentives for better performance of Woredas.					
5.4 The grant formula is revised as necessary to incorporate current scenarios.					

5.5 Can you please explain how the Addis Ababa City Government does handles **inter-governmental fiscal transfers (IGFT)** to Woredas?

6. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Challenges and Constraints

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
6.1 The main challenges of fiscal decentralization application in Woreda level is the legal framework .					
6.2 The main challenges of fiscal decentralization application in Woreda level is the application .					
6.3 The main challenges of fiscal decentralization application in Woreda level is the implementation .					
6.4 The main challenges of fiscal decentralization application in Woreda level is the willingness of different parties .					
6.5 There is challenge of fiscal decentralization application in Woreda level.					
6.6 The main constraints related to the practical implementations of fiscal decentralization in Woredas is manpower .					
6.7 The main constraints related to the practical implementations of fiscal decentralization in Woredas is financial resources .					
6.8 The main constraints related to the practical implementations of fiscal decentralization in Woredas is employee development .					

6.9 Can you describe the **constraints** related to the practical implementations of Woreda-level fiscal decentralization?

6.10 Can you describe **the challenges** of Woreda-level fiscal decentralization practices in Addis Ababa city government?

6.11 Please mention the major challenges **that hinder the practice** of fiscal decentralization of revenue utilization and expenditure authority in your Woreda?

7. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to General issues

Representation: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, 5 – Strongly Agree

	1	2	3	4	5
7.1 Your Woreda is financially highly dependent on Addis Ababa city administration.					
7.2 The current Woreda fiscal decentralization is supported with human and financial resources to accomplish its intended purpose.					
7.3 The current fiscal decentralization application of revenue utilization and expenditure authority maximizes the efficiency of Woreda level activities.					
7.4 There are incentives that Addis Ababa administration gives for good performance of revenue collection and expenditure authority under the grant formula.					
7.5 Addis Ababa city administration interferes in Woreda financial autonomy and mandate of revenue utilization and expenditure authority.					
7.6 Woredas have access to sufficient resources to meet their basic responsibility.					

7.7 Besides Addis Ababa Charter and Proclamations, **do you have guideline how to implement and work** in relation to Woreda fiscal decentralization in your day to day performance?

8. Prospects and Improvements (your feedback in this part is very much welcomed)

8.1 Can you please mention **the prospects for future improvements** of Woreda-level fiscal decentralization practices in your Woreda?

8.2 Generally, in order fiscal decentralization to be effective what **critical aspects are important to be considered** both at A.A city administration, Sub Cities and Woredas?

8.3 Do you have **any further important information** on fiscal autonomy of Woredas?

Please add any other comments: _____

III. Demographic Data

Fill the space and/or put a tick mark (✓) on the space provided.

Name (Optional): _____

Age: 20 – 25 26 – 30 31 – 35 36 – 40 Above 41

Gender: Male Female

Salary:

1,000 - 2,000
2,001 - 3,000
3,001 - 4,000
4,001 - 5,000
5,001 and above

Work Experience

Up to 5	<input type="checkbox"/>
6 - 10	<input type="checkbox"/>
11 - 15	<input type="checkbox"/>
16 - 20	<input type="checkbox"/>
Above 21	<input type="checkbox"/>

Address:

Sub city: _____

Woreda: _____

Email Address (Optional): _____

Occupation:

Profession: _____

Sector Bureau: _____

Current Position: _____

Date of Questionnaire: _____

Thank you again and if you have any valuable suggestion, comment or feedback, it is highly welcomed and you can contact me with the following address:

Eyob Ansaw, e-mail address: hayobsam@gmail.com, Mobile Phone: +251929345576

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END

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School of Graduate Studies
College of Business and Economics
Department of Accounting and Finance

Interview Questions

**Appraisal of Woreda-Level Fiscal Decentralization in Addis Ababa
City Government: With Particular Reference to Selected Woredas**

Prepared by: Eyob Ansaw

Advisor: Gebremedhin G/Hiwot

April 2017
Addis Ababa, Ethiopia

Name: _____

Address:

Telephone: Office: _____ Mobile: _____

Email Address (Optional): _____

Sub city: _____

Woreda: _____

Occupation:

Profession: _____

Sector Bureau: _____

Current Position: _____

Date of Interview: _____

Interview Questions

1. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Legal and Institutional framework

1.1 What are the **institutional frameworks and legislation in place to implement or to define** Woreda level fiscal decentralization in Addis Ababa city administration?

1.2 Is there **deviation** between legal framework and the practice concerning Woreda level fiscal decentralization in Addis Ababa city administration?

2. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Budget

2.1 What do you think is the case that Woredas **budget planning and preparation contradicts with the legal framework?**

2.2 What do you think is the case that Woredas **budget planning and preparation contradicts with the legal framework?**

3. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Revenue retaining and sharing and utilizing for own purpose.

3.1 How does Woreda level fiscal decentralization practice of **revenue generation is explained** in Addis Ababa City Government?

3.2 What do you know about **A.A city government Charters, Proclamations and Regulations** related to revenue autonomy of Woredas?

3.3 What is the reason that Woredas can't **retains and utilize** their collected revenue for their own purpose?

3.4 What do you know about of Addis Ababa city administration charter in connection with **utilizing collected revenues** by your Woreda?

3.5 What are **the types of revenue** collected under your Woreda and be utilized for its need?

3.6 How much Woredas **exhausted to identify alternative revenue options** to maximize their income?

3.7 Can you describe the type of revenues sources **that your Woreda transfer to Addis Ababa city administration**?

3.8 Can you describe the types of revenue sources that **your Woreda share** with the A.A city administration?

4. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Expenditure – Authority, Autonomy and Responsibility

4.1 What do you know about **A.A city government Charters, Proclamations and Regulations** related to expenditure assignment and authorization of Woredas?

4.2 **To what extent** does Woreda level fiscal decentralization practice of expenditure authority is **explained** in Addis Ababa City Government?

4.3 Does your Woreda has the authority and autonomy **to approve expenditures** that are intended to benefit the community?

5. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Inter-Governmental Fiscal Transfer (IGFT)

5.1 Can you please explain how the Addis Ababa City Government does handles **inter-governmental fiscal transfers (IGFT)** to Woredas?

5.2 What **variables** are included in the grant formula to decide Woredas transfer?

6. Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to Challenges and Constraints

6.1 Can you please describe the **constraints** related to the practical implementations of Woreda-level fiscal decentralization?

6.2 Can you please describe **the challenges** of Woreda-level fiscal decentralization practices in Addis Ababa city government?

6.3 Please mention the major challenges **that hinder the practice** of fiscal decentralization of revenue utilization and expenditure authority in your Woreda?

6.4 What **actions can be taken** to reduce the challenges and promote efficient fiscal decentralization in your Woreda?

7 Woreda Level Fiscal Decentralization in Addis Ababa City Government in relation to General issues

7.1 How does **Woreda level fiscal decentralization practice** is explained in sub cities of Addis Ababa City Government?

7.2 Does the current Woreda level fiscal decentralization **supported with human and financial resources** to accomplish its intended purpose?

7.3 Does the current Woreda level fiscal decentralization application of revenue utilization and expenditure authority **maximizes the efficiency** of Woreda level activities?

8 Prospects and Improvements

8.1 Can you please mention **the prospects for future improvements** of Woreda-level fiscal decentralization practices in your Woreda?

8.2 Generally, in order fiscal decentralization to be effective what **critical aspects are important to be considered** both at A.A city administration, sub cities and Woredas?

8.3 Do you have **any further important information** on Woreda level fiscal decentralization?

9. **Other Comments to be addressed**

===== END =====

Annex III

Woreda level fiscal decentralization in relation to legal framework

Crosstabs

Notes

Output Created		06-JUN-2017 16:41:27
Comments		
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	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.

Syntax	CROSSTABS /TABLES=Subcity BY legal framework Helpful Retaining Sufficient /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.		
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Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Subcity of Addis Ababa * I am satisfied with the existing legal framework placed to implement Woreda fiscal decentralization.	175	100.0%	0	0.0%	175	100.0%

Subcity of Addis Ababa * The existing A.A City Administration legal framework related to Woreda fiscal decentralization is helpful in attaining power to Woredas.	175	100.0%	0	0.0%	175	100.0%
Subcity of Addis Ababa * Retaining is given for concerned employees in relation to legal framework of Woreda fiscal autonomy so that the application can be smooth.	175	100.0%	0	0.0%	175	100.0%
Subcity of Addis Ababa * The current A.A City Charter, Proclamation and Regulations in place are sufficient to the application of Woreda level fiscal decentralization.	175	100.0%	0	0.0%	175	100.0%

Subcity of Addis Ababa * I am satisfied with the existing legal framework placed to implement Woreda fiscal decentralization. Crosstabulation

			I am satisfied with the existing legal framework placed to implement Woreda fiscal decentralization.					Total
			Strongly DisAgree	Disagree	Neutral	Agree	Strongly Agree	
Subcity of Addis Ababa	Kolfe Keranio	Count	5	7	9	22	2	45

		% within Subcity of Addis Ababa	11.1%	15.6%	20.0%	48.9%	4.4%	100.0%
	Bole	Count	4	8	3	9	6	30
		% within Subcity of Addis Ababa	13.3%	26.7%	10.0%	30.0%	20.0%	100.0%
	Kirkos	Count	14	10	8	9	7	48
		% within Subcity of Addis Ababa	29.2%	20.8%	16.7%	18.8%	14.6%	100.0%
	Arada	Count	9	10	8	18	7	52
		% within Subcity of Addis Ababa	17.3%	19.2%	15.4%	34.6%	13.5%	100.0%
Total		Count	32	35	28	58	22	175
		% within Subcity of Addis Ababa	18.3%	20.0%	16.0%	33.1%	12.6%	100.0%

**Subcity of Addis Ababa * The existing A.A City Administration legal framework related to Woreda fiscal decentralization is helpful in attaining power to Woredas.
Crosstabulation**

			The existing A.A City Administration legal framework related to Woreda fiscal decentralization is helpful in attaining power to Woredas.					Total
			Strongly DisAgree	Disagree	Neutral	Agree	Strongly Agree	
Subcity of Addis Ababa	Kofe Keranio	Count	3	13	9	17	3	45
		% within Subcity of Addis Ababa	6.7%	28.9%	20.0%	37.8%	6.7%	100.0%
Bole		Count	1	9	3	11	6	30
		% within Subcity of Addis Ababa	3.3%	30.0%	10.0%	36.7%	20.0%	100.0%
Kirkos		Count	3	22	5	14	4	48
		% within Subcity of Addis Ababa	6.3%	45.8%	10.4%	29.2%	8.3%	100.0%
Arada		Count	4	15	13	16	4	52

Total	% within Subcity of Addis Ababa	7.7%	28.8%	25.0%	30.8%	7.7%	100.0%
	Count	11	59	30	58	17	175
	% within Subcity of Addis Ababa	6.3%	33.7%	17.1%	33.1%	9.7%	100.0%

Subcity of Addis Ababa * Retaining is given for concerned employees in relation to legal framework of Woreda fiscal autonomy so that the application can be smooth. Crosstabulation

			Retaining is given for concerned employees in relation to legal framework of Woreda fiscal autonomy so that the application can be smooth.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	4	14	7	15	5	45
		% within Sub city of Addis Ababa	8.9%	31.1%	15.6%	33.3%	11.1%	100.0%
	Bole	Count	5	4	4	15	2	30
		% within Sub city of Addis Ababa	16.7%	13.3%	13.3%	50.0%	6.7%	100.0%
	Kirkos	Count	7	14	5	17	5	48
		% within Sub city of Addis Ababa	14.6%	29.2%	10.4%	35.4%	10.4%	100.0%
	Arada	Count	5	13	19	14	1	52
		% within Sub city of Addis Ababa	9.6%	25.0%	36.5%	26.9%	1.9%	100.0%
Total		Count	21	45	35	61	13	175
		% within Sub city of Addis Ababa	12.0%	25.7%	20.0%	34.9%	7.4%	100.0%

Sub city of Addis Ababa * The current A.A City Charter, Proclamation and Regulations in place are sufficient to the application of Woreda level fiscal decentralization. Cross tabulation

			The current A.A City Charter, Proclamation and Regulations in place are sufficient to the application of Woreda level fiscal decentralization.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	4	15	6	16	4	45
		% within Sub city of Addis Ababa	8.9%	33.3%	13.3%	35.6%	8.9%	100.0%
	Bole	Count	3	8	6	12	1	30
		% within Sub city of Addis Ababa	10.0%	26.7%	20.0%	40.0%	3.3%	100.0%
	Kirkos	Count	4	18	8	15	3	48
		% within Sub city of Addis Ababa	8.3%	37.5%	16.7%	31.3%	6.3%	100.0%
	Arada	Count	4	22	10	15	1	52
		% within Sub city of Addis Ababa	7.7%	42.3%	19.2%	28.8%	1.9%	100.0%
Total		Count	15	63	30	58	9	175
		% within Sub city of Addis Ababa	8.6%	36.0%	17.1%	33.1%	5.1%	100.0%

NPAR TESTS

/K-W=legal framework BY Sub city(1
4)

/MISSING ANALYSIS.

NPar Tests

Notes

Output Created	06-JUN-2017 16:42:34
Comments	

Input	Data	C:\Users\guest2\Desktop\Eyob.sav
	Active Dataset	DataSet1
	Filter	<none>
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	Split File	<none>
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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		<pre> NPAR TESTS /K-W=legal framework BY Sub city (1 4) /MISSING ANALYSIS. </pre>
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.02
	Number of Cases Allowed ^a	112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

Sub city of Addis Ababa	N	Mean Rank
legal framework		
Kofe Keranio	45	95.33
Bole	30	97.80
Kirkos	48	80.04
Arada	52	83.35
Total	175	

Test Statistics^{a,b}

	legal framework
Chi-Square	3.723
df	3
Asymp. Sig.	.293

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

Annex IV Woreda Level fiscal decentralization in relation to budget

Crosstabs

Notes

Output Created	06-JUN-2017 16:51:05
Comments	

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	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.
Syntax		CROSSTABS /TABLES=Sub city BY Full anatomy Capital budget Need of community Participants /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.05
	Dimensions Requested	2
	Cells Available	131072

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Sub city of Addis Ababa * Your Woreda has full autonomy in connection to budget planning and preparation	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda has autonomy in planning capital budget	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda office has autonomy in preparing Woreda budget according to the need of the community	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda participates the Woreda community while planning and preparing budget	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has full autonomy in connection to budget planning and preparation Cross tabulation

			Your Woreda has full autonomy in connection to budget planning and preparation					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	10	8	11	14	45
		% within Sub city of Addis Ababa	4.4%	22.2%	17.8%	24.4%	31.1%	100.0%
	Bole	Count	4	14	2	7	3	30
		% within Sub city of Addis Ababa	13.3%	46.7%	6.7%	23.3%	10.0%	100.0%
	Kirkos	Count	6	18	5	13	6	48
		% within Sub city of Addis Ababa	12.5%	37.5%	10.4%	27.1%	12.5%	100.0%
	Arada	Count	5	16	10	17	4	52
		% within Sub city of Addis Ababa	9.6%	30.8%	19.2%	32.7%	7.7%	100.0%
Total		Count	17	58	25	48	27	175
		% within Sub city of Addis Ababa	9.7%	33.1%	14.3%	27.4%	15.4%	100.0%

Sub city of Addis Ababa * Your Woreda has autonomy in planning capital budget Cross tabulation

			Your Woreda has autonomy in planning capital budget					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	5	14	7	12	7	45
		% within Sub city of Addis Ababa	11.1%	31.1%	15.6%	26.7%	15.6%	100.0%
	Bole	Count	8	6	3	9	4	30
		% within Sub city of Addis Ababa	26.7%	20.0%	10.0%	30.0%	13.3%	100.0%

	Kirkos	Count	12	19	6	7	4	48
		% within Sub city of Addis Ababa	25.0%	39.6%	12.5%	14.6%	8.3%	100.0%
	Arada	Count	11	14	9	16	2	52
		% within Sub city of Addis Ababa	21.2%	26.9%	17.3%	30.8%	3.8%	100.0%
Total		Count	36	53	25	44	17	175
		% within Sub city of Addis Ababa	20.6%	30.3%	14.3%	25.1%	9.7%	100.0%

Sub city of Addis Ababa * Your Woreda office has autonomy in preparing Woreda budget according to the need of the community Cross tabulation

			Your Woreda office has autonomy in preparing Woreda budget according to the need of the community					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	2	17	2	20	4	45
		% within Sub city of Addis Ababa	4.4%	37.8%	4.4%	44.4%	8.9%	100.0%
	Bole	Count	5	12	4	5	4	30
		% within Sub city of Addis Ababa	16.7%	40.0%	13.3%	16.7%	13.3%	100.0%
	Kirkos	Count	12	17	5	12	2	48
		% within Sub city of Addis Ababa	25.0%	35.4%	10.4%	25.0%	4.2%	100.0%
	Arada	Count	5	18	10	17	2	52
		% within Sub city of Addis Ababa	9.6%	34.6%	19.2%	32.7%	3.8%	100.0%
Total		Count	24	64	21	54	12	175
		% within Sub city of Addis Ababa	13.7%	36.6%	12.0%	30.9%	6.9%	100.0%

Sub city of Addis Ababa * Your Woreda participates the Woreda community while planning and preparing budget Cross tabulation

			Your Woreda participates the Woreda community while planning and preparing budget					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	11	2	21	8	45
		% within Sub city of Addis Ababa	6.7%	24.4%	4.4%	46.7%	17.8%	100.0%
	Bole	Count	3	10	4	9	4	30
		% within Sub city of Addis Ababa	10.0%	33.3%	13.3%	30.0%	13.3%	100.0%
	Kirkos	Count	9	18	8	11	2	48
		% within Sub city of Addis Ababa	18.8%	37.5%	16.7%	22.9%	4.2%	100.0%
	Arada	Count	6	19	10	14	3	52
		% within Sub city of Addis Ababa	11.5%	36.5%	19.2%	26.9%	5.8%	100.0%
Total		Count	21	58	24	55	17	175
		% within Sub city of Addis Ababa	12.0%	33.1%	13.7%	31.4%	9.7%	100.0%

NPAR TESTS

/K-W=Budget BY Sub city(1 4)

/MISSING ANALYSIS.

NPar Tests

Notes

Output Created	06-JUN-2017 17:00:01
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Comments		
Input	Data	C:\Users\guest2\Desktop\Eyob.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		<pre> NPAR TESTS /K-W=Budget BY Sub city (1 4) /MISSING ANALYSIS. </pre>
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.00
	Number of Cases Allowed ^a	112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

Sub city of Addis Ababa		N	Mean Rank
Budget	Kolfe Keranio	45	108.42
	Bole	30	84.03
	Kirkos	48	72.81
	Arada	52	86.63
	Total	175	

Test Statistics^{a,b}

	Budget
Chi-Square	11.968
df	3
Asymp. Sig.	.007

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

Annex V

Woreda level fiscal decentralization in relation to revenues sharing and Retaining

Crosstabs

Notes

Output Created		06-JUN-2017 17:17:35
Comments		
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	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.

Syntax	CROSSTABS /TABLES=Sub city BY Sufficient own revenue types Utilization Tax base Maximize income Revenue source Tax instrument Collected Revenue Own Purpose Suitable way Transfer money Decision making Overall application of expend. Degree of autonomy /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.		
Resources	Processor Time		00:00:00.06
	Elapsed Time		00:00:00.08
	Dimensions Requested		2
	Cells Available		131072

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent

Sub city of Addis Ababa * Your Woreda has sufficient own revenue sources to finance their expenditures.	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda have financial autonomy in deciding to expand revenue types	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda retains and utilizes some of its collected revenue for own utilization	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda has sufficient tax base/types to maximize its collection of income	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda exhausted alternative revenue options to maximize its income	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda can recommend new revenue sources to maximize its overall collections	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has the mandate of selecting specific tax instruments/types to be retained for own utilization	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda office has autonomy in utilizing its collected revenue for the purpose of Woreda need	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to retain and utilize them for own purpose	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to share with A.A City Administration	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to transfer to A.A City Administration and request transfer money when needed	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has autonomy in decision-making on revenue maximization	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The overall application and experience of Woreda fiscal decentralization in relation to revenue autonomy is satisfactory	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The degree of autonomy of Woredas found in sub cities in decision-making on revenue raising is satisfactory	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has sufficient own revenue sources to finance their expenditures. Cross tabulation

			Your Woreda has sufficient own revenue sources to finance their expenditures.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	4	11	14	13	3	45
		% within Sub city of Addis Ababa	8.9%	24.4%	31.1%	28.9%	6.7%	100.0%
	Bole	Count	7	7	5	6	5	30
		% within Sub city of Addis Ababa	23.3%	23.3%	16.7%	20.0%	16.7%	100.0%
	Kirkos	Count	6	25	10	5	2	48

		% within Sub city of Addis Ababa	12.5%	52.1%	20.8%	10.4%	4.2%	100.0%
	Arada	Count	10	15	21	5	1	52
		% within Sub city of Addis Ababa	19.2%	28.8%	40.4%	9.6%	1.9%	100.0%
Total		Count	27	58	50	29	11	175
		% within Sub city of Addis Ababa	15.4%	33.1%	28.6%	16.6%	6.3%	100.0%

Sub city of Addis Ababa * Your Woreda have financial autonomy in deciding to expand revenue types Cross tabulation

			Your Woreda have financial autonomy in deciding to expand revenue types					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	10	6	21	5	45
		% within Sub city of Addis Ababa	6.7%	22.2%	13.3%	46.7%	11.1%	100.0%
	Bole	Count	4	11	6	7	2	30
		% within Sub city of Addis Ababa	13.3%	36.7%	20.0%	23.3%	6.7%	100.0%
	Kirkos	Count	10	21	6	10	1	48
		% within Sub city of Addis Ababa	20.8%	43.8%	12.5%	20.8%	2.1%	100.0%
	Arada	Count	12	15	13	9	3	52
		% within Sub city of Addis Ababa	23.1%	28.8%	25.0%	17.3%	5.8%	100.0%
Total		Count	29	57	31	47	11	175
		% within Sub city of Addis Ababa	16.6%	32.6%	17.7%	26.9%	6.3%	100.0%

Sub city of Addis Ababa * Your Woreda retains and utilizes some of its collected revenue for own utilization Cross tabulation

			Your Woreda retains and utilizes some of its collected revenue for own utilization					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	5	9	10	18	3	45
		% within Sub city of Addis Ababa	11.1%	20.0%	22.2%	40.0%	6.7%	100.0%
	Bole	Count	9	6	6	9	0	30
		% within Sub city of Addis Ababa	30.0%	20.0%	20.0%	30.0%	0.0%	100.0%
	Kirkos	Count	16	16	10	5	1	48
		% within Sub city of Addis Ababa	33.3%	33.3%	20.8%	10.4%	2.1%	100.0%
	Arada	Count	13	14	12	9	4	52
		% within Sub city of Addis Ababa	25.0%	26.9%	23.1%	17.3%	7.7%	100.0%
Total		Count	43	45	38	41	8	175
		% within Sub city of Addis Ababa	24.6%	25.7%	21.7%	23.4%	4.6%	100.0%

Sub city of Addis Ababa * Your Woreda has sufficient tax base/types to maximize its collection of income Cross tabulation

			Your Woreda has sufficient tax base/types to maximize its collection of income					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	10	9	16	7	45
		% within Sub city of Addis Ababa	6.7%	22.2%	20.0%	35.6%	15.6%	100.0%
	Bole	Count	2	4	11	12	1	30
		% within Sub city of Addis Ababa	6.7%	13.3%	36.7%	40.0%	3.3%	100.0%
	Kirkos	Count	7	16	10	11	4	48

		% within Sub city of Addis Ababa	14.6%	33.3%	20.8%	22.9%	8.3%	100.0%
	Arada	Count	7	18	14	9	4	52
		% within Sub city of Addis Ababa	13.5%	34.6%	26.9%	17.3%	7.7%	100.0%
Total		Count	19	48	44	48	16	175
		% within Sub city of Addis Ababa	10.9%	27.4%	25.1%	27.4%	9.1%	100.0%

Sub city of Addis Ababa * Your Woreda exhausted alternative revenue options to maximize its income Cross tabulation

			Your Woreda exhausted alternative revenue options to maximize its income					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	13	12	11	6	45
		% within Sub city of Addis Ababa	6.7%	28.9%	26.7%	24.4%	13.3%	100.0%
	Bole	Count	4	6	10	5	5	30
		% within Sub city of Addis Ababa	13.3%	20.0%	33.3%	16.7%	16.7%	100.0%
	Kirkos	Count	6	16	14	10	2	48
		% within Sub city of Addis Ababa	12.5%	33.3%	29.2%	20.8%	4.2%	100.0%
	Arada	Count	8	15	12	15	2	52
		% within Sub city of Addis Ababa	15.4%	28.8%	23.1%	28.8%	3.8%	100.0%
Total		Count	21	50	48	41	15	175
		% within Sub city of Addis Ababa	12.0%	28.6%	27.4%	23.4%	8.6%	100.0%

Sub city of Addis Ababa * Your Woreda can recommend new revenue sources to maximize its overall collections Cross tabulation

			Your Woreda can recommend new revenue sources to maximize its overall collections					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	12	14	14	3	45
		% within Sub city of Addis Ababa	4.4%	26.7%	31.1%	31.1%	6.7%	100.0%
	Bole	Count	2	10	8	6	4	30
		% within Sub city of Addis Ababa	6.7%	33.3%	26.7%	20.0%	13.3%	100.0%
	Kirkos	Count	6	19	7	13	3	48
		% within Sub city of Addis Ababa	12.5%	39.6%	14.6%	27.1%	6.3%	100.0%
	Arada	Count	11	11	13	16	1	52
		% within Sub city of Addis Ababa	21.2%	21.2%	25.0%	30.8%	1.9%	100.0%
Total		Count	21	52	42	49	11	175
		% within Sub city of Addis Ababa	12.0%	29.7%	24.0%	28.0%	6.3%	100.0%

Sub city of Addis Ababa * Your Woreda has the mandate of selecting specific tax instruments/types to be retained for own utilization Cross tabulation

			Your Woreda has the mandate of selecting specific tax instruments/types to be retained for own utilization					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	4	16	9	12	4	45
		% within Sub city of Addis Ababa	8.9%	35.6%	20.0%	26.7%	8.9%	100.0%
	Bole	Count	5	8	6	6	5	30

		% within Sub city of Addis Ababa	16.7%	26.7%	20.0%	20.0%	16.7%	100.0%
	Kirkos	Count	10	18	11	7	2	48
		% within Sub city of Addis Ababa	20.8%	37.5%	22.9%	14.6%	4.2%	100.0%
	Arada	Count	10	15	17	9	1	52
		% within Sub city of Addis Ababa	19.2%	28.8%	32.7%	17.3%	1.9%	100.0%
Total		Count	29	57	43	34	12	175
		% within Sub city of Addis Ababa	16.6%	32.6%	24.6%	19.4%	6.9%	100.0%

Sub city of Addis Ababa * Your Woreda office has autonomy in utilizing its collected revenue for the purpose of Woreda need Cross tabulation

			Your Woreda office has autonomy in utilizing its collected revenue for the purpose of Woreda need					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	6	13	13	8	5	45
		% within Sub city of Addis Ababa	13.3%	28.9%	28.9%	17.8%	11.1%	100.0%
	Bole	Count	9	7	5	5	4	30
		% within Sub city of Addis Ababa	30.0%	23.3%	16.7%	16.7%	13.3%	100.0%
	Kirkos	Count	14	20	9	2	3	48
		% within Sub city of Addis Ababa	29.2%	41.7%	18.8%	4.2%	6.3%	100.0%
	Arada	Count	17	16	9	8	2	52
		% within Sub city of Addis Ababa	32.7%	30.8%	17.3%	15.4%	3.8%	100.0%
Total		Count	46	56	36	23	14	175

% within Sub city of Addis Ababa	26.3%	32.0%	20.6%	13.1%	8.0%	100.0%
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Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to retain and utilize them for own purpose Cross tabulation

			The most suitable way to handle revenue under the Woreda jurisdiction is to retain and utilize them for own purpose					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	8	10	16	9	45
		% within Sub city of Addis Ababa	4.4%	17.8%	22.2%	35.6%	20.0%	100.0%
	Bole	Count	6	3	7	10	4	30
		% within Sub city of Addis Ababa	20.0%	10.0%	23.3%	33.3%	13.3%	100.0%
	Kirkos	Count	8	12	6	12	10	48
		% within Sub city of Addis Ababa	16.7%	25.0%	12.5%	25.0%	20.8%	100.0%
	Arada	Count	7	11	17	15	2	52
		% within Sub city of Addis Ababa	13.5%	21.2%	32.7%	28.8%	3.8%	100.0%
Total		Count	23	34	40	53	25	175
		% within Sub city of Addis Ababa	13.1%	19.4%	22.9%	30.3%	14.3%	100.0%

Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to share with A.A City Administration Cross tabulation

			The most suitable way to handle revenue under the Woreda jurisdiction is to share with A.A City Administration					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	1	6	13	13	12	45

		% within Sub city of Addis Ababa	2.2%	13.3%	28.9%	28.9%	26.7%	100.0%
	Bole	Count	5	7	6	10	2	30
		% within Sub city of Addis Ababa	16.7%	23.3%	20.0%	33.3%	6.7%	100.0%
	Kirkos	Count	6	8	9	12	13	48
		% within Sub city of Addis Ababa	12.5%	16.7%	18.8%	25.0%	27.1%	100.0%
	Arada	Count	5	15	16	13	3	52
		% within Sub city of Addis Ababa	9.6%	28.8%	30.8%	25.0%	5.8%	100.0%
Total		Count	17	36	44	48	30	175
		% within Sub city of Addis Ababa	9.7%	20.6%	25.1%	27.4%	17.1%	100.0%

Sub city of Addis Ababa * The most suitable way to handle revenue under the Woreda jurisdiction is to transfer to A.A City Administration and request transfer money when needed Cross tabulation

			The most suitable way to handle revenue under the Woreda jurisdiction is to transfer to A.A City Administration and request transfer money when needed					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kofe Keranio	Count	5	13	12	11	4	45
		% within Sub city of Addis Ababa	11.1%	28.9%	26.7%	24.4%	8.9%	100.0%
	Bole	Count	4	8	3	9	6	30
		% within Sub city of Addis Ababa	13.3%	26.7%	10.0%	30.0%	20.0%	100.0%
	Kirkos	Count	6	11	12	11	8	48
		% within Sub city of Addis Ababa	12.5%	22.9%	25.0%	22.9%	16.7%	100.0%
	Arada	Count	6	13	15	10	8	52

	% within Sub city of Addis Ababa	11.5%	25.0%	28.8%	19.2%	15.4%	100.0%
Total	Count	21	45	42	41	26	175
	% within Sub city of Addis Ababa	12.0%	25.7%	24.0%	23.4%	14.9%	100.0%

Sub city of Addis Ababa * Your Woreda has autonomy in decision-making on revenue maximization Cross tabulation

			Your Woreda has autonomy in decision-making on revenue maximization					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	10	12	18	2	45
		% within Sub city of Addis Ababa	6.7%	22.2%	26.7%	40.0%	4.4%	100.0%
	Bole	Count	4	7	4	9	6	30
		% within Sub city of Addis Ababa	13.3%	23.3%	13.3%	30.0%	20.0%	100.0%
	Kirkos	Count	11	13	5	13	6	48
		% within Sub city of Addis Ababa	22.9%	27.1%	10.4%	27.1%	12.5%	100.0%
	Arada	Count	11	18	9	11	3	52
		% within Sub city of Addis Ababa	21.2%	34.6%	17.3%	21.2%	5.8%	100.0%
Total		Count	29	48	30	51	17	175
		% within Sub city of Addis Ababa	16.6%	27.4%	17.1%	29.1%	9.7%	100.0%

Sub city of Addis Ababa * The overall application and experience of Woreda fiscal decentralization in relation to revenue autonomy is satisfactory Cross tabulation

	The overall application and experience of Woreda fiscal decentralization in relation to revenue autonomy is satisfactory	Total
--	--	-------

			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	6	13	6	17	3	45
		% within Sub city of Addis Ababa	13.3%	28.9%	13.3%	37.8%	6.7%	100.0%
	Bole	Count	3	10	9	6	2	30
		% within Sub city of Addis Ababa	10.0%	33.3%	30.0%	20.0%	6.7%	100.0%
	Kirkos	Count	10	19	9	8	2	48
		% within Sub city of Addis Ababa	20.8%	39.6%	18.8%	16.7%	4.2%	100.0%
	Arada	Count	10	18	14	9	1	52
		% within Sub city of Addis Ababa	19.2%	34.6%	26.9%	17.3%	1.9%	100.0%
Total	Count		29	60	38	40	8	175
	% within Sub city of Addis Ababa		16.6%	34.3%	21.7%	22.9%	4.6%	100.0%

Sub city of Addis Ababa * The degree of autonomy of Woredas found in sub cities in decision-making on revenue raising is satisfactory Cross tabulation

			The degree of autonomy of Woredas found in sub cities in decision-making on revenue raising is satisfactory					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kofe Keranio	Count	5	10	13	15	2	45
		% within Sub city of Addis Ababa	11.1%	22.2%	28.9%	33.3%	4.4%	100.0%
	Bole	Count	2	12	7	4	5	30
		% within Sub city of Addis Ababa	6.7%	40.0%	23.3%	13.3%	16.7%	100.0%
	Kirkos	Count	7	21	11	6	3	48

		% within Sub city of Addis Ababa	14.6%	43.8%	22.9%	12.5%	6.3%	100.0%
	Arada	Count	8	18	15	9	2	52
		% within Sub city of Addis Ababa	15.4%	34.6%	28.8%	17.3%	3.8%	100.0%
Total		Count	22	61	46	34	12	175
		% within Sub city of Addis Ababa	12.6%	34.9%	26.3%	19.4%	6.9%	100.0%

NPAR TESTS

/K-W=Revenue Retaining BY Sub city(1 4)

/MISSING ANALYSIS.

NPar Tests

Notes

Output Created		06-JUN-2017 17:27:22
Comments		
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	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.

	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		NPAR TESTS /K-W=Revenue Retaining BY Sub city (1 4) /MISSING ANALYSIS.
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.00
	Number of Cases Allowed ^a	112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

Sub city of Addis Ababa		N	Mean Rank
Revenue Retaining and Sharing	Kolfe Keranio	45	108.19
	Bole	30	94.98
	Kirkos	48	77.03
	Arada	52	76.63
	Total	175	

Test Statistics^{a,b}

	Revenue Retaining and Sharing
Chi-Square	12.608
df	3
Asymp. Sig.	.006

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

Annex VI

Woreda level fiscal decentralization in relation to Expenditure Authority, Autonomy and Responsibility

Crosstabs

Notes

Output Created		06-JUN-2017 17:39:48
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	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175

Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.
Syntax		CROSSTABS /TABLES=Sub city BY Expenditure assignment Administration authorization Utilize own resource Request money Benefit community Depends Authorizing Degree of autonomy Overall application /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.06
	Dimensions Requested	2
	Cells Available	131072

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Case Processing Summary

	Cases
--	-------

	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Sub city of Addis Ababa * Your Woreda has autonomy in decision-making on expenditure assignment	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda has expenditure decision autonomy in planning and spending without sub city or city administration authorization	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The most suitable way to handle expenditures under the Woreda jurisdiction is to utilize from the own revenue	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The most suitable way to handle expenditures under the Woreda jurisdiction is to request money transfer from A.A City Administration	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has the authority and autonomy to approve expenditures that are intended to benefit the community	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda depends on approval from A.A city administration or sub city to authorize expenditures	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Your Woreda have financial autonomy in authorizing expenditures that are needed under its vicinity	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The degree of autonomy of Woredas found in sub cities in decision-making on expenditure assignment is satisfactory	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The overall application and experience of Woreda fiscal decentralization in relation to expenditure responsibility is satisfactory	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Your Woreda has autonomy in decision-making on expenditure assignment Cross tabulation

			Your Woreda has autonomy in decision-making on expenditure assignment					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	8	10	22	3	45
		% within Sub city of Addis Ababa	4.4%	17.8%	22.2%	48.9%	6.7%	100.0%
	Bole	Count	2	6	5	13	4	30
		% within Sub city of Addis Ababa	6.7%	20.0%	16.7%	43.3%	13.3%	100.0%
	Kirkos	Count	8	19	8	8	5	48
		% within Sub city of Addis Ababa	16.7%	39.6%	16.7%	16.7%	10.4%	100.0%
	Arada	Count	2	10	14	20	6	52
		% within Sub city of Addis Ababa	3.8%	19.2%	26.9%	38.5%	11.5%	100.0%
Total		Count	14	43	37	63	18	175
		% within Sub city of Addis Ababa	8.0%	24.6%	21.1%	36.0%	10.3%	100.0%

Sub city of Addis Ababa * Your Woreda has expenditure decision autonomy in planning and spending without sub city or city administration authorization Cross tabulation

			Your Woreda has expenditure decision autonomy in planning and spending without sub city or city administration authorization					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	14	15	13	1	45
		% within Sub city of Addis Ababa	4.4%	31.1%	33.3%	28.9%	2.2%	100.0%

Bole	Count	6	7	7	7	3	30
	% within Sub city of Addis Ababa	20.0%	23.3%	23.3%	23.3%	10.0%	100.0%
Kirkos	Count	6	22	7	9	4	48
	% within Sub city of Addis Ababa	12.5%	45.8%	14.6%	18.8%	8.3%	100.0%
Arada	Count	6	20	8	14	4	52
	% within Sub city of Addis Ababa	11.5%	38.5%	15.4%	26.9%	7.7%	100.0%
Total	Count	20	63	37	43	12	175
	% within Sub city of Addis Ababa	11.4%	36.0%	21.1%	24.6%	6.9%	100.0%

Sub city of Addis Ababa * The most suitable way to handle expenditures under the Woreda jurisdiction is to utilize from the own revenue Cross tabulation

			The most suitable way to handle expenditures under the Woreda jurisdiction is to utilize from the own revenue					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	1	11	14	12	7	45
		% within Sub city of Addis Ababa	2.2%	24.4%	31.1%	26.7%	15.6%	100.0%
Bole		Count	4	2	5	13	6	30
		% within Sub city of Addis Ababa	13.3%	6.7%	16.7%	43.3%	20.0%	100.0%
Kirkos		Count	5	13	8	15	7	48
		% within Sub city of Addis Ababa	10.4%	27.1%	16.7%	31.3%	14.6%	100.0%
Arada		Count	4	10	16	18	4	52
		% within Sub city of Addis Ababa	7.7%	19.2%	30.8%	34.6%	7.7%	100.0%

Total	Count	14	36	43	58	24	175
	% within Sub city of Addis Ababa	8.0%	20.6%	24.6%	33.1%	13.7%	100.0%

Sub city of Addis Ababa * The most suitable way to handle expenditures under the Woreda jurisdiction is to request money transfer from A.A City Administration Cross tabulation

			The most suitable way to handle expenditures under the Woreda jurisdiction is to request money transfer from A.A City Administration					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kofe Keranio	Count	5	8	12	17	3	45
		% within Sub city of Addis Ababa	11.1%	17.8%	26.7%	37.8%	6.7%	100.0%
	Bole	Count	6	5	5	10	4	30
		% within Sub city of Addis Ababa	20.0%	16.7%	16.7%	33.3%	13.3%	100.0%
	Kirkos	Count	8	16	7	9	8	48
		% within Sub city of Addis Ababa	16.7%	33.3%	14.6%	18.8%	16.7%	100.0%
	Arada	Count	7	8	14	15	8	52
		% within Sub city of Addis Ababa	13.5%	15.4%	26.9%	28.8%	15.4%	100.0%
Total		Count	26	37	38	51	23	175
		% within Sub city of Addis Ababa	14.9%	21.1%	21.7%	29.1%	13.1%	100.0%

Sub city of Addis Ababa * Your Woreda has the authority and autonomy to approve expenditures that are intended to benefit the community Cross tabulation

	Your Woreda has the authority and autonomy to approve expenditures that are intended to benefit the community	Total
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			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	4	12	9	16	4	45
		% within Sub city of Addis Ababa	8.9%	26.7%	20.0%	35.6%	8.9%	100.0%
	Bole	Count	5	4	1	17	3	30
		% within Sub city of Addis Ababa	16.7%	13.3%	3.3%	56.7%	10.0%	100.0%
	Kirkos	Count	6	18	9	11	4	48
		% within Sub city of Addis Ababa	12.5%	37.5%	18.8%	22.9%	8.3%	100.0%
	Arada	Count	4	14	11	17	6	52
		% within Sub city of Addis Ababa	7.7%	26.9%	21.2%	32.7%	11.5%	100.0%
Total		Count	19	48	30	61	17	175
		% within Sub city of Addis Ababa	10.9%	27.4%	17.1%	34.9%	9.7%	100.0%

Sub city of Addis Ababa * Your Woreda depends on approval from A.A city administration or sub city to authorize expenditures Cross tabulation

			Your Woreda depends on approval from A.A city administration or sub city to authorize expenditures					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kolfe Keranio	Count	0	2	9	26	8	45
		% within Sub city of Addis Ababa	0.0%	4.4%	20.0%	57.8%	17.8%	100.0%
	Bole	Count	3	3	3	15	6	30
		% within Sub city of Addis Ababa	10.0%	10.0%	10.0%	50.0%	20.0%	100.0%
	Kirkos	Count	3	5	9	25	6	48

		% within Sub city of Addis Ababa	6.3%	10.4%	18.8%	52.1%	12.5%	100.0%
	Arada	Count	5	7	11	25	4	52
		% within Sub city of Addis Ababa	9.6%	13.5%	21.2%	48.1%	7.7%	100.0%
Total		Count	11	17	32	91	24	175
		% within Sub city of Addis Ababa	6.3%	9.7%	18.3%	52.0%	13.7%	100.0%

Sub city of Addis Ababa * Your Woreda have financial autonomy in authorizing expenditures that are needed under its vicinity Cross tabulation

			Your Woreda have financial autonomy in authorizing expenditures that are needed under its vicinity					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	11	13	16	2	45
		% within Sub city of Addis Ababa	6.7%	24.4%	28.9%	35.6%	4.4%	100.0%
	Bole	Count	3	7	4	10	6	30
		% within Sub city of Addis Ababa	10.0%	23.3%	13.3%	33.3%	20.0%	100.0%
	Kirkos	Count	6	15	8	15	4	48
		% within Sub city of Addis Ababa	12.5%	31.3%	16.7%	31.3%	8.3%	100.0%
	Arada	Count	3	16	14	17	2	52
		% within Sub city of Addis Ababa	5.8%	30.8%	26.9%	32.7%	3.8%	100.0%
Total		Count	15	49	39	58	14	175
		% within Sub city of Addis Ababa	8.6%	28.0%	22.3%	33.1%	8.0%	100.0%

Sub city of Addis Ababa * The degree of autonomy of Woredas found in sub cities in decision-making on expenditure assignment is satisfactory Cross tabulation

			The degree of autonomy of Woredas found in sub cities in decision-making on expenditure assignment is satisfactory					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	4	8	12	19	2	45
		% within Sub city of Addis Ababa	8.9%	17.8%	26.7%	42.2%	4.4%	100.0%
	Bole	Count	6	9	4	6	5	30
		% within Sub city of Addis Ababa	20.0%	30.0%	13.3%	20.0%	16.7%	100.0%
	Kirkos	Count	11	13	12	9	3	48
		% within Sub city of Addis Ababa	22.9%	27.1%	25.0%	18.8%	6.3%	100.0%
	Arada	Count	6	18	19	6	3	52
		% within Sub city of Addis Ababa	11.5%	34.6%	36.5%	11.5%	5.8%	100.0%
Total		Count	27	48	47	40	13	175
		% within Sub city of Addis Ababa	15.4%	27.4%	26.9%	22.9%	7.4%	100.0%

Sub city of Addis Ababa * The overall application and experience of Woreda fiscal decentralization in relation to expenditure responsibility is satisfactory Cross tabulation

			The overall application and experience of Woreda fiscal decentralization in relation to expenditure responsibility is satisfactory					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	4	10	12	16	3	45
		% within Sub city of Addis Ababa	8.9%	22.2%	26.7%	35.6%	6.7%	100.0%

Bole	Count	5	10	5	10	0	30
	% within Sub city of Addis Ababa	16.7%	33.3%	16.7%	33.3%	0.0%	100.0%
Kirkos	Count	7	16	14	8	3	48
	% within Sub city of Addis Ababa	14.6%	33.3%	29.2%	16.7%	6.3%	100.0%
Arada	Count	8	18	11	12	3	52
	% within Sub city of Addis Ababa	15.4%	34.6%	21.2%	23.1%	5.8%	100.0%
Total	Count	24	54	42	46	9	175
	% within Sub city of Addis Ababa	13.7%	30.9%	24.0%	26.3%	5.1%	100.0%

NPAR TESTS

```

/K-W=Expenditure Autonomy BY Sub city(1 4)
/MISSING ANALYSIS.

```

NPar Tests

Notes

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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		NPAR TESTS /K-W=Expenditure Autonomy BY Sub city (1 4) /MISSING ANALYSIS.
Resources	Processor Time	00:00:00.02
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	Number of Cases Allowed ^a	112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

Sub city of Addis Ababa		N	Mean Rank
Expenditure Authority	Kolfe Keranio	45	100.89
Autonomy and Responsibility	Bole	30	97.25

Kirkos	48	72.20
Arada	52	86.10
Total	175	

Test Statistics^{a,b}

	Expenditure Authority Autonomy and Responsibility
Chi-Square	8.684
df	3
Asymp. Sig.	.034

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

Annex VII

Woreda level fiscal decentralization in relation to Intergovernmental relation

Crosstabs

Notes

Output Created	06-JUN-2017 17:57:43
Comments	

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	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.

Syntax	CROSSTABS /TABLES=Sub city BY Make transfers Equalization Principle Better performance Revised as necessary Challenge legal framework Legal application Implementation Willingness Challenge of decentralization Main constraint Financial resource Employee development /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.		
Resources	Processor Time		00:00:00.08
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	Dimensions Requested		2
	Cells Available		131072

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent

Sub city of Addis Ababa * A.A City Administration make transfers to Woredas to fill the gap in excess of own revenue	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The formula adopted to compute transfers to Woredas satisfies equalization principle	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The formula adopted to compute transfers to Woredas incorporate incentives for better performance of Woredas	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The grant formula is revised as necessary to incorporate current scenarios	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the legal framework	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the application	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the implementation	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the willingness	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * There is challenge of fiscal decentralization application in Woreda level	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is manpower	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is financial resources	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is employee development	175	100.0%	0	0.0%	175	100.0%
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Sub city of Addis Ababa * A.A City Administration make transfers to Woredas to fill the gap in excess of own revenue Cross tabulation

			A.A City Administration make transfers to Woredas to fill the gap in excess of own revenue					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	0	6	11	24	4	45
		% within Sub city of Addis Ababa	0.0%	13.3%	24.4%	53.3%	8.9%	100.0%
	Bole	Count	4	3	6	14	3	30
		% within Sub city of Addis Ababa	13.3%	10.0%	20.0%	46.7%	10.0%	100.0%
	Kirkos	Count	3	9	4	29	3	48
		% within Sub city of Addis Ababa	6.3%	18.8%	8.3%	60.4%	6.3%	100.0%
	Arada	Count	3	9	18	17	5	52
		% within Sub city of Addis Ababa	5.8%	17.3%	34.6%	32.7%	9.6%	100.0%
Total		Count	10	27	39	84	15	175
		% within Sub city of Addis Ababa	5.7%	15.4%	22.3%	48.0%	8.6%	100.0%

Sub city of Addis Ababa * The formula adopted to compute transfers to Woredas satisfies equalization principle Cross tabulation

			The formula adopted to compute transfers to Woredas satisfies equalization principle					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	0	7	14	22	2	45
		% within Sub city of Addis Ababa	0.0%	15.6%	31.1%	48.9%	4.4%	100.0%
	Bole	Count	5	5	7	11	2	30
		% within Sub city of Addis Ababa	16.7%	16.7%	23.3%	36.7%	6.7%	100.0%
	Kirkos	Count	7	9	17	12	3	48
		% within Sub city of Addis Ababa	14.6%	18.8%	35.4%	25.0%	6.3%	100.0%
	Arada	Count	4	12	19	12	5	52
		% within Sub city of Addis Ababa	7.7%	23.1%	36.5%	23.1%	9.6%	100.0%
Total		Count	16	33	57	57	12	175
		% within Sub city of Addis Ababa	9.1%	18.9%	32.6%	32.6%	6.9%	100.0%

Sub city of Addis Ababa * The formula adopted to compute transfers to Woredas incorporate incentives for better performance of Woredas Cross tabulation

			The formula adopted to compute transfers to Woredas incorporate incentives for better performance of Woredas					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	11	12	14	5	45
		% within Sub city of Addis Ababa	6.7%	24.4%	26.7%	31.1%	11.1%	100.0%
	Bole	Count	3	8	8	8	3	30

		% within Sub city of Addis Ababa	10.0%	26.7%	26.7%	26.7%	10.0%	100.0%
	Kirkos	Count	3	11	20	11	3	48
		% within Sub city of Addis Ababa	6.3%	22.9%	41.7%	22.9%	6.3%	100.0%
	Arada	Count	6	11	17	13	5	52
		% within Sub city of Addis Ababa	11.5%	21.2%	32.7%	25.0%	9.6%	100.0%
Total		Count	15	41	57	46	16	175
		% within Sub city of Addis Ababa	8.6%	23.4%	32.6%	26.3%	9.1%	100.0%

Sub city of Addis Ababa * The grant formula is revised as necessary to incorporate current scenarios Cross tabulation

			The grant formula is revised as necessary to incorporate current scenarios					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	0	10	8	23	4	45
		% within Sub city of Addis Ababa	0.0%	22.2%	17.8%	51.1%	8.9%	100.0%
	Bole	Count	1	5	6	14	4	30
		% within Sub city of Addis Ababa	3.3%	16.7%	20.0%	46.7%	13.3%	100.0%
	Kirkos	Count	2	6	17	18	5	48
		% within Sub city of Addis Ababa	4.2%	12.5%	35.4%	37.5%	10.4%	100.0%
	Arada	Count	2	7	19	18	6	52
		% within Sub city of Addis Ababa	3.8%	13.5%	36.5%	34.6%	11.5%	100.0%
Total		Count	5	28	50	73	19	175

% within Sub city of Addis Ababa	2.9%	16.0%	28.6%	41.7%	10.9%	100.0%
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Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the legal framework Cross tabulation

			The main challenges of fiscal decentralization application in Woreda level is the legal framework					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	5	11	7	18	4	45
		% within Sub city of Addis Ababa	11.1%	24.4%	15.6%	40.0%	8.9%	100.0%
	Bole	Count	4	4	6	9	7	30
		% within Sub city of Addis Ababa	13.3%	13.3%	20.0%	30.0%	23.3%	100.0%
	Kirkos	Count	5	12	10	16	5	48
		% within Sub city of Addis Ababa	10.4%	25.0%	20.8%	33.3%	10.4%	100.0%
	Arada	Count	7	14	13	18	0	52
		% within Sub city of Addis Ababa	13.5%	26.9%	25.0%	34.6%	0.0%	100.0%
Total		Count	21	41	36	61	16	175
		% within Sub city of Addis Ababa	12.0%	23.4%	20.6%	34.9%	9.1%	100.0%

Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the application Cross tabulation

			The main challenges of fiscal decentralization application in Woreda level is the application					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	1	9	14	16	5	45

		% within Sub city of Addis Ababa	2.2%	20.0%	31.1%	35.6%	11.1%	100.0%
	Bole	Count	2	5	8	6	9	30
		% within Sub city of Addis Ababa	6.7%	16.7%	26.7%	20.0%	30.0%	100.0%
	Kirkos	Count	2	9	11	20	6	48
		% within Sub city of Addis Ababa	4.2%	18.8%	22.9%	41.7%	12.5%	100.0%
	Arada	Count	2	9	14	22	5	52
		% within Sub city of Addis Ababa	3.8%	17.3%	26.9%	42.3%	9.6%	100.0%
Total		Count	7	32	47	64	25	175
		% within Sub city of Addis Ababa	4.0%	18.3%	26.9%	36.6%	14.3%	100.0%

Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the implementation Cross tabulation

			The main challenges of fiscal decentralization application in Woreda level is the implementation					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	0	9	11	17	8	45
		% within Sub city of Addis Ababa	0.0%	20.0%	24.4%	37.8%	17.8%	100.0%
	Bole	Count	0	6	6	10	8	30
		% within Sub city of Addis Ababa	0.0%	20.0%	20.0%	33.3%	26.7%	100.0%
	Kirkos	Count	2	8	3	21	14	48
		% within Sub city of Addis Ababa	4.2%	16.7%	6.3%	43.8%	29.2%	100.0%
	Arada	Count	4	8	12	19	9	52

Total	% within Sub city of Addis Ababa	7.7%	15.4%	23.1%	36.5%	17.3%	100.0%
	Count	6	31	32	67	39	175
	% within Sub city of Addis Ababa	3.4%	17.7%	18.3%	38.3%	22.3%	100.0%

Sub city of Addis Ababa * The main challenges of fiscal decentralization application in Woreda level is the willingness Cross tabulation

			The main challenges of fiscal decentralization application in Woreda level is the willingness					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	0	9	14	15	7	45
		% within Sub city of Addis Ababa	0.0%	20.0%	31.1%	33.3%	15.6%	100.0%
	Bole	Count	2	6	10	7	5	30
		% within Sub city of Addis Ababa	6.7%	20.0%	33.3%	23.3%	16.7%	100.0%
	Kirkos	Count	3	9	8	19	9	48
		% within Sub city of Addis Ababa	6.3%	18.8%	16.7%	39.6%	18.8%	100.0%
	Arada	Count	4	10	15	19	4	52
		% within Sub city of Addis Ababa	7.7%	19.2%	28.8%	36.5%	7.7%	100.0%
Total		Count	9	34	47	60	25	175
		% within Sub city of Addis Ababa	5.1%	19.4%	26.9%	34.3%	14.3%	100.0%

Sub city of Addis Ababa * There is challenge of fiscal decentralization application in Woreda level Cross tabulation

	There is challenge of fiscal decentralization application in Woreda level	Total
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			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	1	5	13	13	13	45
		% within Sub city of Addis Ababa	2.2%	11.1%	28.9%	28.9%	28.9%	100.0%
	Bole	Count	4	5	4	12	5	30
		% within Sub city of Addis Ababa	13.3%	16.7%	13.3%	40.0%	16.7%	100.0%
	Kirkos	Count	2	6	5	19	16	48
		% within Sub city of Addis Ababa	4.2%	12.5%	10.4%	39.6%	33.3%	100.0%
	Arada	Count	1	3	17	25	6	52
		% within Sub city of Addis Ababa	1.9%	5.8%	32.7%	48.1%	11.5%	100.0%
Total	Count		8	19	39	69	40	175
	% within Sub city of Addis Ababa		4.6%	10.9%	22.3%	39.4%	22.9%	100.0%

Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is manpower Cross tabulation

			The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is manpower					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kofe Keranio	Count	1	9	12	15	8	45
		% within Sub city of Addis Ababa	2.2%	20.0%	26.7%	33.3%	17.8%	100.0%
	Bole	Count	1	7	10	8	4	30
		% within Sub city of Addis Ababa	3.3%	23.3%	33.3%	26.7%	13.3%	100.0%

Total	Kirkos	Count	5	8	6	21	8	48
		% within Sub city of Addis Ababa	10.4%	16.7%	12.5%	43.8%	16.7%	100.0%
	Arada	Count	2	11	14	19	6	52
		% within Sub city of Addis Ababa	3.8%	21.2%	26.9%	36.5%	11.5%	100.0%
	Total	Count	9	35	42	63	26	175
		% within Sub city of Addis Ababa	5.1%	20.0%	24.0%	36.0%	14.9%	100.0%

Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is financial resources Cross tabulation

			The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is financial resources					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	2	7	7	22	7	45
		% within Sub city of Addis Ababa	4.4%	15.6%	15.6%	48.9%	15.6%	100.0%
	Bole	Count	3	4	5	13	5	30
		% within Sub city of Addis Ababa	10.0%	13.3%	16.7%	43.3%	16.7%	100.0%
	Kirkos	Count	3	8	5	21	11	48
		% within Sub city of Addis Ababa	6.3%	16.7%	10.4%	43.8%	22.9%	100.0%
	Arada	Count	2	20	8	14	8	52
		% within Sub city of Addis Ababa	3.8%	38.5%	15.4%	26.9%	15.4%	100.0%
Total		Count	10	39	25	70	31	175

% within Sub city of Addis Ababa	5.7%	22.3%	14.3%	40.0%	17.7%	100.0%
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Sub city of Addis Ababa * The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is employee development
Cross tabulation

			The main constraints related to the practical implementations of fiscal decentralization in Woredas in Addis Ababa is employee development					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kolfe Keranio	Count	1	5	12	21	6	45
		% within Sub city of Addis Ababa	2.2%	11.1%	26.7%	46.7%	13.3%	100.0%
	Bole	Count	0	5	5	14	6	30
		% within Sub city of Addis Ababa	0.0%	16.7%	16.7%	46.7%	20.0%	100.0%
	Kirkos	Count	3	12	5	18	10	48
		% within Sub city of Addis Ababa	6.3%	25.0%	10.4%	37.5%	20.8%	100.0%
	Arada	Count	1	11	18	15	7	52
		% within Sub city of Addis Ababa	1.9%	21.2%	34.6%	28.8%	13.5%	100.0%
Total		Count	5	33	40	68	29	175
		% within Sub city of Addis Ababa	2.9%	18.9%	22.9%	38.9%	16.6%	100.0%

NPAR TESTS

/K-W=Inter-governmental BY Sub city(1 4)

/MISSING ANALYSIS.

NPar Tests

Notes

Output Created	06-JUN-2017 18:06:10	
Comments		
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	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax	NPAR TESTS /K-W=Inter-governmental BY Sub city (1 4) /MISSING ANALYSIS.	
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.00
	Number of Cases Allowed ^a	112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

Sub city of Addis Ababa	N	Mean Rank
Inter-governmental fiscal relation		
Kolfe Keranio	45	94.98
Bole	30	89.95
Kirkos	48	93.70
Arada	52	75.58
Total	175	

Test Statistics^{a,b}

	Inter-governmental fiscal relation
Chi-Square	4.646
df	3
Asymp. Sig.	.200

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa

CROSSTABS

/TABLES=Sub city BY Highly dependent Intended purpose Revenue utilization and expenditure Incentive Interference
Sufficient resources

/FORMAT=AVALUE TABLES

/CELLS=COUNT
ROW
/COUNT ROUND CELL.

Crosstabs

Notes

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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each table are based on all the cases with valid data in the specified range(s) for all variables in each table.

Syntax	CROSSTABS /TABLES=Sub city BY Highly dependent Intended purpose Revenue utilization and expenditure Incentive Interference Sufficient resources /FORMAT=AVALUE TABLES /CELLS=COUNT ROW /COUNT ROUND CELL.		
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	Dimensions Requested		2
	Cells Available		131072

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Sub city of Addis Ababa * Your Woreda is financially highly dependent on Addis Ababa city administration	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * The current Woreda fiscal decentralization is supported with human and financial resources to accomplish its intended purpose	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * The current fiscal decentralization application of revenue utilization and expenditure authority maximizes the efficiency of Woreda level activities	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * There are incentives that Addis Ababa administration gives for good performance of revenue collection and expenditure authority under the grant formula	175	100.0%	0	0.0%	175	100.0%
Sub city of Addis Ababa * Addis Ababa city administration interferes in your financial autonomy and mandate of revenue utilization and expenditure authority.	175	100.0%	0	0.0%	175	100.0%

Sub city of Addis Ababa * Woredas have access to sufficient resources to meet their basic responsibility.	175	100.0%	0	0.0%	175	100.0%
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Sub city of Addis Ababa * Your Woreda is financially highly dependent on Addis Ababa city administration Cross tabulation

			Your Woreda is financially highly dependent on Addis Ababa city administration					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	1	7	7	21	9	45
		% within Sub city of Addis Ababa	2.2%	15.6%	15.6%	46.7%	20.0%	100.0%
	Bole	Count	3	5	3	5	14	30
		% within Sub city of Addis Ababa	10.0%	16.7%	10.0%	16.7%	46.7%	100.0%
	Kirkos	Count	3	5	3	23	14	48
		% within Sub city of Addis Ababa	6.3%	10.4%	6.3%	47.9%	29.2%	100.0%
	Arada	Count	3	9	6	16	18	52
		% within Sub city of Addis Ababa	5.8%	17.3%	11.5%	30.8%	34.6%	100.0%
Total		Count	10	26	19	65	55	175
		% within Sub city of Addis Ababa	5.7%	14.9%	10.9%	37.1%	31.4%	100.0%

Sub city of Addis Ababa * The current Woreda fiscal decentralization is supported with human and financial resources to accomplish its intended purpose Cross tabulation

	The current Woreda fiscal decentralization is supported with human and financial resources to accomplish its intended purpose	Total
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			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kofe Keranio	Count	2	14	9	17	3	45
		% within Sub city of Addis Ababa	4.4%	31.1%	20.0%	37.8%	6.7%	100.0%
	Bole	Count	0	7	3	13	7	30
		% within Sub city of Addis Ababa	0.0%	23.3%	10.0%	43.3%	23.3%	100.0%
	Kirkos	Count	3	12	13	16	4	48
		% within Sub city of Addis Ababa	6.3%	25.0%	27.1%	33.3%	8.3%	100.0%
	Arada	Count	4	9	17	16	6	52
		% within Sub city of Addis Ababa	7.7%	17.3%	32.7%	30.8%	11.5%	100.0%
Total		Count	9	42	42	62	20	175
		% within Sub city of Addis Ababa	5.1%	24.0%	24.0%	35.4%	11.4%	100.0%

Sub city of Addis Ababa * The current fiscal decentralization application of revenue utilization and expenditure authority maximizes the efficiency of Woreda level activities
Cross tabulation

			The current fiscal decentralization application of revenue utilization and expenditure authority maximizes the efficiency of Woreda level activities					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Sub city of Addis Ababa	Kofe Keranio	Count	5	14	6	18	2	45
		% within Sub city of Addis Ababa	11.1%	31.1%	13.3%	40.0%	4.4%	100.0%
	Bole	Count	4	8	4	12	2	30
		% within Sub city of Addis Ababa	13.3%	26.7%	13.3%	40.0%	6.7%	100.0%

Total	Kirkos	Count	5	17	11	9	6	48
		% within Sub city of Addis Ababa	10.4%	35.4%	22.9%	18.8%	12.5%	100.0%
	Arada	Count	7	9	14	18	4	52
		% within Sub city of Addis Ababa	13.5%	17.3%	26.9%	34.6%	7.7%	100.0%
	Total	Count	21	48	35	57	14	175
		% within Sub city of Addis Ababa	12.0%	27.4%	20.0%	32.6%	8.0%	100.0%

Sub city of Addis Ababa * There are incentives that Addis Ababa administration gives for good performance of revenue collection and expenditure authority under the grant formula Cross tabulation

			There are incentives that Addis Ababa administration gives for good performance of revenue collection and expenditure authority under the grant formula					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	3	13	13	14	2	45
		% within Sub city of Addis Ababa	6.7%	28.9%	28.9%	31.1%	4.4%	100.0%
	Bole	Count	3	7	8	11	1	30
		% within Sub city of Addis Ababa	10.0%	23.3%	26.7%	36.7%	3.3%	100.0%
	Kirkos	Count	8	15	14	8	3	48
		% within Sub city of Addis Ababa	16.7%	31.3%	29.2%	16.7%	6.3%	100.0%
	Arada	Count	5	10	18	14	5	52
		% within Sub city of Addis Ababa	9.6%	19.2%	34.6%	26.9%	9.6%	100.0%
Total		Count	19	45	53	47	11	175

% within Sub city of Addis Ababa	10.9%	25.7%	30.3%	26.9%	6.3%	100.0%
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Sub city of Addis Ababa * Addis Ababa city administration interferes in your financial autonomy and mandate of revenue utilization and expenditure authority. Cross tabulation

			Addis Ababa city administration interferes in your financial autonomy and mandate of revenue utilization and expenditure authority.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	7	8	8	19	3	45
		% within Sub city of Addis Ababa	15.6%	17.8%	17.8%	42.2%	6.7%	100.0%
	Bole	Count	2	3	8	15	2	30
		% within Sub city of Addis Ababa	6.7%	10.0%	26.7%	50.0%	6.7%	100.0%
	Kirkos	Count	4	8	15	16	5	48
		% within Sub city of Addis Ababa	8.3%	16.7%	31.3%	33.3%	10.4%	100.0%
	Arada	Count	3	9	8	26	6	52
		% within Sub city of Addis Ababa	5.8%	17.3%	15.4%	50.0%	11.5%	100.0%
Total		Count	16	28	39	76	16	175
		% within Sub city of Addis Ababa	9.1%	16.0%	22.3%	43.4%	9.1%	100.0%

Sub city of Addis Ababa * Woredas have access to sufficient resources to meet their basic responsibility. Cross tabulation

			Woredas have access to sufficient resources to meet their basic responsibility.					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Sub city of Addis Ababa	Kolfe Keranio	Count	7	14	5	17	2	45

		% within Sub city of Addis Ababa	15.6%	31.1%	11.1%	37.8%	4.4%	100.0%
	Bole	Count	4	6	6	9	5	30
		% within Sub city of Addis Ababa	13.3%	20.0%	20.0%	30.0%	16.7%	100.0%
	Kirkos	Count	9	19	8	10	2	48
		% within Sub city of Addis Ababa	18.8%	39.6%	16.7%	20.8%	4.2%	100.0%
	Arada	Count	9	12	12	17	2	52
		% within Sub city of Addis Ababa	17.3%	23.1%	23.1%	32.7%	3.8%	100.0%
Total		Count	29	51	31	53	11	175
		% within Sub city of Addis Ababa	16.6%	29.1%	17.7%	30.3%	6.3%	100.0%

NPAR TESTS

```

/K-W=General Issues BY Sub city(1
4)
/MISSING ANALYSIS.

```

NPar Tests

Notes

Output Created		06-JUN-2017 18:20:50
Comments		
Input	Data	C:\Users\guest2\Desktop\Eyob.sav
	Active Dataset	DataSet1
	Filter	<none>

	Weight	<none>	
	Split File	<none>	
	N of Rows in Working Data File		175
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.	
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.	
Syntax		NPAR TESTS /K-W=General Issues BY Sub city (1 4) /MISSING ANALYSIS.	
Resources	Processor Time		00:00:00.02
	Elapsed Time		00:00:00.02
	Number of Cases Allowed ^a		112347

a. Based on availability of workspace memory.

[DataSet1] C:\Users\guest2\Desktop\Eyob.sav

Kruskal-Wallis Test

Ranks

		N	Mean Rank
Sub city of Addis Ababa			
General Issues	Kolfe Keranio	45	82.94

Bole	30	101.73
Kirkos	48	76.78
Arada	52	94.81
Total	175	

Test Statistics^{a,b}

	General Issues
Chi-Square	5.985
df	3
Asymp. Sig.	.112

a. Kruskal Wallis Test

b. Grouping Variable: Sub city of Addis Ababa