ADDIS ABABA UNIVERSITY
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SERVICES DRLIVERY AND CUSTOMER SATISFATION: THE CASE OF ETHIOPIAN TELECOMMUNICATION CORPORATION ON MOBILE TELEPHONE

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29

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Approved by Board of examiners

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ABSTRACT

The main objective of this study was to identify the existing problems and situations of mobile service delivery by ETC and the factors that determine customers' satisfaction. To conduct this study, a descriptive survey was employed.

Questionnaire survey, interview, document analysis and organizational observation were used to collect necessary data. The subjects of this study were chosen using systematic and purposive sampling procedures. The research study involved three categories of sample population: Customers, ETC employees and Management groups. Data analysis was made by using SPSS version 17 software such as percentage. Mean, standardization and t-test to identify whether were differences or agreement in the views of the respondents regarding various factors.

The study findings indicate that there is disparity between the customer expectation and services actually received by customers. This study concludes that these factors should be fulfilled or improved at the organizational level to satisfy customers through improving the quality of services. The researcher strongly recommend, has to be a balance beteween expanding the service and aquiring most recent technologies and physical facilities in the industry,and the corporation has to enhance the skill of the existing ones and attract new skilled manpower from the market.

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List of Abbreviations

3G- Third Generation net work

ANOVA- Analysis of Variances

ATA-Austin Texas Advertizing

BPR- Business Processes Reengineering

CAAZ- Central Addis Ababa Zone

CDMA- C ode Division Multiple Access

CI- confidence level

ETC- Ethiopian Telecomcomunication Cooperation

IDPS- Integrated Development plans

SERVQUAL- Services quality

T- Test

WCDMA- wide band code Division multiple Access

List of Tables, figure and Graph

Page

Table of Content

CHAPTER ONE:

INTRODUCTION

1.1. Background of the study

Service delivery can be defined in two forms: behaviors and economy. In behavior, a service means an act or service offered by one group to another. Whereas in the form of economy, a service is an economic activity that generates value and provides benefits to customers within a specific time and place. Ismail and Yusof (2009:39)

Modern service delivery, which has been a distinguishing feature of the private sector, has become a topical issue among government as well as non-government institutions in their recent attempts to transfer good management practices from the private to the public sector. Services delivery refers to the systematic arrangement of activities in services giving institutions with the main of fulfilling the needs and expectations of service users and other stakeholders with the optimum use of resources. In short, improvement of services delivery means increasing the cost effectiveness, coverage and impact of services (A.O Fagbemi, 2005, P: 14-15).

Service is generally any activity undertaken to meet social needs. public services, particularly refers to those activities of government institutions aimed at satisfy the needs and ensuring the well being of society as well as enforcing laws, regulations and directives of government.

Customer services are giving what we promise on time. It refers to everything a company does to satisfy its customers and to help and realize the greatest possible value to the basic goods and services (Kotler, 1998, P: 291)

Customer satisfaction has long been recognized in marketing thought and practice as a central concept as well as an important goal of all business activities (Anderson et al., 1994; Yi, 1990). Realization of its importance has resulted in a proliferation of research on Customer satisfaction over the past few decades "Even a causal glance at business journals and business sections of daily news papers reveals that the subject of customer satisfaction is receiving extraordinary attentions" (Anton, 1997).High consumer satisfaction has many benefits for the firm, such as increased Customer loyalty, enhanced firm reputation, reduced price elasticity's, lower costs of future transactions, and higher employee efficiency (Anderson et al. 1994; Fornell, 1992; Swanson and Kelley, 2001). It is believed that consumer satisfaction is a good, if not the best, indicator for a firm's future profits (Fornell, 1992; Kotler, 1991; Reichheld and Sasser, 1990).

In any Organization, especially in services rendering firms the key components of their function is providing quality services to their customers. Customer satisfaction happens when companies focus on quality services. Customer satisfaction produces real rewards for the company in the form of customer loyalties and corporate image while lack of customer satisfaction produces real liabilities that business can ill afford to ignore customers go back to business again because they known its quality, they known can depended on the people there, and they will get consistent service which indicates of the organization (Denton, 1998:14-15).

1.2. Background of the organization

Telecommunications services in Ethiopia are introduced around 1894, seventeen years after the invention of telephone technology in the world. The company was placed under government control at the beginning of the twentieth century, and was later brought to operate under the auspices of the Ministry of Post and Communications. In 1952, telecommunications services were separated from the postal administration and structured under the Ministry of Transport and Communications.

The introduction of telecommunication in Ethiopia dates back to 1894. In those early years, the new technological scheme contributed to the integration of the Ethiopian society when the extensive open-wire line system was laid out linking the capital with all the important administrative centers of the country. Most of the telecommunication network, however, was completely destroyed during the Italian Fascist aggression and later on Ethiopia had to start the development of its telecommunication facilities all over again. When the Imperial Telecommunications Board of Ethiopia was established in 1953, it was granted full administrative and financial autonomy in carrying out its mandate.

The major objectives of the Board were to undertake the expansion of telecom services throughout the nation, to represent Ethiopia at all international for a regarding telecom to allocate and control all communication frequencies, and to train the required personnel in a way expedient to its operation. In order to achieve its objectives, the organization had undergone through series of development programs. One of the major activities undertaken was the establishment of a satellite communication earth station to facilitate international communication services in 1979. By the year 1988, the first digital exchanges went operational in Addis Ababa and other major towns for the first time. Later on in 1996, it was established as a state owned corporation. New services were introduced then: Internet in 1996, Mobile in 1997, and the Digital Data Network in 2001. Just before the implementation of the seventh Telecom development program (1998-2001), in the transitional years, several projects have been executed to rehabilitate the network damaged by the 17 years of war during the Military Regime. The current country's telecom penetration is wide range included mobile subscription.

Year	**Milestone**
1894	Work commences on long distance telephone line between Harrar and Addis Ababa;
1897	The Harrar-Addis Ababa telephone line completed, Dire- Dawa-Djibouti telephone line work had been started;
1902	The Addis Ababa-Asmara telephone line work had been started;
1905	The 880 – kilometer Addis Ababa-Asmara telephone line had been completed;
1906	The Dire-Dawa-Djibouti telegraph line had been completed;
1907	Emperor Menelik advocates Ethiopia's membership of the International Telecommunication Union (ITU);

1914 The Addis Ababa telephone exchange begun to serve some 100 subscribers;

1920 Ethiopia participated in the general assembly of the International Postal, Telegraph and Telephone service held in Madrid, Spain;

1931 The Ethiopian Government signed a contract agreement for the building of a radio transmission and reception station;

1932 Ethiopia has become member of the International Telecommunication Union (ITU)

1933 A radio-telephone station set up within the compound of the old post office linking the country with Cairo, Djibouti and Aden;

1934 170 towns and villages became the beneficiaries of telephone services;

1941 The invading fascist Italian forces destroy most of Ethiopia's communication line; A 1,500 line capacity automatic telephone exchange was installed in Addis Ababa;

1952 Establishment of Imperial Board of Telecommunications of Ethiopia being separated from the Ethiopian Postal Service

1975 The organization was renamed as " Provisional Military Government of Socialist Ethiopia Telecommunication Service"

1979 Establishment of Satellite Communication Earth Station to facilitate international telephone, telex, telegraph and television services;

1981 The organization was renamed as " Ethiopian Telecommunications Authority

1981 The Addis Ababa-Debre-Markos-Bahr-Dar Gondar microwave line became operational;

1987 The second Sululta Satellite Earth Station began operation;

1988 Digital exchanges went operational in Addis Ababa and other major towns for the first time;

1989 Digital technology expanded; the digital microwave and fiber cable communication systems initiated in Addis Ababa;

1990 A Domestic Satellite Earth Station went operational;

1996 ETC established as a Corporation;

1997 Internet Service introduced - Ethio Internet established;

1999 Mobile Telephone Service was launched - Ethio Mobile established

2001 Digital Data Network Service was introduced - Ethio Stream established

2003 Smart Calling Cards introduced

2003 International Roaming Service was realized

2003 Satellite Mobile Service was launched

2003 ETC introduced Pre Paid Mobile System

2004	ETC Commenced Broadband Multi-media services
2005	The first phase of nationwide installation of about 4,000 kilometers; Long Optical Fiber Network Across to six directions of the country from the metropolis to Dire Dawa-Djibouti, Dessie-Mekele, Bahir Dar-Nekempt, Jimma and Awasa started;
2005	Rural Connectivity Project, which connected 5,000 rural kebeles across the country, accomplished
2006	The six digit fixed line and mobile telephone numbers have been changed to seven Digits and the area Cods from two to three
2007	Next Generation Network of Fixed Telephone Lines; Third Generation Network (3G) of mobile service based on Wideband Code Division Multiple Access(WCDMA), (CDMA) Code Division Multiple Access and Dense Wavelength Division Multiple (DWDM) based Optical Fiber Transmission were introduced in Ethiopia;

Source:-http://www.ethio.net/hist/html.2.

1.3. Statement of the problem

ETC is the second largest public sector organization in Ethiopia next to Ethiopian Air lines. It is divided in six (6) Zonal offices in Addis Ababa and 13 Regional offices. Each office delivers services to the public who are the residents of the area.

This research tries to show services delivery and customer satisfaction in public sector by taking Telecommunication of Ethiopian as a case study in mobile service delivery practices and problems arising out of it.

Service delivery refers to the systematic arrangement of activities in service giving institutions with the aim of fulfilling the needs and expectations of services users and other stakeholders with the optimum use of resources. [Ministry of Capacity Building (2001:1)]

Although the Ethiopian public sector organization has prolonged traditions and experiences of services delivery, it is often viewed as bureaucratic that emphasized on the hierarchy and reliance on the rules and regulations.

Public organizations tend to give insufficient recognition that citizens have rights to get service from public sector organizations, that organizations in public sector are sole providers of some services consistent with regulations and guidelines governing institution. Service users are rarely consulted on their needs.

With the above-mentioned factors, increasing level of customers' satisfaction can be found out to be one of the most noticed problems in public sector of organizations.

Ethiopian telecom communication is one of the public sector organizations in which the above-mentioned problems are observed. Although it is expanding its services throughout the country, its customers complain about the quality of the services. Some of the major factors for customers dissatisfaction are poor infrastructure, poor network converge, high cost.

Hence, the study of this paper would be directed investigating the overall practices and problems affecting customer services delivery and satisfaction in Ethiopian telecommunication.

1.4. **Basic Research Questions:** While attempting to conduct a research like the present one the following questions arise in the researcher's mind.

1.1. What are the perceptions of customer is on the mobile telephone services delivery?
1.2. What factors and variables undermine customer satisfaction in ETC in general and the mobile telephone services delivery in particular?
1.3. What are the problems, which undermine the services delivery program?
1.4. What lesson to be drawn to increases customer satisfaction on the mobile telephone delivery?

1.5. Objective of the study:

- The overall objective of the study is to identify the existing problems and situations of mobile service delivery by ETC and its customer satisfaction and to suggest different alternative solutions to solve those problems;

1.5.1. The specific objectives of the study are:-

1. To assess the satisfaction of mobile service users,
2. To identify the problems of mobile service delivery,
3. To identify the causes of the problem,
4. To assess the way of customer complaint handling mechanism; and finally
5. To propose possible alternative solutions;

1.6. Significance of the study: The major significance of studies is

- To get the necessary feedback about customers satisfaction level and the actions to be taken,
- To provide valuable information for scholars and other researchers who want to conduct further research in the area.

1.7. Scope and limitation of the study: It would difficult to access all the services given by ETC due to lack of finance, time, materials and human resources. Hence the study have been limited to the mobile services only focusing on Addis Ababa Zonal offices by taking the Central Zone as a sample case study. The central Zone was selected because of its number of users and proximity.

1.8. Research methodologies

- **Research Methods:** The type of research is descriptive which aims at describing the existing problems of mobile service delivery and customer dissatisfaction in ETC.

- **Types and Sources of data**: In this research both primary and secondary data sources of data collection has been used.

- **Primary data**

  I. The first target group has been customers who were received services from the organization. This data are helping us to know the level of the quality of service being rendered and the degree of satisfaction.

  II. The second groups have been employees of ETC who are directly giving the service. These people do have the first hand information on the customers' feedback.

  III. The third one has been the managerial or administrative group by whom all policy, procedures and directives are articulated upon the operation of the entire organization.

- **Secondary Data source**: The secondary data and information sources include: The Web site of ETC, magazines prepared by ETC, Related reading materials and internet sources and other research materials.
- **Research Techniques and Tools:**

  In this research, both qualitative and quantitative data are carefully collected from the respondents with the aid of questioners and interviews.

Two different questioners were designed.

- The first questionnaire was for the customers, who were received services from the organization.
- The second questionnaire was for employees of ETC who are directly giving the service.

Semi Structured Interview

- Semi structured interview with selected management members and administrative staffs were conducted to triangulate data obtained from two primary sources.

1.9. Sample and Sampling Techniques

Regarding the types of sampling design, the researcher is using both the probability and non-probability techniques. Probability sampling techniques have been used for staffs of ETC and non-probability sampling technique has been used for customers. Because the total number of population users has unknown. A total of 200 respondents have been selected for the questionnaire. The informants have been divided into three groups. These are customers, employees and management staff. In the first group, 150 customers have been selected as respondents by using purposive sampling tools. In the second group 40 employees have been selected to fill the questionnaire by using stratified sampling design and lastly 10 administrative and management staffs has been selected for Interview.

- **Methods of Data Analysis**

  - The Statistical Package for Social Science (SPSS for windows version 17.0) software is used for data clearing, data entry and all the data tabulating and data processing with some high-level statistical analysis of the study.

- Descriptive statistical tools and percentages have been employed to facilitate the analysis, its presentation and the modest analysis of the collected data. Also that data in form of qualitative information collected from the interview, observation and documents have been described by using qualitative analysis.

1.10. Organization of the study

The research study is structured in to four chapters. The first chapter deals with the background of the study, background of the organization, statement of the problem, objectives of the study, significance of the study, scope and limitation of the study and methodologies of the study. Chapter two deals with the conceptual and theoretical frameworks of customer service delivery and public sector deliveries. It would be the literature review section. Chapter three deals with data presentation and analysis of the current mobile service delivery by ETC and customer satisfaction. Chapter four deals with the findings, logical conclusions and possible recommendations.

CHAPTER TWO:

LITERATURE REVIEW

2.1. INTRODUCTION

This chapter deals with the theoretical and conceptual framework of the study. The meaning of services, service delivery, customer and customer satisfaction and some models related to services delivery and customer satisfactions are briefly reviewed.

2.2. Meaning of Service

According to **Kitchroen (2004: 15),** Service is generally any activity undertaken to meet social needs. Public service, particularly, refers to those activities of government institutions aimed at satisfying the needs and ensuring the well-being of the society as well as enforcing laws, regulations and directives of the government. (Capacity Building, 2001:1).

The service-goods continuum:-The dichotomy between physical goods and intangible services should not be given too much credence. These are not discrete categories. Most business theorists see a continuum with pure service on one terminal point and pure commodity good on the other terminal point. Most products fall between these two extremes. For example, a restaurant provides a physical good (the food), but also provides services in the form of ambiance, the setting and clearing of the table, etc. In addition, although some utilities actually deliver physical goods like water utilities, which actually deliver water, are usually treated as services. (Austin Texas Advertising /Web Page, 2009:1).

2.3. Aspects to services

Intangibility: They cannot be seen, handled, smelled, etc. There is no need for storage. Because services are difficult to conceptualize, marketing them requires creative visualization to evoke a concrete image in the customer's mind effectively. From the customer's point of view, this attribute makes it difficult to evaluate or compare services prior to experiencing the service.

Perishability: Unsold service time is "lost", that is, it cannot be regained. It is a lost economic opportunity. For example, a doctor that is booked for only two hours a day and cannot work later those hours— she has lost her economic opportunity. Other service examples are airplane seats (once the plane departs, those empty seats cannot be sold), and theater seats (sales end at a certain point).

Lack of transportability: Services must be consumed at the point of "production".

Lack of homogeneity: Services are typically modified for each client or each new situation (customized). Mass production of services is very difficult. This can be seen as a problem of inconsistent quality. Both inputs and outputs to the processes involved providing services are highly variable, as are the relationships between these processes, making it difficult to maintain consistent quality.

Labor intensity: Services usually involve considerable human activity, rather than precisely determined process. Hence, Human resource management is important. The human factor is often the key success factor in service industries. It is difficult to achieve economies of scale or gain dominant market share.

Demand fluctuations: It is very difficult to estimate demand. Demand can vary by season, time of day, business cycle, etc

Buyer involvement: Most service provision requires a high degree of interaction between client and service provider. In a narrower sense, service refers to quality of customer service: the measured appropriateness of assistance and support provided to a customer. This particular usage occurs frequently in retailing. (Austin Texas Advertising/ Web Page, 2009:3-4).

Meaning of Service delivery: According to Ismail and Yusof (2009:39), service has been a difficult task for writers and researchers in service delivery because different authors have different definitions. Service delivery can be defined in two forms: behaviors and economy. In behavior, a service means an act or service offered by one group to another. Whereas in the form of economy, a service is an economic activity that generates value and provides benefits to customers within a specific time and place. However, 'customer expectations about service delivery vary from person to person, product to product, service to service, culture to culture, business to business, industry to industry, and country to country' . The ability to deliver superior service quality is a prerequisite for success.

Chia et al (2002), as cited by Ismail and Yusof (2009:39) defined service quality as a comparison between customer expectation and their perception of the service they actually received.

Service provision has been defined as an economic activity that does not result in ownership, and this is what differentiates it from providing physical goods. It is claimed to be a process that creates benefits by facilitating a change in customers, a change in their physical possessions, or a change in their intangible assets. By supplying some level of skill, ingenuity, and experience, providers of a service participate in an economy without the restrictions of carrying stock (inventory) or the need to concern themselves with bulky raw materials. On the other hand, their investment in expertise does require marketing and upgrading in the face of competition, which has equally few physical restrictions. (Austin Texas Advertising/ Web Page, 2009:2).

In his work on Delivering Local/Municipal Services, Kitchen (1993) states municipal and local services may be delivered in a variety of ways. Alternatives range from complete public provision to complete private provision or a mix of these two, including public private partnership. Public sector provision ranges from responsibility resting with the local council or city hall to responsibility assigned to some kind of independent or quasi-independent special-purpose body or local government enterprise. Private sector alternatives include contracting out, franchises, grants, vouchers, volunteers, self-help organizations, and nonprofit agencies. (World Bank, 2005:117).

2.4. Features of Customer Service Delivery

According to Customers and Training Tips.Com (2010:1) the following eight new features of service **D-E-L-I-V-E-R-Y** was discovered which would help customer service representatives go to the top of the league.

"D" is for Dedicated. The moment a customer needs help the dedicated customer service representative swings into action. Customers should be made to feel that they are priority number one, not that they are on the bottom of a list and will have to wait his turn.

"E" is for Empowered. The empowered customer service representative is given what he needs to be able to provide outstanding customer service. Empowerment begins with training, the provision of tools, and the recognition of individual potential. Empowerment is nurtured by showing trust and support, listening to representatives and helping them resolve problems, and removing any obstacles or conditions that make their work harder.

"L" is for Linked. The members of a customer care team must work together and share information. Great customer service cannot be achieved by individuals working in isolation. Linking should also extend beyond the team to include all other employees of the company in mutual support. A company with employees who work together for the mutual benefit of the company and its customers will quickly rise to the top.

"I" is for Informed. In the past the customer service department was often neglected by management. Representatives, seen as workers at the bottom of the totem pole, went untrained and uninformed. Today more and more companies have realized the importance of these front-line staff and are treating them like royalty. After all, they are representing the company not only to established customers, but to new and potential customers as well. How customers are treated is how business goes. Customers deal first with customer service representatives. These representatives should receive thorough training on the company's products, systems, policies, and procedures. They should know how to solve problems, what to do when a customer has a crisis, where to find needed information, when to ask for outside assistance, who to contact in specific situations, and how to build customer satisfaction and trust. They should be informed in all aspects of the company and its products and services.

"V" is for Valued. Before customer service representatives can value their work and your customers, you must show them that you value them. If they feel like valuable employees doing work that is valued, they will produce far greater results than if they feel insignificant in an insignificant job. You can emphasize that you value them by providing training, asking for their opinions and feedback, responding to their needs and questions, acknowledging their contribution, praising them, and offering financial incentives to the degree possible and other rewards. Rewards might include gift certificates or small gifts on appropriate occasions.

"E" is for Experienced. An experienced customer service representative learns to be knowledgeable but not overly technical with customers. He or she shows confidence but not arrogance, friendliness but not familiarity, helpfulness but not insistence, and attentiveness but not intrusiveness. The representative may be smartly dressed but never overpowering. It takes experience to automatically strike the right balance and quickly shift to a new balance for the next customer.

"R" is for Representative. The customer service representative should always act in the best interests of the company. From personal appearance to speech and action, the representative should project a strong, positive image of the company and a sincere interest in helping the customer. At the conclusion of a contact with the representative, the customer should feel happy about doing business with a company whose employees are warm and friendly as well as efficient and knowledgeable.

"Y" is for "Your" Responsibility. The customer service representative accepts responsibility for his role as a front-line representative for the company. He knows that to a customer, he is the company.

Not just customer service representatives, but all employees of a company are responsible for delivering good customer service, and delivery means being a dedicated, empowered, linked, informed, valued, and experienced representative who accepts responsibility.

2.5. Factors to be considered in Service Delivery

According to Austin Texas Advertising Web Page (2009:1) the delivery of a service typically involves five factors:

1. The service providers (e.g. the people)
2. Equipment used to provide the service (e.g. vehicles, cash registers)
3. The physical facilities (e.g. buildings, parking, waiting rooms)
4. The client
5. Other customers at the service delivery location

The service encounter is defined as all activities involved in the service delivery process. Some service managers use the term "moment of truth" to indicate that defining point in a specific service encounter where interactions are most intense.

The service encounter is defined as all activities involved in the service delivery process. Some service managers use the term "moment of truth" to indicate that defining point in a specific service encounter where interactions are most intense.

Many business theorists view service provision as a performance or act (sometimes humorously referred to as dramaturgy, perhaps in reference to dramaturgy). The location of the service delivery is referred to as the stage and the objects that facilitate the service process are called props. A script is a sequence of behaviors followed by all those involved, including the client(s). Some service dramas are tightly scripted, others are more ad lib. Role congruence occurs when each actor follows a script that harmonizes with the roles played by the other actors.

2.6. Bathos Pele principle/People first

According to, CAPAM Report (2004: 6 - 15). Eight Bathos Pele principles were developed to serve as acceptable policy and legislative framework regarding service delivery in the public service. These principles are aligned with the constitutional ideals of:

- Promoting and maintaining high standards of professional ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilizing resources efficiently and effectively;
- Responding to people's needs; the citizens are encouraged to participate in policy-making; and
- Rendering an accountable, transparent, and development-oriented public administration;

Thus "People First" was conceived with the intention of transforming service delivery in the public sector. Good service delivery leads to happy customers and employee satisfaction for a job well done. In addition, the Eight Bathos principle is as follows:-

Consultation

There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, NGOs and CBOs. Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in Local Government sphere.

Setting service standards

This principle reinforces the need for benchmarks to measure the extent to which citizens are satisfied with the service or products they receive from departments constantly. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.

Required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorize a housing claim, to issue a passport or identity document, or even to respond to letters.

Increasing access

One of the prime aims of Batho Pele is to provide a framework for making decisions about delivering public services. Batho Pele also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centers and Call Centers.

Access to information and services empowers citizens and creates value for money, quality services. It reduces unnecessary expenditure for the citizens.

Ensuring courtesy

This goes beyond a polite smile, 'please' and 'thank you'. It requires service providers to empathize with the citizens and treat them with as much consideration and respect, as they would like for themselves.

The public service is committed to continuous, honest and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards. If applied properly, the principle will help demystify the negative perceptions that the citizens in general have about the attitude of the public servants.

Providing information

As a requirement, available information about services should be at the point of delivery, but for users who are far from the point of delivery, other arrangements will be needed. In line with the definition of customer in this document, managers and employees should regularly seek to make information about the organization, and all other service delivery related matters available to fellow staff members.

Openness and transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilizes the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle, suggest improvement of service delivery mechanisms, and even make government employees accountable and responsible by raising queries with them.

Redress

This principle emphasizes a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organizational level, in relation to the entire service delivery programme.

Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

Value for money

Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

2.7. Measurement of Service Quality

Product quality is essential to recruiting customers, but service quality is the key to customer retention and growth. Indeed, service is much more important than we might imagine. Customers are "five times more likely to switch vendors because of perceived service problems than for price concerns or product quality issues", according to a study by the Forum Corporation. (Superior Customer Service, The prompt approach to success, Michael Quine and Lynda Byron, 2006: Page 1)

Service quality is the ability of the organization to meet or exceed customer expectations. ....The SERVQUAL model compares the customers' expectation and perception of service in terms of tangible assets, reliability, responsiveness, assurance, and empathy. The SERVQUAL model has been widely used in the study of service industry .... **(Kitchroen, 2004:14-15)**

Finding a generally accepted and agreed upon definition about service quality is very difficult. What is quality for one might not be quality for others. People, depending on the level of their respective satisfaction, have different opinion on service quality. Even the scholars on the issue have different opinion.

Accordingly different authors tried to describe the definition and dimension of quality services in their perspective understandings as shown below.

Parasuraman, Zeithaml, and Berry, (1985), as cited by **Kitchroen (2004:14)** described service quality as the ability of an organization to meet or exceed customer expectations.

Sasser, Olsen, & Wyckoff (1978), as cited by **Kitchroen (2004:15)** listed seven services attribute, which they believe adequately, embrace the concept of service quality. These include:

1) Security - confidence as well as physical safety;
2) Consistency - receiving the same treatment for each transaction;
3) Attitude – politeness;
4) Completeness – the availability of ancillary services;
5) Condition - of facilities;
6) Availability – spatial and temporal customer access to services;
7) Training- of service providers;

Gronroos (1991) held that service quality is made up of three dimensions: the "technical quality of the outcome", the "functional quality of the encounter", and the "company corporate image". Lehtinen (1982) also described service quality in three dimensions: the "physical quality" (of products and/or services), the "corporate quality" (the company image) and "interactive quality" (interaction between the consumer and the service organization). These authors argue that in examining the determinants of quality, it is necessary to differentiate between quality associated with the process of service delivery and quality associated with the outcome of service, judged by the consumer after the service is performed. **(Kitchroen, 2004:15)**

Johnston, Silvestro, Fitzgerald, & Voss (1990), as cited by **Kitchroen (2004:15)** Identified fifteen dimensions of service quality categorized as "hygiene factors", "enhancing factors" and "dual-threshold factors". "Hygiene factors" are expected by the customer and dissatisfaction of customers would occur if they were not delivered. "Enhancing factors" will lead to customer satisfaction but will not necessarily lead to customer dissatisfaction if they are not delivered. Failure to deliver "dual-threshold factors" will cause dissatisfaction and will enhance customer's perceptions of service and lead to satisfaction if they are delivered above a certain threshold.

Parasuraman Zeithaml and Berry (1985) as cited by **Kitchroen (2004:15-16)** listed ten determinants of service quality that can be generalized to any type of service. The ten dimensions include:

1) Tangibles - the physical evidence of the service, physical facilities, appearance of personnel, tools or equipment used to provide the service, other customers in the service facility;

2) Reliability - consistency of performance and dependability;

3) Responsiveness - willingness or readiness of staff to provide service;

4) Competence - possession of the required skills and knowledge to perform the service by the contact personnel as well as operational support personnel;

5) Access - approachability and ease of contact;

6) Courtesy - politeness, respect, consideration, and friendliness of contact personnel;

7) Communication - keeping customers informed in language they can understand;

8) Credibility - trustworthiness, believability, and honesty;

9) Security - the freedom from danger, risk, or doubt (e.g. physical safety and confidentiality);

10) Understanding - making the effort to understand the customer's needs;

The above ten dimensions were regrouped in the well known five dimensions in the SERVQUAL model (Parasuraman, Zeithaml and Berry 1990) which include "tangible", "reliability", "responsiveness", "assurance", and "empathy":(**Kitchroen, 2004:16)**

1. Tangible - appearance of physical facilities, equipment, personnel, and communication materials;

2. Reliability - ability to perform the promised service dependably and accurately;

3. Responsiveness - willingness to help customers and provide prompt service;

4. Assurance - knowledge and courtesy of staff and their ability to convey trust and confidence;

5. Empathy – caring and individualized attention to the customer.

2.8. Instruments to Measure Service Quality

Parasuraman, Zeithaml and Berry (1990) proposed to measure service quality subjectively by finding out the extent of discrepancy between customers' expectations or desires and their perceptions of the actual quality of performed service. Good service quality exists when customer expectations are met or exceeded and is studied in five dimensions as mentioned in the last section: tangible, reliability, responsiveness, assurance, empathy. The methodology of comparing customer's expectation and perception in five dimensions is the popular SERVQUAL (Danuta Ann Nitecki, 1996). **(Kitchroen, 2004:16)**

The discrepancy between customers' expectations or desires and their perceptions of the actual service performance was elaborated in the Disconfirmation of Expectations Paradigm (Patterson 1993) which related satisfaction to customer's pre-purchase expectations and perceptions of service performance and identified any difference as Disconfirmation. The comparisons, which form the basis of the model, are as follows:

Comparison Process	**Result**
1. Perceived Performance > Expectation:	High satisfaction (Delight)
2. Perceived Performance = Expectation:	Merely Satisfied
3. Perceived Performance < Expectation:	Dissatisfaction

The publication of the first results of the SERVQUAL instrument provoked a debate on how best to measure service quality and in the subsequent decade there have been many attempts to demonstrate the efficacy of the SERVQUAL instrument. It is generally agreed, however, that SERVQUAL instrument is suitable for measurement of service quality because it measures key aspects of service quality. Asubonteng (1996), moreover, claims that SERVQUAL is popular with managers because it combines ease of application and flexibility. Managers know that results obtained using the model are probably not objective truth but that they help identify the direction in which the firm should move. **(Kitchroen, 2004:17)**

Some researchers have, however, suggested that SERVQUAL model also has weak points both theoretically and operationally. SERVQUAL's five dimensions may not cover all service aspects of the organization and are not universals. The number of dimensions comprising service quality is contextually determined; Babakus and Boller (1992) suggested that the number of service quality dimensions is dependent on the particular service being offered. Andersson (1992) pointed to SERVQUAL's failure to draw on previous social research, particularly economic theory, statistics, and psychological theory. **(Kitchroen, 2004:17)**

The methodology of comparing the gap between expectation and perception has also attracted criticism. Cronin and Taylor (1992; 1994) argued that SERVQUAL is paradigmatically flawed because of its ill-judged adoption of the disconfirmation model. Babakus and Boller (1992) found that the use of a "gap" approach to service quality measurement is "intuitively appealing", they suspected that the "difference in scores does not provide any additional information beyond that already contained in the perception component of the SERVQUAL scale". They found that the dominant contributor to the gap score is the perception score. **(Kitchroen, 2004:17)**

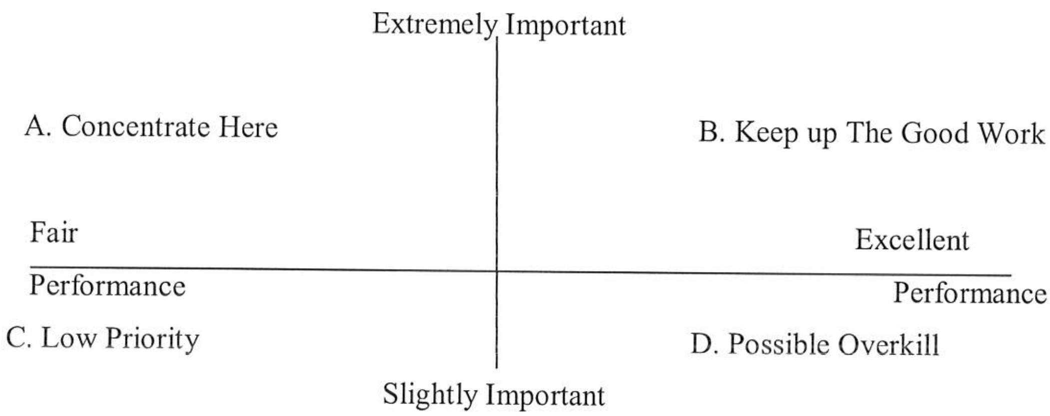
Lewis (1993) criticized the use of a seven-point Likert scale for its lack of verbal labeling for points two to six which may cause respondents to overuse the extreme ends of the scale. Babakus and Mangold (1992) suggested using five- point Likert scale on the grounds that it would reduce the "frustration level" of respondents and increase response rate and quality. The double administrations of perception and expectation questionnaires may lead to boredom and confusion (Bouman & Van Der Wiele, 1992) and may be deemed too time consuming (Carman, 1990). **(Kitchroen, 2004:17-18)**

Discussion of the Importance-Performance Analysis (IPA) technique

The Importance-Performance Analysis conceptually rests on multi-attribute models. This technique identifies strengths and weaknesses of a market offering in terms of two criteria that consumers use in making a choice: the relative importance of attributes and evaluation of the offering in terms of those attributes. A particular application of the technique starts with an identification of the attributes that are relevant to the choice situation being investigated. The list of attributes can be developed after canvassing the relevant literature, conducting focus group interviews, and using managerial judgment. Otherwise, a set of attributes pertaining to a particular service (or goods) are evaluated on the basis of how important each is to the customer, and how the service or goods is perceived to be performing relative to each attribute. **(Kitchroen , 2004:18)**

By using a central tendency (e.g. mean, median or a rank-order measure) the attribute importance and performance scores are ordered and classified as high or low; then by pairing these rankings each attribute is placed into one of the four quadrants of the importance performance grid (Crompton and Duray, 1985). Mean performance and importance scores are used as coordinates for plotting individual attributes on a two-dimensional matrix as shown in Figure 1. This matrix is used to prescribe prioritization of attributes for improvement (Slack, 1991) and can provide guidance for strategy formulation (Burns, 1986) **(Kitchroen, 2004:18)**

Figure 1.
The Original IPA Framework



Source: **Krisana (2004:18). Service Quality in Educational Institutions**

The traditional importance-performance analysis, however, has two inherent weaknesses. First, while the technique considers an object's own performance in terms of a particular attribute, it ignores its performance relative to competitors (Burns, 1986). Second, while the technique takes into account attribute salience (i.e. importance), it does not recognize the determinance of an attribute. Determinant attributes are those that discriminate well among competing products (Engle & Blackwell, 1990) and directly influence consumer choice. An attribute, say price, may be very salient to consumers, but if the consumer feels that alternative products are about the same price, then price is not a determinant attribute. Hence, solely focusing on salience at the expense of determinance may misguide strategy. **(Kitchroen , 2004:18)**

A modified IPA model might, however, be constructed on the basis of comparing perceived performance and the importance of each service attribute of the five dimensions of the SERVQUAL model. **(Kitchroen, 2004:18)**

2.9. CUSTOMER SATISFACTION

Although SERVQUAL is widely received among academics, there is no universal model that caters to all the different contexts and situations in which service quality operates. Service quality is 'a form of attitude, related but not equivalent to satisfaction' besides service quality, customer satisfaction has become an important indicator of quality and results for the future.

Customer satisfaction refers to customer responses to the evaluation of perceived shortcomings from initial expectations. Service quality and customer satisfaction is something different. The difference between the two is that service quality is an overall evaluation of a long period of time, whereas customer satisfaction measures a specific business or transaction. Quality service measurement is what customers should expect, whereas satisfaction measurement is what customers would expect. A study by Cronin and Taylor on the relationship between service quality, customer satisfaction and purchasing intention in the United States found that service quality is an antecedent for customer satisfaction.

They also found that customer satisfaction has a strong influence on purchasing intention as compared to service quality. Customers do not necessarily buy a quality service or a product with high quality but convenience, price and availability can increase customer satisfaction while not decreasing perception on service quality. Therefore quality, service and satisfaction are different constructs altogether. In relation to the public sector, service delivery encompasses wide and complex aspects.

The difficulties faced by public sector organizations are more obvious compared to those faced by the private sector, which is more autonomous and not subject to the same type and number of rules and regulations under which public services operate. However, public organizations are supposed to be proactive in delivering service to the customers. Besides that, public organizations are also under pressure to increase efficiency and respond to government legislation.

The definition of quality for the public sector cannot be similar to that of the private sector. In the public sector, quality should be defined as a result that satisfies the needs of citizens, who are the customers of public organizations.

According to Donnelly et al, There are two types of public service customers. Firstly, they are recipients of the service who contribute some financial contribution or none at all. Secondly, those who pay for a specific public service but do not get the benefit directly from it. A study by Kadir et al. on public service quality in Malaysia indicated that customer service improvement should be given high priority to achieve performance and to provide quality service to the customers.

Customer satisfaction or customer priority does not mean disregarding laws and rules for the sake of satisfying customers or to gain recognition. Further, Damanhuri said that customer satisfaction actually means the ability to build a good and lasting Public relationship with customers. Hence, in public sectors, service delivery means to provide services, which are fast, of good quality and satisfy the customer.

Although...managers believe improving quality and service is the key to competitive success, only half produce regular reports on customer satisfaction. The fact remains, however, that very few companies bother to find out if their customers are satisfied, thinking that dissatisfied customers will complain anyway. This is not always the case; many dissatisfy customer simply exit, switching their custom to another company. (Quine and Byron, 2006: 57).

Customer satisfaction depends on a products perceived performance in delivering value relative to a buyer's expectations. If the products performance falls short of the customer expectation, the buyer is dissatisfied. If the products performance exceeds the customer expectation, the buyer is delighted. Outstanding marketing companies go out of their way to keep their customers' satisfied. Satisfied customers make repeated purchases and they tell others about their good experiences with the product. The key is too much customer's expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promised customer satisfaction is closely linked to the quality.[....], quality has a direct impact on product performance and hence on customer satisfaction. In narrowest sense, quality can be defined as "freedom from defects". Nevertheless, most customer-centered companies go beyond this narrow definition of quality. (Kotler, 2001:9-11)

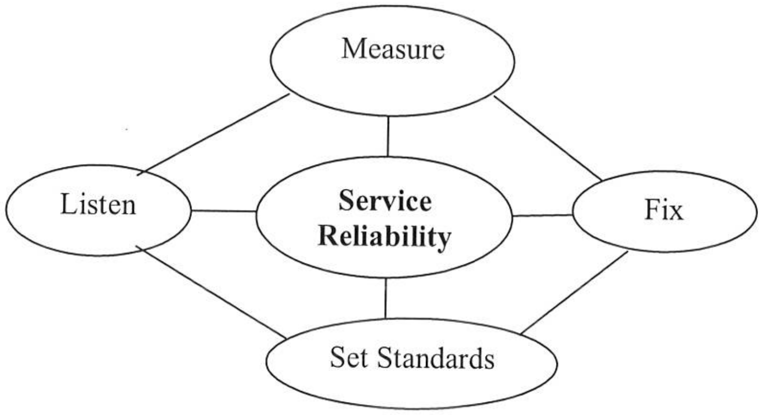
The best measure of quality is customer satisfaction. In a competitive environment, the ultimate indication of satisfaction is whether or not the customer returns to buy a product for a second, third, or fourth time. However, a firm cannot afford to gamble that its marketing decisions are correct and then wait for repeat purchases to confirm or reject those judgments. Instead managers realize that satisfaction is determined by how closely experiences with a product meet or exceeds a customer expectation. (William et.al, 2005:10)

Satisfaction is the state felt by a person who has experienced a performance or outcome that has fulfilled his or her expectations. Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of experiences with the same or similar situations, statements made by friends and other associates, and statements made by the supplying organization (Kotler & Clarke, 1987).

2.10. How to Measure Customer Satisfaction: Satisfaction Measurement and Theory

In order for companies to understand and respond to customer service initiatives they need to:

- Measure their performance on customer satisfaction/loyalty
- Listen to the voice of the customer
- Fix service problems and processes
- Set standards for key service areas.



Source: Quine and Byron (2006:33): Superior Customer Service, the Prompt approach to success.

According to Smith (2007:3-4) survey conduct, Customer satisfaction measures how well a company's products or services meet or exceed customer expectations. These expectations often reflect many aspects of the company's business activities including the actual product, service, company, and how the company operates in the global environment. Customer satisfaction measures are an overall psychological evaluation that is based on the customer's lifetime of product and service experience. "

2.11. Why is Customer Satisfaction So Important?

Effective marketing focuses on two activities: retaining existing customers and adding new customers. Customer satisfaction measures are critical to any product or service company because customer satisfaction is a strong predictor of customer retention, customer loyalty and product repurchase.

2.12. Satisfaction Measurement: Overall Measures of Satisfaction

According to Smith (2007:4) Satisfaction measures involve three psychological elements for evaluation of the product or service experience: cognitive (thinking/evaluation), affective (emotional-feeling/like-dislike) and behavioral (current/future actions). Customer satisfaction usually leads to customer loyalty and product repurchase.

However, measuring satisfaction is not the same as measuring loyalty. Satisfaction measurement questions typically include items like:

1. **An overall satisfaction measure (emotional):**

   Overall, how satisfied are you with "Yoni fresh yogurt"?

   Satisfaction is a result of a product related experience and this question reflects the overall opinion of a consumer's experience with the product's performance. Note that it is meaningful to measure attitudes towards a product that a consumer has never used, but not satisfaction for a product or brand that has never been used.

2. **A loyalty measure (affective, behavioral):**

   Would you recommend "Yoni" to your family and friends?

3. **A series of attribute satisfaction measures (affective and cognitive):**

   How satisfied are you with the "taste" of Yoni fresh yogurt?
   How important is "taste" to you in selecting Yoni fresh yogurt?

   Satisfaction and attitude are closely related concepts. The psychological concepts of attitude and satisfaction may both be defined as the evaluation of an object and the individual's relationship to it. The distinction is that satisfaction is a "post experience" evaluation of the satisfaction produced by the product's quality or value.

4. **Intentions to repurchase (behavioral measures)**

Do you intend to repurchase Yoni fresh yogurt?

Satisfaction can influence post-purchase/post-experience actions other than usage (such as word of mouth communications and repeat purchase behavior). Additional post-experience actions might include product or information search activity, changes in shopping behavior. (Smith, 2007:4).

Customer satisfaction is the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service. The achievement of customer satisfaction leads to company loyalty and product repurchase. There are some important implications of this definition:

Because customer satisfaction is a subjective, non-quantitative state, measurement will not be exact and will require sampling and statistical analysis. Customer satisfaction measurement must be undertaken with an understanding of the gap between customer expectations and attribute performance perceptions. **(Cacioppo, 1995:1)**

2.13. PUBLIC SERVICE DELIVERY IN ETHIOPIA

What is the Important of the change in the public sector? The necessity of change is obvious in the fact that any organization that refuses to change with the changing environment, will be left behind when compared with those that can cope with the changing times, to cope with the changing times, organizations must identify the factors that influences these changes.

Currently the Ethiopian government is trying to improve the service delivery of government institutions. Business Process Reengineering is being undertaken in several government agencies. The government has formulated a service delivery policy in the civil service in 2001.

The policy states that modern service delivery, which has been a distinguishing feature of the private sector, has become a topical issue among government as well as non-government institutions in their recent attempts to transfer good management practice from the private to the public sector. Service delivery basically refers to the systematic arrangement of activities in service giving institutions with the aim of fulfilling the needs and expectations of service users and other stakeholders with the optimum use of resources.

The policy document states that little attentions were given to the service delivery by the public sector. It also elaborates problems and drawbacks of the public sector in the delivery of services, the need for and objectives of the policy as well as the policy instruments send strategies designed to attain these objectives.

2.13.1. Problems and Drawbacks of the Ethiopian Public Service Delivery

Capacity Building (2001:3-4) put the following as drawbacks of the public service delivery in Ethiopia;

- Positive attitude towards public service has not developed to the desired extent;
- Insufficient recognition that citizens have the right to receive services from government;
- Lack of accountability in civil service institutions for failure to meet expected performance;
- Service delivery in many civil service institutions are based on long and time consuming, excessively hierarchical organizational structure and obsolete management practices;
- Services in most cases are provided in a manner that suits the administrative convenience of the providers rather than meet the needs of the recipients;
- Public service institutions tend to concentrate more on concerns for inputs and routine activities than on achieving tangible outputs by way of implementing government policies and programs as well as improving services;
- The public is seldom given clear and adequate information on the availability of particular services and the conditions required to get these services;

- Public users are rarely consulted about their needs;
- Public service institutions are sole providers of some services;
- Most of the institutions have no any formal complaint handling mechanisms;
- Shortage of resources constrains improvement of services to the desired level;
- Service users are often unaware of their rights and obligations pertaining to services and at times tend to resort to illicit means to get the services.

2.13.2. Policy Instruments and implementation strategies

The policy also stated the instruments and directions to attain the overall and specific objectives of the policy. These are

- Formulation of mission statement
- Promoting positive attitude towards serving the public
- Defining Eligibility
- Facilitating easy access
- Coordinating related services
- Establishing complaints handling mechanism
- Providing adequate information
- Consulting with service users
- Setting service standards
- Providing cost effective services
- Promoting transparency

In order to implement the abovementioned policy instruments the following strategies are designed to be carried out at the level of the Federal Government and Executive institutions: These are:

- Establishing an executive body
- Creating awareness
- Capacity building
- Encouraging employee participation
- Managing service delivery improvement through research and planning
- Establish a national civil service award system
- Rewarding exemplary performance
- Working in partnership with the public

2.14. What is telecoms liberalization?

Telecoms liberalization means introducing competition into the telecoms sector by allowing commercial enterprises to set up new telecoms businesses as long as they comply with certain government-defined policies, rules and regulations. It is a fundamental shift in the way a government, at the national level and through international treaty agreements, regulates the provision and use of public telecoms resources. Historically, telecoms infrastructure and services have been provided on a monopoly basis with the plain old telephone service as the main offering, and the government-owned PTT administration was combining multiple roles as policy-maker, regulator and operator. Technological advances in computers and digital technology in the 1980's and 1990's radically changed the telecoms sector, creating opportunities for market entry by a range of competitors. "What were once plain old voice networks were now seen as the central conduit of the information society, analogous to the canals and railways of the industrial society." Governments realized that monopoly networks and services were limiting the development of new markets and services. Economic stimulation and the need to attract investment in the telecoms infrastructure available became the Catalyst for governments to starts the telecommunication liberalization process. The successful transformation of a monopolistic telecom market to a competitive one requires effective and independent regulators coupled with fair and efficient judicial appeal systems. This is particularly important when the incumbent enters competitive markets and is the monopoly provider of the essential facilities upon which competitive services depend. Without effective regulatory authorities and fair judicial systems, viable competition is unlikely to emerge.

TELECOMS LIBERALIZATION: Regulatory frameworks are a means to authorize new operators' or service providers' market entry; ensure fair and non-discriminatory access to essential facilities; facilitate the roll-out of universal access; and provide for wholesale interconnection offerings. It is essential that regulations be transparently formulated and clear to all market players.

Liberalization is not de-regulation: "Liberalization" is not the same as "de-regulation". On the contrary, a country that has not liberalized its telecoms market needs no regulation because the incumbent operator is usually owned by and directly accountable to the government. Liberalization, on the other hand, requires the establishment of a market driven policy framework and pro-competitive regulations, or rules of the game that will apply to all market players. Down the road, when a truly competitive market exists, policymakers should aim to roll back sector specific regulation and replace it with the application of general competition law. However, in the early stages of liberalizing the telecoms sector, policymakers need to work with market stakeholders and take a 'hands on' approach to creating the right environment for investment and competition.

Liberalization is not privatization "Liberalization" and "privatization" means two different things, but the terms are often confused. A country that liberalizes its telecoms market need not privatize its incumbent operator. Governments may decide that selling a stake in the incumbent operator to outside investors (privatization) is a good idea to raise revenues, or to strengthen the incumbent's balance sheet for future investments, or to help the incumbent become a more robust competitor. Nevertheless, privatization is one of many options, not an obligation. A government can decide to maintain ownership of the incumbent operator, as long as the operator is separated from the government agencies that regulate the telecoms sector. Leaving the incumbent as an integrated part of the government is a bad idea, as it

Telecoms Liberalization: Creates a conflict of interest between the government's policy role and its role as an operator. This conflict of interest, rather than the actual ownership of the incumbent, is incompatible with liberalization. Governments should be aware that, if not done carefully, privatization can create its own set of problems. Investors in the incumbent may request the extension of monopoly rights, which can create an obstacle to liberalization. If some compromise is required, monopoly rights should under no circumstances be extended to data, Internet or value-added services. These services are key drivers for business and national economic growth and should not be kept under monopoly.

The goals of liberalization: Liberalization and the competition it brings are means, not ends. Governments should consult the relevant stakeholders to decide and articulate at the outset what their objectives are. These objectives may differ from country to country and can include:

- attracting new investment;
- upgrading national infrastructure;
- Creating jobs;
- contributing to improving universal access;
- improving services, pricing and choice for the end-user community;
- Encouraging innovation;

Telecoms Liberalization: investment required to upgrade and maintain communications networks and make them available to all citizens may be beyond what is economically and politically feasible for the state. At the same time, both foreign and domestic private investors are eager to invest in upgrading infrastructure and rolling out new networks and services. Liberalizing the telecoms market creates an opportunity to attract that investment. (International Chamber of Commerce 2004:9-11)

Telecommunications Liberalization: Uganda

Uganda Economic reforms began in 1987 Uganda Telecom Limited, a state monopoly, was privatized in 2000 through a consortium Entry of other competitor such as Celteland MTN (U) Limited Telecommunications liberalization from 1996 Expansion of telecom services since 1998 Telecom liberalization in Uganda before liberalization coverage was concentrated in cities and towns. Service monopolized by state-owned enterprise Low penetration rate of fixed lines and mobile phones.

After liberalization 56 districts have a point of presence for the delivery of telecommunications services. 68,000 to 840,000 customers from 1998 to 2003Increased penetration rates from 0.24 to 3.5/100 inhabitants Mobile lines have increased from 12,500 in 1998 to 872,704 in 2004. Fixed lines have increased from 57,366 lines in 1998 to 67,234 in 2004. Total teledensity (fixed and mobile) is estimated at 3.5 and fixed line teledensity is 0.27.In general, lower tariffs for end-users are among the most important benefits of competition decline in rates for international calls over the fixed line network. (Gloria O. Pasadilla, 2005:7).

CHAPTER THREE:

DATA PRESENTATION AND ANALYSIS

This chapter deals with presentation, analysis and interpretations of the data on the services delivery and customer satisfaction: in case of ETC on mobile telephone services. The data were gathered through questionnaires, interview and observations and reviewed documents.

The management members of Ethiopia Telecommunication Corporation, central Addis Ababa zone are interviewed. Forty (40) questionnaires were distributed to staff members of the ETC Central Addis Ababa zone out of 40, which 39 responded. Additionally, 150 questionnaires were distributed to customers of ETC out of which 147 responded. All the sample centers of the organizations have been observed. Relevant document have been reviewed. Thus, the whole data have been presented in three sections of this chapter.

The first section presents the data about the customers, employees and managements perception of the mobile service delivery. The second part presents the factors and variables undermine customer satisfaction in ETC in general and the mobile telephone services delivery in particular. The third part deals with the problems, which undermine the services delivery program.

3.1. Respondents perception of the mobile service delivery

Customers, employees and management members are requested to express their perceptions about the mobile service delivery by ETC. The respondents expressed quite contradictory views for some of the questions while they shared the same opinions for some of the problems.

Before we directly go to the perception of the customers, employees and the management, let's have a look about the type of customers who have participated in the research.

Table 3.1 Frequency of going to ETC

Frequency of going to ETC		
Frequency	# of Respondent	%
1-3 times	110	74.8
4-6 times	7	4.8
7-10 times	11	7.5
> 10 times	19	12.9
Total	147	100

Source: Own survey

According to the Table 3.1 above out of the 147 customers who have participated in the survey, 110 (74.8%) have visited ETC utmost 3 times. A number 19 (12.9%) of customers said to have visited ETC more than 10 times. The rest 18 (12.3%) visited from 4-10 times.

Table 3.2 Purpose of going to ETC

Reason of going	# of Respondent	Percentage
to pay mobile bill	33	22.4
to request for new mobile service connection	84	57.1
to ask for maintenance service	38	25.9
any other reason	18	12.2

Source: Own survey

According to the Table 3.2, 84 (57.1%) responded to have visited ETC to request for new mobile service connection, 38(25.9%) visited to ask maintenance services, 33(22.4%) visited to pay mobile bill and the rest visited for other reasons.

3.2. Problems Faced by customers

According to Ismail and Yusof (2009:39) service quality is a comparison between customer expectation and their perception of the service they actually received. Accordingly a problem in a given service implies a gap between expectation and actual receipt of a service. In order to check the gap between customers' expectation and the service they have received they are requested to respond whether they have faced a problem with the mobile telephone service or not.

Table 3.3. Number of customers who faced problems

faced problem with mobile service	Frequency	Percent
Yes	132	89.8
No	15	10.2
Total	147	100

Source: Own survey

As you can see on the above Table 3.3, a vast majority of customers, nearly 90% have experienced problems in mobile telephone service delivery. Only 15(10.2%) of the respondents have responded that they did not face any problem. This implies that around 90% of the customers have found the service they are provided with to be below their expectation.

Employees are also asked whether customers have expressed their dissatisfaction with the mobile telephone service delivery and they have confirmed that customers have expressed their dissatisfaction with mobile service delivery.

Table 3.4 Number of employees who admitting customer's dissatisfaction.

Customers express their dissatisfaction or any compliant	Frequency	Percent
Yes	32	88.9
No	4	11.1
Total	36	100

Source: Own survey

Similarly, the vast majority of employee respondents, 32 (88.9%), believe that customers approached them to express their dissatisfaction or complaints.

The management, during the interview, has also confirmed the existence of customer dissatisfaction not only in the mobile service delivery but also in the general services provided by ETC.

From Tables 3.3 and 3.4 we can infer that the quality of the mobile service delivery to be below the customers' expectation.

3.2.1. Major types of problems

Table 3.5. Types of problems

Types of Problems	Number	Percent
network is not good	101	68.7
mobile activation is too late	36	24.5
long waiting time to get service	25	17
price of SIM card not affordable	25	17
value does not match with service	58	39.5

Source: Own survey

Among the problems indicated by customers (see table 3.5.), bad network takes the first place according to 101 (68.7%) of customers. The next problem highlighted by 58 (39.5%) of customers is mismatching service with expected value. Almost quarter or 24.5% of the respondents signifies late mobile activation as a problem. Price of SIM card and long waiting service time are also problems according to 17% of customers, respectively.

3.2.2. Administrative problem

Table 3.6 Administrative problems.

ETC has administrative problems	Frequency	Percent
Yes	99	67.3
No	44	29.9
I don't know	4	2.7
Total	**147**	**100**

Source: Own survey

According to the above Table 3.6, out of the 147 customers, 99 (67.3%) feel that ETC has administrative problems while 44(29.9%) believe that there is no administrative problem in ETC. The rest 4(2.7%) do not know whether there is a problem or not.

The Table 3.7 below identifies the type of administrative problems, the number of customers that claim to have the specified form of administrative problem, and their percentage out of the total number of respondents. The last column gives the rank with relative severity.

3.2.3. Types of administrative problems

Table 3.7. Types of administrative problems

Problem	# of Respondent	%	Rank
approach of employees not good	26	17.7	3
employees are not cooperative	22	15	5
employees do not respect customer	29	19.7	2
customer handling is not good	57	38.8	1
there is corruption in selling the SIM card	10	6.8	6
employees are not always available	24	16.3	4

Source: Own survey

Accordingly, customer handling by the service provider is rated being the top administrative problem by 57 (38.8%) of the customers. Corruption in selling the SIM card is found to be the least administrative problem as only 10 (6.8%) of the respondents considered a problem. 29 (19.7%) of the respondents also claimed that employees do not respect their customers and 22 (15%) of the respondents complained the employees are not cooperative.

3.2.4. Service charge

Table 3.8 Rating of service charge by customers.

How do you rate the service charge	Frequency	Percent
Fair	32	21.8
Unfair	112	76.2
Neutral	3	2
Total	**147**	**100**

Source: Own survey

In rating the service charge for mobile service, 112 (76.2%) of customers expressed the service charge to be unfair. Only 32(21.8%) of the customers feel that mobile service charge to be fair. (Table 3.8)

3.2.5 Stipulated standards and procedures for mobile service delivery

The '' setting services standards'' principle of Bathos Pele states that it reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the services or products they are received from organization.

Table 3.9. Stipulated standards for mobile service delivery

there are clearly stipulated standards for mobile telephone service delivery	Frequency	Percent
Strongly disagree	9	23.1
Disagree	11	28.2
Neutral	1	2.6
Agree	11	28.2
strongly agree	7	17.9
Total	**39**	**100**

Source: Own survey

According to the above Table 3.9, 20 of the 39 employee respondents (i.e. 51.3%) either disagree or strongly disagree for having a clearly stipulated standards for mobile telephone service delivery; but 18 (46.1%) do agree or strongly agree for having the standard. However the management admitted, during the interview, that there are no clearly stipulated standards for mobile service delivery. According to the management response it indicates that the ETC has no standard that are precise and measurable to judge whether the customer satisfied or not with the services received.

Table 3.10. Procedures for mobile service delivery.

Was there any procedure you followed to get mobile service	Frequency	Percent
Yes	83	56.8
No	63	43.2
Total	146	100

Source: Own survey

The customers are also asked whether they have followed a certain procedure to get a mobile service delivery. The majority of the customers, 83 (56.8%) replied that they have followed some procedures such as filling of forms, attaching a copy of ID card, paying a service charge and others in order to get mobile service while others 63(43.2%) do not think of any procedural requirement.(Table 3.10)

3.2.6. Customers' Complaint Handling Mechanism

The '' response to customers complaint's'' principle of Batho Pele states that public servants welcome complaints as an opportunity to improve services, and to deal with complaints so that weaknesses can be remedied quickly for the good of the customer.

Table 3.11. Organization response is to customers' complaints

Organization's response to customer compliant	Frequency	Percent
Quick	14	35.9
Late	21	53.8
No Response	4	10.3
Total	**39**	**100**

Source: Own survey

As you can see in the above Table 3.11, out of the 39 respondents 21(53.8%) said that their organizations response to customers compliant is late, 14(35.9%) have said that the response to be fast and according to 4 (10.3%) of respondents customers may get no response. In general, this indicates that ETC does not attach importance to dealing with complaints and to remedy for the weaknesses.

3.2.7. Employees Participation in Complaint Handling Process

Table 3.12. Employee's participation in customers' complaint handling.

Employee participate in decision making process of customer compliant	Frequency	Percent
Yes	24	63.2
No	14	36.8
Total	**38**	**100**

Source: Own survey

Out of the 38 employees, 24 (63.2%) of them responded that they participate in decision making process of customer compliant.

3.3. Factors that undermine customer satisfaction

Customer satisfaction depends on a products perceived performance in delivering value relative to a buyer's expectations. If the products performance falls short of the customer expectation, the buyer is dissatisfied. If the products performance exceeds the customer expectation, the buyer is delighted. Outstanding marketing companies go out of their way to keep their customers' satisfied. Satisfied customers make repeated purchases and they tell others about their good experiences with the product. The key is too much customer's expectations with company performance. Smart companies aim to delight customers by promising only what they can deliver, then delivering more than they promised customer satisfaction is closely linked to the quality.[....], quality has a direct impact on product performance and hence on customer satisfaction. In narrowest sense, quality can be defined as "freedom from defects". However, most customer-centered companies go beyond this narrow definition of quality. (Kotler, 2001:9-11)

Satisfaction is the state felt by a person who has experienced a performance or outcome that has fulfilled his or her expectations. Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of experiences with the same or similar situations, statements made by friends and other associates, and statements made by the supplying organization (Kotler & Clarke, 1987).

Table 3.13. Causes of problems.

Causes of problems	Number	Percent
Backward Technology	47	32
Lack of competition	82	55.8
Lack of skilled manpower	30	20.4
Administrative	44	29.9

Source: Own survey

In the above table, for example, customers have expressed the causes for defects of the mobile service delivery. Accordingly, Lack of competition is considered the first cause according to 82(55.8%) of customers. The second cause, according to 47(32%) of the respondents is backwardness of the technology followed by administrative 44(29.9%) and lack of skilled work force 30(20.4%).

In addition to this management members are interviewed to tell what major causes could there be for the problems of the mobile telephone services delivery. The management has appreciated most of the above causes indicated by their customers. Some of the management has denied the existence of administrative problems. In addition to the above factors management has indicated the following factors that undermine customers' satisfaction. These are:

- *lack of formal complaint handling mechanisms,*
- *lack of positive attitude towards public service by some of the employees,*
- *lack of accountability for failure to meet expected performance,*
- *lack of communication between the back office and the front office,*
- *lack of clear and adequate information on the availability of particular services and the conditions required to get these services,*
- *lack of consultation with the public users about their needs ,*
- *lack of awareness by the service users and the service users are often unaware of their rights and obligations pertaining to services and at times tend to resort to*

illicit means to get the services are the major factors for the existing customer satisfaction problem

3.4. Assessment of Service Quality

Service quality is the ability of the organization to meet or exceed customer expectations. ....The SERVQUAL model compares the customers' expectation and perception of service in terms of tangible assets, reliability, responsiveness, assurance, and empathy. The SERVQUAL model has been widely used in the study of service industry .... **(Kitchroen, 2004:14-15)**

In this part the researcher try to assess the service quality of the mobile telephone service delivery based on the above methodology.

3.4.1. Reliability of Mobile Telephone Service

Reliability of mobile telephone service delivery mainly focuses on the consistency of performance and dependability of the service.

The Table 3.14 below assesses reliability of mobile service asking customers and employees agreement to certain statements. The result of ANOVA test presented in the following Table identifies and compares average agreement level of respondent groups (customers and employees)

Table. 3.14. Reliability of mobile service

Item No.			N	Mean	Std. Deviation	95% CI for Mean		ANOVA Test					
						Lower Bound	Upper Bound		Sum of Squares	df	Mean Square	F	p-value
	Service Provision is consistent	Customers	147	2.95	1.295	2.74	3.16	Between Groups	18.065	1	18.065	10.84	0
		Employees	39	3.72	1.276	3.3	4.13	Within Groups	306.56	184	1.666		
		Total	186	3.11	1.325	2.92	3.3	Total	324.63	185			
	The service is dependable	Customers	147	2.88	1.308	2.66	3.09	Between Groups	5.703	1	5.703	3.198	0.08
		Employees	39	3.31	1.436	2.84	3.77	Within Groups	328.1	184	1.783		
		Total	186	2.97	1.343	2.77	3.16	Total	333.81	185			
	Billing is correct	Customers	147	3.12	1.274	2.91	3.32	Between Groups	3.688	1	3.688	2.287	0.13
		Employees	39	3.46	1.253	3.06	3.87	Within Groups	296.73	184	1.613		
		Total	186	3.19	1.274	3	3.37	Total	300.41	185			
	Keeps customer record correctly	Customers	147	3.29	1.211	3.09	3.48	Between Groups	0.301	1	0.301	0.187	0.67
		Employees	39	3.38	1.48	2.9	3.86	Within Groups	297.23	184	1.615		
		Total	186	3.31	1.268	3.12	3.49	Total	297.53	185			
	Value does match with what we use	Customers	147	2.52	1.396	2.3	2.75	Between Groups	13.251	1	13.251	6.582	0.01
		Employees	39	3.18	1.502	2.69	3.67	Within Groups	370.41	184	2.013		
		Total	186	2.66	1.44	2.45	2.87	Total	383.66	185			
	Overall Reliability	Customers	147	2.951	0.81075	2.8189	3.083	Between Groups	6.5	1	6.5	8.536	0
		Employees	39	3.4103	1.07796	3.0608	3.76	Within Groups	140.12	184	0.762		
		Total	186	3.0473	0.89026	2.9185	3.176	Total	146.62	185			

Source: Own survey

As to consistency of service provision, the average level of agreement by customers and employees are 2.95 and 3.72 respectively. The 95% CI for customers' average contains the moderate level response, i.e. 3, hence customers moderately agree on consistency of service provision. Employees', however, have high level of agreement on service consistency as the 95 percent Confidence interval lies above 3 point. These groups average level of agreement significantly differ as the p-value=0.00 is less than 0.05, alpha level of significance.

As to dependability of Mobile service Average agreement levels on Dependability of mobile service are 2.88 and 3.31 by customers and employees respectively. As the 95%CI contains the moderate value, both groups have moderate level of agreement regarding dependability of the service. The two groups agreement on the service's dependability do not differ significantly, as the ANOVAs test indicated (p-value=0.08 > 0.05)

Correctness of mobile service billing is another dimension to assess the reliability of mobile service. The statistical test result indicates moderate level agreement by customers and high (i.e. above 3) level of agreement by employees regarding the correctness of billing. As the p-value=0.13 >0.05, however, the agreement level of the two groups does not differ significantly.

Regarding keeping customers' record correctly, the average agreement levels 3.29 by customers and 3.31 by employees seem well above moderate level. The ANOVA test result, with p-value=0.67>0.05 also indicates that both groups have the same level of agreement, which is high, in keeping customers records correctly.

Expressing their agreement concerning the value of mobile service do match with the price, customers average is 2.52 which is low level of agreement as the corresponding 95% confidence interval falls below the moderate value. Where employees average 3.18, and the 95% CI show moderately agreement level to the statement. The ANOVA test result (p-value=.01<0.05) shows significant difference on agreement level by the two group of respondents.

The last row in table 11, assesses respondents agreement level on overall reliability, where the data was obtained by taking the average response of the above five items. The result indicates 2.95 and 3.41 average level of agreement and comparison of the mean values using ANOVA test

3.4.2. Tangibility of Mobile Telephone Service

Concerning tangibility of mobile service, both customers and employees were asked to give their agreement on five statements. Table 3.15 below presents the analysis result.

The average agreement level for up to date equipment are 3.18 and 3.69 by customers and employees respectively. The 95%CIs indicates moderate level of agreement by customers, and high level of agreement by employees. The ANOVA test also reveals significant difference between the two groups agreement level regarding up to date equipments, which is confirmed by the p-value=0.02<0.05.

Regarding convenient physical facility, customers' agreement level is 3.08 while employees give only 2.36 average level of agreement. The CIs indicate moderate level of agreement by customers although employees found to have low level of agreement in having convenient physical facilities. The two groups responses are significantly different as the p-value=0.00<0.05.

Regarding skilled and trained personnel, customers' average agreement level is 2.99 and employees agree to the level 3.41 on average. The confidence intervals for both groups indicate moderate level and the ANOVA test (p-value=0.05) is not strong evidence to say significant difference between the two groups average level of agreement.

Table 3.15.Tangibility of Mobile Service

		N	Mean	Std. Deviation	95% CI for Mean Lower Bound	95% CI for Mean Upper Bound	ANOVA Test	Sum of Squares	df	Mean Square	F	p-value
Has up to date equipment	Customers	147	3.18	1.205	2.99	3.38	Between Groups	7.974	1	7.974	5.309	0.02
	Employees	39	3.69	1.301	3.27	4.11	Within Groups	276.35	184	1.502		
	Total	186	3.29	1.24	3.11	3.47	Total	284.32	185			
Has convenient physical facilities	Customers	147	3.08	1.185	2.89	3.27	Between Groups	16.097	1	16.097	11.39	0
	Employees	39	2.36	1.203	1.97	2.75	Within Groups	260	184	1.413		
	Total	186	2.93	1.222	2.75	3.11	Total	276.09	185			
Has skilled and trained personnel	Customers	147	2.99	1.153	2.8	3.17	Between Groups	5.538	1	5.538	3.839	0.05
	Employees	39	3.41	1.371	2.97	3.85	Within Groups	265.41	184	1.442		
	Total	186	3.08	1.21	2.9	3.25	Total	270.95	185			
Service is networked	Customers	147	2.4	1.242	2.2	2.6	Between Groups	0.112	1	0.112	0.066	0.8
	Employees	39	2.46	1.484	1.98	2.94	Within Groups	309.01	184	1.679		
	Total	186	2.41	1.293	2.23	2.6	Total	309.12	185			
Employees know their customers need	Customers	147	2.88	1.162	2.69	3.07	Between Groups	0.005	1	0.005	0.003	0.95
	Employees	39	2.87	1.38	2.42	3.32	Within Groups	269.39	184	1.464		
	Total	186	2.88	1.207	2.71	3.06	Total	269.4	185			
Overall tangibility	Customers	147	2.9133	0.79308	2.784	3.043	Between Groups	0.14	1	0.14	0.213	0.65
	Employees	39	2.9808	0.87807	2.6961	3.265	Within Groups	121.13	184	0.658		
	Total	186	2.9274	0.80964	2.8103	3.045	Total	121.27	185			

Source: Own survey

For the statement, service is networked; both customers and employees have equal level of agreement, which is low level of satisfaction.

Regarding employees understanding of customers need, the average agreement level by the two groups doesn't differ significantly (p-value=0.95>0.05). The responses by the two groups are close to the moderate level.

The overall tangibility of the mobile service is an aggregate of the five statements under this category. The result indicates nearly equal average responses by the two groups; and their level of agreement regarding tangibility of the mobile service are moderate.

3.4.3. Responsiveness of Mobile Service

Concerning the responsiveness of the mobile service, customers were asked to give their agreement level on four statements. Table 3.16 below presents the analysis result using moderate value, therefore 3, as test-value in one-sample t-test.

Table 3.16: Responsiveness of Mobile Service

Item No.	One-Sample Statistics				Test Value = 3					
		N	**Mean**	**Std. Deviation**	**T**	**df**	**p-value**	**Mean Difference**	**95% CI of the Difference Lower**	**Upper**
1	**Employees are cooperative**	147	3.01	1.144	0.072	146	0.943	0.007	-0.18	0.19
2	**Employees provide prompt service**	147	2.95	1.125	-0.51	146	0.608	-0.048	-0.23	0.14
3	**Customer Handling is good**	147	2.86	1.174	-1.41	146	0.162	-0.136	-0.33	0.06
4	**There is clear information on desk**	147	2.69	1.232	-3.08	146	0.002	-0.313	-0.51	-0.11
All	**Overall Responsiveness**	147	2.878	0.95953	-1.55	146	0.124	-0.12245	-0.279	0.034

Source: Own survey

The average levels of agreement by customers are indicated in the Mean column, which are less or equal to the moderate value. Regarding employees cooperativeness, provision of prompt service and good customer handling the corresponding p-values for the first three items are all above 0.05 alpha level of significance, hence moderate level of agreement by customers. Regarding availability of clear information on desk, customers average agreement is 2.69 that the test reveals significantly low level of agreement.

As an aggregate to the four statements, the overall responsiveness of mobile service rated by customers to the level 2.878 average agreement that the one-sample t-test indicates moderate level of customers agreement on responsiveness of the mobile service. For all the statement to assess the services provider's responsiveness, the results clearly indicate that the delivery by ETC is not at higher level.

3.4.4. Empathy of Service

The Table 3.17 below assesses customers' agreement level regarding empathy dimension of the mobile service by responding to four statements under this category. One-sample t-test is used to test the average level of agreement of customers against the moderate value.

Table 3.17: Empathy of Service

Item No.	One-Sample Statistics				Test Value = 3					
					T	df	p-value	Mean Difference	95% CI of the Difference	
		N	Mean	Std. Deviation					Lower	Upper
1	**Employees know their customers need**	147	2.88	1.162	-1.21	146	0.229	-0.116	-0.31	0.07
2	**Employees attitude towards customer is good**	147	2.92	1.15	-0.86	146	0.391	-0.082	-0.27	0.11
3	**Has convenient working hours to all of its customers**	147	2.79	1.081	-2.37	146	0.019	-0.211	-0.39	-0.03
4	**Employees give orientation to their customers**	147	2.61	1.126	-4.25	146	0	-0.395	-0.58	-0.21
All	**Overall Empathy**	147	2.799	0.8559	-2.84	146	0.005	-0.20068	-0.34	-0.061

Source: Own survey

For all the four statements, the average levels of agreement shown under the Mean column are found to be less than three. However, the test result under the p-value column indicates moderate level of agreement only for the first two statements (understand customer need and good customer attitude). The result indicates that knowledge of customer's expectation and attitude towards customers are not up to date high level of service quality attribute standard.

Regarding convenient working hours for customers and providing orientation to customers, the respective p-values 0.019 and 0.000 are both less than 0.05 indicating significantly low level of agreement to the statements. This indicates that customers have inconvenience covering the time duration expecting services. In addition, customers do not require information as employees lacks to provide orientation to their clients.

Overall, the empathy dimension of mobile service is rated to 2.799 average level of agreement, and the test result, p-value=0.005<0.05, indicate low level of customers agreement.

3.4.5. Warranty of Service

The warranty of service is assessed asking customers agreement on two statements. Workers knowledge and politeness is agreed to the level 2.63. Ability to build trust and confidence is rated to the level 2.61. Both statements result in low level of agreement, as the average values are significantly lower than the test/moderate value. (Table 3.18)

Table 3.18: Warranty of Service

					Test Value = 3					
	One-Sample Statistics				**t**	**df**	**p-value**	**Mean Difference**	**95% CI of the Difference**	
Item No.		**N**	**Mean**	**Std. Deviation**					**Lower**	**Upper**
1	**Workers Knowledge and politeness**	147	2.63	1.047	-4.25	146	0	-0.367	-0.54	-0.2
2	**Ability to build trust and confidence**	147	2.61	1.083	-4.42	146	0	-0.395	-0.57	-0.22
All	**Overall Warranty**	147	2.619	0.96396	-4.79	146	0	-0.38095	-0.538	-0.224

Source: Own survey

Overall, agreement on warranty of the service is 2.619 on average indicating low level of customers' agreement.

3.4.6. Overall Service Satisfaction

Each respondent was asked to express the satisfaction level of customers. The Table 3.19 below presents one way ANIOVA test to evaluate overall satisfaction of customers on mobile service.

Table 3.19: Overall Service Satisfaction

Descriptive											
Overall satisfaction						ANOVA					
				95% CI for Mean		Overall Satisfaction					
	N	**Mean**	**Std. Deviation**	**Lower Bound**	**Upper Bound**		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Customers	147	2.898	0.76512	2.773	3.023	**Between Groups**	8.919	1	8.919	9.82	0
Employees	39	3.436	1.4653	2.961	3.911	**Within Groups**	167.059	184	0.908		
Total	186	3.011	0.97531	2.87	3.152	**Total**	175.978	185			

Source: Own survey

As shown in the Table 3.19, customers rate their satisfaction level to the point 2.898 on average; while employees believe customer level of satisfaction reach 3.436 on average. The 95%CI for average satisfaction level by customers resembles to the low level while that of employees inclines to high level, i.e. to the right of the moderate level. The ANOVAs test result (p-value=0.00<0.05) indicates significant difference between the two groups average response regarding overall satisfaction of customers. This indicates that employees preferred to have satisfied their customers better than what the customers themselves believed to have enjoyed.

Table 3.20: Correlations between reliability, tangibility, responsiveness & Empathy

Correlations						
		Services reliability	**Services Tangible**	**services Responsiveness**	**Services Empathy**	**Services warranty**
Overall satisfaction Rate	**Pearson Correlation**	.694(**)	.733(**)	.757(**)	.797(**)	0.684(**)
	Sig. (2-tailed)	0	0	0	0	0
	N	147	147	147	147	147

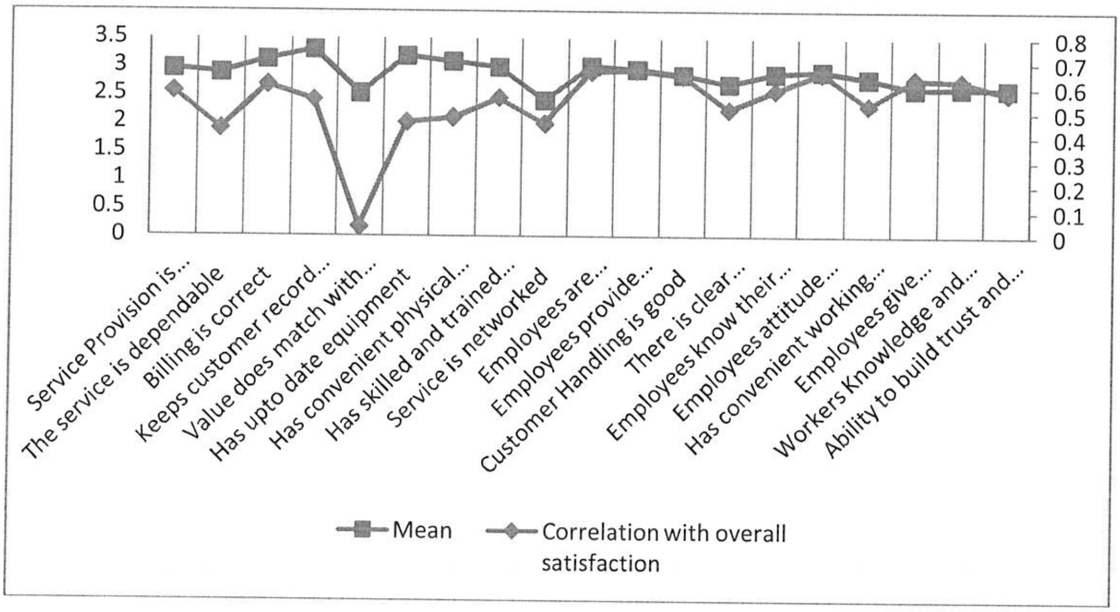
Source: Own survey

This Table 3.20 illustrates that all the four categories of service attributes are significantly correlated with overall satisfaction. For example reliability of services and reliability have significant correlation (r=0.694). The correlation analysis indicates that all the five attributes have significant potential to influence customer's satisfaction on mobile services.

Table 3.21: Correlation with overall satisfaction

Mean	Correlation with overall satisfaction	
2.95	0.583	Service Provision is consistent
2.88	0.432	The service is dependable
3.12	0.609	Billing is correct
3.29	0.549	Keeps customer record correctly
2.52	0.038	Value does match with what we use
3.18	0.459	Has up to date equipment
3.08	0.478	Has convenient physical facilities
2.99	0.558	Has skilled and trained personnel
2.4	0.454	Service is networked
3.01	0.666	Employees are cooperative
2.95	0.671	Employees provide prompt service
2.86	0.648	Customer Handling is good
2.69	0.511	There is clear information on desk
2.88	0.588	Employees know their customers need
2.92	0.66	Employees attitude towards customer is good
2.79	0.529	Has convenient working hours to all of its customers
2.61	0.637	Employees give orientation to their customers
2.63	0.628	Workers Knowledge and politeness
2.61	0.58	Ability to build trust and confidence

Graph 3.1 overall satisfation



As show abave in Graph 3.1, customer's overall satisfation is found to be signficantly correleted with all services attributes except pricing for the service provided (where r=0.038). this indicates that mobile services usage is not a factor influncing customer's satisfation level. However, other factors have direct impact to the level of customer's satisfation. The highest correlated attribute is prompt service by employees (r=0.671) followed by employee cooperative(r=0.666) and customer attitude (r=0.660).

The Graph also presents the mean value for customers attitude for each attributes. The least rated (with mean= 2.4) and significantly correlated with overal satisfation (r= 0.454) is the net work attribute of the services. This implies the need to improve network which would raise the customers satisfation.

CHAPTER FOUR:

MAJOR FINDING, CONCLUSION ANDRECOMMENDATION

The preceding chapters examined factors and related mobile telephone service delivery .In this chapter a central analysis was made based on the data observed from interview and questionaires as well as available secondary sources .

In an attempt to address the research questions, this study has intended the following objectives.

1. To identify the users and providers of mobile service;
2. To assess the satisfaction of mobile service users;
3. To identify the problems of mobile service delivery;
4. To identify the causes of the problem;
5. To assess the way of customer complaint handling mechanism; and finally
6. To propose possible alternative solutions;

In order to answer the research questions or objectives, the organizational service quality and customer satisfaction problems were identified based on the theoretical discussion of the study.The data gathered through questionaire, interview and document review has been presented and analyzed in chapter three. This chapter presents the major findings on the identified cause and effect relations and conclusions drawn from the findings are presented.

4.1. Major Findings

The level of service quality

As we have indicated in the theoretical framework of this paper, service quality is the ability of the organization to meet or exceed customer expectations. Finding a generally accepted and agreed upon definition about service quality is very difficult. What is quality for one might not be quality for others. People, depending on the level of their respective satisfaction, have different opinion on service quality. Even the scholars on the issue have different opinion. Here in order to measure the quality of the mobile telephone services provided by ETC, I should have used a balanced approach. Hence, the researcher used the correlated data of both the customers and the employees from their responses to the questionnaires.

The result of the analysis on the level of service quality in chapter three, shows that the customers' and employees' perception of the SERVQUAL model to be different. To elaborate this more let's examine the results of the five service qualitymeasuremnt instruments one by one.

In the reliablity section,the resullt indicates 2.95 and 3.41 average level of agreement on the reliability of the service quality. Here we see that both the customers and employees moderately agree that the service is reliable.

In the tanjiblity section,the resullt indicates 2.91 and 2.98 average level of agreement on the tanjibility of service quality. Here we see that both the customers and employees moderately agree that the service to be tanjiable.

In the responsiveness section,the resullt indicates that 2.88 average agreement on the responsiveness of the mobile telephone service delivery. Here we see that customers moderately agree that the service is responsive.

In the empathy section,the resullt indicates that 2.8 average agreement on the responsiveness of the mobile telephone service delivery. The P-test result, p-value=0.005 < 0.05, indicates low level of customers agreement on the empathy of the service to be low.

In the warranty section,the resullt indicates that 2.62 average agreement on the warranty of the mobile telephone service delivery. The P-test result, p-value=0.000 < 0.05, indicates low level of customers agreement on the warranty of the service to be low.

But if we see the overall service quality measures, customers level the quality of their service level to the point of 2.898 on average; while employees believe that the quality of service to be 3.436 on average. The ANNOVA test result (p-value=0.00<0.05) indicates that significant difference between the two groups regarding service quality. Customers believe that the service quality provided by ETC to be low while employees believe to be moderate.

A number of factors could be enligted for the difference between the quality perception of the customers and the quality perception of the employee. The following are some of the factors:

- Most of the employees are not customer oriented. Services in most cases are provided in a manner that suits the administrative convenience of the providers rather than meet the needs of the recipients.
- Most employees have insufficient recognition that the citizens have the right to receive services from government. Rather they consider it is their right to provide or hinder a given service to an individual.
- Service users are often unaware of their rights and obligations pertaining to services and at times tend to resort to illicit means to get the services.

The Level of Customer Satisfaction

According to William ET, al (2005:10) the best measure of quality is customer satisfaction.

Satisfaction is the state felt by a person who has experienced a performance or outcome that has fulfilled his or her expectations. Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of experiences with the same or similar situations, statements made by friends and other associates, and statements made by the supplying organization (Kotler & Clarke, 1987).

In chapter three, we have seen a number of problems and factors that lead to the dissatisfaction of the customers by the mobile service deliver. Almost 90 % of the customers who have visited ETC have faced a variety of problems. In addition to this, almost 89 % of the employees have admitted that they have received complaints from their clients. The following section will analyze why customers are dissatisfied.

Major Findings of on Customer Dissatisfaction

As shown in the theoretical discussion employee should be dedicated to improve customer satisfaction. The moment a customer needs help the dedicated customer service representative swings into action. Customers should be made to feel that they are priority number one, not that they are on the bottom of a list and will have to wait his turn. In ETC employees are not evaluated based on the satisfaction of customers or in such a way that will improve customer satisfaction.

As shown in the theoretical discussion, the members of a customer care team must work together and share information. Great customer service cannot be achieved by individuals working in isolation. Linking should also extend beyond the team to include all other employees of the company in mutual support.

A company with employees who work together for the mutual benefit of the company and its customers will quickly rise to the top. There is lack of effective communication between the different offices of ETC. The analysis of the study revealed that the front offices and the back offices do not read each other most of the time. The front offices are , most of the time, are not aware of the customers problems, while it is known by the back office.

As shown in the discussion of the literature, the empowered customer service representative is given what he needs to be able to provide outstanding customer service. Empowerment begins with training, the provision of tools, and the recognition of individual potential. Empowerment is nurtured by showing trust and support, listening to representatives and helping them resolve problems, and removing any obstacles or conditions that make their work harder. The data drawn from the analysis indicates that although around 63 % of the employee participate in the complaint handling process, nearly 54 % of the employees believe that the response to customers complaint to be late. If the employees were empowered to make a decision, the delay would have been avoided.

As shown in the discussion of the literature, required are standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorize a housing claim, to issue a passport or identity document, or even to respond to letters.

The analysis obtained from the research indicates that there is no a clearly stipulated standards which facilitate customers to employees and employee to employee communication. In ETC this is not the case.

Lack of competetion is also a major problem. Customers have no alternatives to choose. The service is provided by the monopoly of ETC. Hence, ETC is the price maker and the sole decisiion maker in the mobile service delivery.
The corporation has lack of capital to aquire modern technologieis as a result of which the network coverage and the mobile activation is not good.

Customers complaint-handling and customer feedback systems are important elements for customers satisfaction in public service delivery. Customers complaint-handling is a system that enables the customers to complain to the service provider whenever he is dissatisfied while customer feedback is a system to get the comments and suggestions from the customers on the mobile service delivery. The analysis clearly indicates that the complaint handling mechanism is not clear and the response to the customers complaint is too late. The customers are also are not aware of how to deliver their feedback as there is no a clear feedback mechanism.

4.2. Conclusion

This study has given due attention to identifying some of the basic problems and related factors with the mobile telephone service delivery of the Ethiopian Telecommunication Corporation, Central Addis Ababa Zone.

The litreature reviewed for this study reveals that clear consensus have been reached on the general service delivery and customer satisfaction. Nevertheles, not much is written about mobile telephone service delivery and customer satisfaction. Hence, this study is aimed at filling this gap.

The sole mobile telephpone service provider in the country is ETC. In fact efforts are being made by the organization to satisfy the needs of its customer satisfaction. The service is being expanded throughout the country, but with little attention to the quality of service. The quality of services is affected by many factors such as availability of modern equipment and trained and skilled manpower.

ETC also has different administrative problems that aggravated the problem of customer dissatisfaction. The current working habits need to be improved if the corporation wants to retain its current customers and attract new ones. If government policy changes and private mobile telephone service providers enter the market, customers might shift authomaticaly unless a service reform is made within the organization.

The current mobile telephone service is not customer oriented. Currently most of the customers are dissatisfied with the service they receive from the corporation. The customers enumerated a lot of problems for their dissatisfactions. Among the major factors are bad approach by employees, disrespect of customers by employees and mishandling of customers. The corporation has no clearly stipulated standards about the mobile telephone service, custmoer complaint handling mechanisms and feedback mechanisms.

4.3. Recommendations

The recommendation addresed here presents some options for policy implications and practical intrventions both by management and governement to improve the quality of mobile telephone service delivery and thereby increase customers satisfaction. In this case, the following recommendations are worth mentioning.

As the researcher review the experience of other countries experinces from the secondary data Quality service provision has a strong linkage Telecoms liberalization. Governments realized that monopoly networks and services were limiting the development of new markets and services. Economic stimulation and the need to attract investment in the telecoms infrastructure became the Catalyst for governments to starts the telecommunication liberalization process.

Currently some government organizations are carring out a BPR in order to increase the level of their customers satisfaction. Some of the institutions who have implemented the business reform are becoming successful in this regard. ETC has to make a business reform and change the attitude of its staffs. Currently the staffs are not customer oriented.

Equipments and physical facilities used in the service provision are one of the majore factors in the service delivery process. The most common problem mentioned by customers, employees and management is next to lack of competetion is the use of backward technology.Currently the goverenmnt is mainly focussing in expanding the mobile telephone service throughout the country. But lack of convenient physical facilities and modern technologies strongly affect the working conditions of the corporation therby affecting the satisfaction of customers. Hence, the writer of this paper recommends that there has to be a balance beteween expanding the service and aquiring most recent technologies and physical facilities in the industry.

According to Austine Texas Advertising Web Page(2009:1) one of the factors that affect the delivery of service is that of the staffs or the people who provide the service. In this regard highly skilled manpower is essential in order to identify the needs of customers and respond immediately. One of the major problems mentioned by the resopndents is lack of skilled manpower. Hence, the corporation has to do a lot to enhance the skill of the existing ones and attract new skilled manpower from the market.

As indicated in the literature review, market liberalization offers lots of advantgaes such as attracting new customers,upgrading national infrastructure, creating jobs, contributing to improve universal access, improving services and choices for the end-users thereby increasing customer satisfaction. So far the government has privatized and is still trying to privatize public organizations. But, it has no intention to privatize services like telecommunication services, electric power supply and the like. Lack of determination to liberalize the telecome service is limiting the development of the market which, in turn, have a negative impact on customer satisfaction. Hence, the researcher strictly recommends that the government should liberalize the telecom service in order to maximize the benefit of market liberalization.

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Appendixes One: Interview Questions for Management

1. How do you deal with Customer in your organization?
2. What are the Major problems you face specially in the mobile telephone services?
3. What are the mechanisms you used to solve these problems?
4. Do you have complaints handling mechanism in mobile services delivery?
5. How many Complaints' are coming from Customer per month on average?
6. What measures are taken to reduce the complaints?
7. Do you feel that the customers are satisfied with the services they receive?
8. What type of standard that your organization uses to measure customer satisfaction?
9. Have you applied current services delivery reform such as BPR and other to satisfy your Customer?

Appendixes Two: questions are prepared for customers.

Answer the following questions by placing 'X' sign in the boxes given.

1. Are you a mobile phone user?

   ☐ Yes ☐ No.

2. Have you ever gone to Ethiopian Telecommunication Corporation?

   ☐ Yes ☐ No.

3. What was the main purpose of your going to the corporation during the last three years?

   ☐ To pay the mobile bill

   ☐ To request for new Mobile service connection

   ☐ To ask for maintenance service

   ☐ For other reasons (specify your reason below)

____

____

4. How frequently did you go to the corporation to get the services you required above in Q.3?

   ☐ 1-3 times ☐ 4-6 times

   ☐ 7-10 times ☐ More than 10 times

5. Have you ever faced a problem with your mobile phone service?

   ☐ Yes ☐ No

6. If your answer to question no.5 is yes, what are the problems

   ☐ The network is not good

   ☐ Mobile activation is too late

   ☐ Long waiting time to get mobile service

   ☐ Price of SIM card is not affordable

   ☐ Value does not match with service

Others____

7. What do you think to be the cause of the problem?

☐ Backward Technology ☐ Lack of skilled manpower

☐ Lack of competition ☐ Administrative

8. Was there any procedure you have followed to get the required service?

☐ Yes

☐ No

9. If your answer to question no.8 is yes, describe the procedures

10. Do you believe that ETC has an administrative problem in relation to mobile service delivery?

☐ Yes

☐ No

11. If your answer to question no.10 is yes, which of the following administrative problems did you observe?

☐ Approaches of employees are not good

☐ Employees are not cooperative

☐ Employees do not respect customers

☐ Customer handling is not good

☐ There is corruption in selling the SIM card

☐ Employees are not always available

Others____

12. How do you rate the service charge?

☐ Fair ☐ Unfair ☐ Neutral

13. How do you rate the following service quality

Answer the following questions by placing '√' sign in the table given.

S.No	*Description*	*Strongly Agree*	*Agree*	*Neutral*	*Disagree*	*Strongly Disagree*
1	**Reliability**					
	Service provision is consistent					
	The service is dependable					
	Billing is correct					
	Keep customer records correctly					
	Value does match to what we use					
2	**Tangible**					
	The corporation has up-to-date equipments					
	The corporation physical facilities are at convenient locations					
	The corporation has skilled and trained personnel					
	The service provision is networked. E.g. you can pay your bill at any branch					
3	**Responsiveness**					
	Employees are cooperative					
	Employees provide prompt service					
	Customer handling is good					
	There is a clear information on the desk					

4	**Empathy**					
	Employees know their customer's need					
	Employees attitude towards their customers is good					
	The corporation has working hours convenient to all of its customers					
	Employees give orientation to their customers about the service and the cost					
5	**Warranty** –					
	workers knowledge politeness/courtesy					
	-their ability to build trust an confidence;					

Appendixes Three Questionnaire for employees

1. What types of mobile telephone services are provided by the ETC? List them below

___

2. What do customers say about the mobile telephone service?

☐ Strongly Satisfied ☐ Satisfied

☐ Dissatisfied ☐ very dissatisfied

3. There are clearly stipulated standards for mobile telephone service delivery.

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree

4. The corporation has adequate, well trained and skilled workers.

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree

5. The service provided by the corporation is consistent.

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree

6. The service provided by the corporation is dependable.

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree

7. Billing is correct

☐ Strongly Agree
☐ Agree
☐ Disagree
☐ Strongly Disagree

8. Your ETC keeps customer records correctly

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

9. The value of your service match to what your customers are served

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

10. The corporation has an up-to-date equipment

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

11. The corporation has convenient physical facilities

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

12. The service provided by your organization is networked. E.g. your customers can pay your bill at any branch.

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

13. All the staffs know their customer's need

- [ ] Strongly Agree
- [ ] Agree
- [ ] Disagree
- [ ] Strongly Disagree

14. Do customers express their dissatisfaction or any complaint?

☐ Yes ☐ No

15. What is your organizations response to your customer's complaint?

☐ Quick ☐ Late ☐ No Response

16. Do you participate in the decision making process of customer complaint handling?

Yes No

☐ ☐

17. Your Comment ____

____

____

____

____

DECLARATION

I, the undersigned, declare that this is my original work and has not been presented for a degree in any other university, and that all sources of material used for the thesis have been duly acknowledged.

Declared by:

Name: Woinshet Mengsitu

Signature: ________

Date: 08/07/10

Confirmed by Advisor:

Name: Prof C.D. Dash, PhD

Signature: ________

Date: 07 July 2010

ASSESSMENT OF DECENTRALIZED SERVICE DELIVERY IN ADDIS ABABA CITY GOVERNMENT: THE CASE OF ARADA SUB CITY

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By GAREDEW DERARA KEJELTO

Approved by:	**Signature**	**Date**
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Table of Contents **Page**

List of Tables

ACRONYMS

CSA: Central Statistics Authority

DPT3: Diphtheria, Pertusis and Tetanus

FDRE: Federal Democratic Republic of Ethiopia

GEQIP: General Education Quality Improvement Program

HOB: Health Operation Budget

IMF: International Monetary Fund

KETB: Kebele Education and Training Board

MoE: Ministry of Education

NGOs: Non government Organizations

P/S: Pupil- Section Ratio

P/T: Pupil-Teacher Ratio

PTSA: Parent Teacher Students Association

RR: Repetition Rate

SGP: School Grants Program

TT2: Immunization, Tetanus Toxoid

TTI: Teachers Training Institute

UDA: Urban Dwellers Association

W B: World Bank

WHO: World Health Organization

ABSTRACT

The main objective of this Master's thesis was to examine decentralized education and health service delivery in Addis Ababa city government in the case of Arada Sub city.

The study was basically qualitative whereby simple quantitative tools were employed so as to complement. Moreover, the study primarily utilized secondary data obtained, among others, from constitution, proclamations, performance reports, etc and complemented with some primary data obtained through interviews.

The findings of the study revealed that various functions of education and health services have been devolved to the lowest tier of government, but there are no adequate resources that commensurate to undertake these activities.

Moreover, the study have indicated that bodies established at lower levels of government to support school and health institution activities are weak and have not been operating with full capacity.

Besides, the direct involvement of the larger community in education and health service delivery is limited. And the study have also found that there are serious problems of resources required for both education and health service delivery such as human resource, finance, facilities, etc. Generally, decentralized education and health service delivery have not brought substantial progress during the study period except some.

CHAPTER ONE
1. INTRODUCTION

1.1. Background of the Study

In the last quarter of this century, many countries have engaged in transferring of responsibilities of the state to lower tiers of government. Significantly, most of these lower-tier governments have been elected so that the decentralization is not just administrative or fiscal, but also political. The motivation for the decentralization has varied. In Eastern Europe and the former Soviet Union, it was part of the political and economic transformation; in Latin America, it was to reinforce the transition to democracy; in South Africa, Sri Lanka and Indonesia, it was a response to ethnic or regional conflict; and in Chile, Uganda and Cote d'Ivoire, it was to improve the delivery of basic services *(Shah and Thompson 2004:3)*.

Even when it is not explicit, improving service delivery is an implicit motivation behind most of decentralization efforts. The reasons are of two folds. First, basic services such as health, education, water and sanitation which are the responsibility of the state are not meeting the demands of the public; especially the requirements of the poor people. The second reason why improving service delivery is behind most decentralization efforts is that these services are consumed locally *(Junaid Ahmad, et al 2005:1)*

Proponents of decentralization condemn the impotence and waste of centralized government and seek to strengthen it and focus its efforts. The ills of corruption, clientelism and political alienation are often regarded as the natural byproducts of a bureaucracy distant in space and rendered insensitive, inefficient, and inflexible by its size. Policy failure in the sense of sub-optimal choices is diagnosed as resulting from poor information and incentives that are skewed away from ideal outcomes. Reformers advocate the decentralization of political authority and public resources to sub-national levels of government to cure for these ills, operating through the reduction of government to more manageable dimensions, thereby making it responsive and accountable to the governed. *(Jean-Paul Faguet, 1997:2)*

In developing countries, the process of decentralization is transforming the structure of governance. Since 1980's most African countries have started the transfer of power, resources and responsibilities to their sub national governments. The pace of transformation is very uneven across countries. A few countries such as South Africa, Ethiopia and Uganda are proceeding fast *(Brosio, 2000:1)*.

Moreover, there are risks associated with decentralization in developing countries. In this regard decentralization process may be trapped by various constraints such as elite capture, revenue minimization, corruption, weak administrative system, lack of participation and poor human resource base among the major ones *(Shah, 2006:23)*

Decentralization is a recent phenomenon in Ethiopia. Until 1991, Ethiopia had been characterized by centralization of power. Under the Imperial Government, the country had experienced a centralized political-administrative system. In the era of the Dergue, despite the regime's support for self- government and local autonomy, the system didn't take any meaningful measure to institute a devolved system of governance *(Rasheed Luke, 1995:74)*. Provision of service delivery at the local level has been the responsibility of central ministries rendering local governments powerless and also inhibiting the development of local actors that could participate in local development.

Ethiopia has embarked on the process of decentralization that divides powers and responsibilities between the central and regional governments after the overthrow of the Dergue regime. According to the Federal Constitution of 1995, the system of government in the country comprised of nine regional states which are in turn sub divided in to 66 zones, 550 woredas 6 special woredas and 2 autonomous administrative regions, namely the City Government of Addis Ababa and Dire Dawa Special Administrative Council *(Vander Loop, 2002)* . Addis Ababa, the capital of the country and seat of AU and various international Organizations was designated as chartered city government with self rule as a result of 1997 proclamation. In line with the national decentralization program, Addis Ababa has embarked on decentralization of functions and responsibilities to 10 sub cities under its jurisdiction for effective urban services delivery as per the revised charter of 2003.

The rapid growth of the population has been putting tremendous pressure on the City government. The problems of inadequate housing, poor urban infrastructure, poverty, unemployment, inadequate water and electricity supplies, poor sanitation system, etc can be mentioned *(Meheret, 1998)*. However, recently, as part of decentralization program, the municipality is empowered to devolve various services and the city government functions to the 10 sub cities among which education and health services are the ones.

The revised charter of Addis Ababa City Government Proclamation No. 311/2003 and the constitution have laid the basis for the devolution of decision-making powers and administrative responsibilities on different matters to its sub cities. However, the presence of various problems has been revealed by the residents at different times. In line with the above facts, this study attempts to assess the state of service delivery in Addis Ababa City Government with particular reference to Arada sub city education and health.

1.2. Statement of the Problem

Ethiopia has been characterized by a centralized administration until 1991. Since 1991, a series of reform measures have been introduced in the country to effectively institute a multifaceted decentralized system. With the adoption of a decentralized approach, it was expected that the system would create local governments which are more accountable to their constituencies aimed at enhancing self-reliance, democratic decision-making, and citizen participation. Provision of public services through decentralized institutions and participation of the population has also the advantage of matching local needs and priorities with required resources. With this and other objectives in mind, various reforms were introduced for promoting effective governance both at central and local levels.

Despite the efforts to improve local governance through decentralized approach, there are still different challenges standing as inhibiting factors to the performance of local administrations. Several reasons could account for the ineffectiveness and inefficiency of local governments in general. Different writers have discussed these problems at different times. Among these *Abdul Aziz (1996: 146)* argues that the extent to which the fruits of decentralized governance are realized depends upon the nature of the politico-administrative institutions created, the extent of functional and financial autonomy enjoyed by local governments, the pattern of power distribution among different interest groups in the society and people's perception about decentralized governance.

Golola, (2003:254) also argues that an important impediment to decentralization is lack of financial and human resources. Local governments find it difficult to raise enough revenue and therefore are unable to hire able administrative and other officials to manage performances. *Tegegne and et al (2004:45)* have also mentioned that financial problems, lack of skilled manpower, lack of participation, and absence of locally adopted system for planning and budgeting are among the constraints challenging the performances of decentralization in Ethiopia. These and related views are raised on the performance of decentralization in Ethiopia.

Addis Ababa is more than hundred years old since founded in 1886 as permanent capital of the emerging modern Ethiopia. Ever since its establishment, it has grown as an important urban center following the process of political, social, economic and environmental development. During the reign of Emperor Halile Selassie I, it was one of the few chartered cities of the country administered by the lord Mayor (*Kentiba*) .During the Dergue Regime, the municipal services of the city was continued with different ideology and function. But the fall of Dergue was a turning point that led Addis Ababa to the charter of 1997 whereby it designated as chartered city government with self- rule *(Meheret 1998).*

According to the revised charter of 2003, Addis Ababa is divided into 10 sub cities as part of decentralization program whereby the city is entitled to devolve various services and the city government functions to these sub cities among which education and health service delivery are the ones. In the decentralization process, however, various problems related to capacity, participation, accountability, responsiveness, structural arrangement, etc have been prevailing in the sub city. Therefore, the study examines the level of power devolution, availability of skilled human resource, the existence of institutions that are endowed with the requirements for best performing their functions, their performance and limitations, availability of adequate finance to carry out sub city level decentralized education and health service delivery.

1.3. Objectives of the Study

1.3.1. General Objective

The general objective of the study is to examine decentralized education and health service delivery in Addis Ababa city government in the case of Arada Sub city. In doing so, the study assesses decentralized performances so as to understand the pros and cons of decentralization.

1.3.2. Specific Objectives

The specific objectives of the study include the following:

- To assess the level of power devolution in education and health service delivery
- To examine the relationships between different tiers of administration in education and health service delivery
- To assess community and other stakeholders participation in education and health service delivery
- To assess the adequacy of resources deployed for the implementation of decentralized education and health service delivery
- To analyze the achievements and challenges of decentralized education and health service delivery

1.4. Research Questions

The research questions of the study are:

- How are the city government and the sub city administrations working together in education and health service delivery?
- Do the institutional arrangements that are put in place in terms of coordination and participation among different actors functioning towards improved education and health service delivery?
- Are local people popularly participating in the betterment of education and health service delivery? How?
- How do the government and other education and health service providers working together?
- Are the necessary resources like finance, skilled personnel, etc deployed adequately for education and health service delivery?
- What are the contributions of decentralization for the betterment of school and health institutions performance?
- What are the major constraints affecting the performance of decentralized education and health services delivery?

1.5. Significance of the Study

Decentralized service delivery is now recognized as a key pre-requisite for facilitating sustainable development and promoting good governance. It is therefore crucial that policy-makers, scholars and practitioners and other stakeholders in Ethiopia advance their understanding on issues related to decentralized service delivery.

According to the recent arrangement, Sub cities are given political, fiscal and administrative powers to manage development activities in areas under their jurisdiction. However, to date there are very limited studies conducted in a comprehensive manner on the extent of performance of public service delivery such as education and health at local levels. This study is believed to help in filling such gap in its area of focus.

Moreover, the study is expected to provide crucial inputs for the public at large, policy makers and other stakeholders on the picture of education and health service delivery in the sub city under study. In addition, the findings reported are believed to instigate other researchers to conduct more comprehensive study on decentralized education and health service delivery.

1.6. Scope of the Study

There are ten sub cities in Addis Ababa City Government to which service deliver is devolved as part of decentralization program. These services include education, health, sanitation, water, etc. But this paper covered only the decentralized service delivery of Arada Sub city with particular reference to education and health. In doing so, the study focused on identifying the achievements made and the challenges encountered in decentralized education and health service delivery.

1.7. Limitations of the Study

Assessing the performance of decentralized service delivery is difficult since there is no universally agreed upon yardstick. That is, there are no clearly defined indicators against which its performance could be measured. The performance of decentralization can also be influenced by different factors which makes it difficult to conclude that decentralization is the only factor responsible for all performances. For example, population growth affects the performance of education services delivery in terms of gross enrollment. There are also information constraints to fully assess the performance of decentralized services as data collection and analysis are poorly developed not only at lower level but also at City level. In the same way this study was limited due to constraints of resources, access to information and the time allotted for this study.

1.8. Methodology of the Study

This part of the study outlines the research method used, selection of the study area, study population, data sources and data gathering tools applied and method of data analysis.

1.8.1. Research Method

Methodology is a general principle which guides a study. Research methodology generally relies on qualitative and quantitative research. Qualitative research helps to undertake in depth study through exploring attitudes, behaviors and experiences by using such methods or data collection instruments as key informant and focus group interviews through unstructured and semi-structured questionnaires. This provides information which can best be described in words in describing situations, events, people, interactions and observed behaviors, etc. On the other hand, quantitative research generates statistics and produces numerical data (*Goode & Hatt, 1981:330-331).*

Qualitative research is helpful in a case study approach that views any social unit as a whole and has a lot of similar advantages. A case study enables to know how a unit of study is affected by the item being studied through observations of the unit in its setting and through field interaction and information or data gathered about the unit. The approach is both intensive and comprehensive in nature and allows deep and thorough study in exploring and analyzing the unit. It has the strength of dealing with a full variety of evidence from documents, interviews and observations about the institutions, processes, programs, and decisions. This helps to know precisely the factors and causes of a particular phenomenon from the past to the present in which the researcher gains thorough knowledge about the subject of the study. It also explains and describes the unit and tries to find the changes of actions and reactions or the range of deviations in the unit of study *(Ibid)*.Decentralized service delivery is an approach which is characterized by multifaceted purposes involving all actors at public institutions and community level.

In view of this, the study was guided by a case study approach. Thus, the research method utilized for this study was a case study method whereby qualitative or descriptive analysis was exercised primarily based on secondary data and complemented by primary data. The researcher has also recognized the weaknesses of case study in that generalization is not possible for similar cases. Moreover, the study has also backed the qualitative approach with some simple quantitative tools like percentages, charts and the like.

1.8.2. Selection of the Study Area

Service delivery is complex in its nature. Hence, assessing it needs in-depth investigation of sources from various actors. Arada Sub city is the inner most and the oldest part of Addis Ababa. The majority of the inhabitants in the sub city live under the poverty line. Its population which is around 330,000 is highly dense creating overburden on the limited facilities found in the area. That is, the general feature of the sub city is the reflection of shanty and slum areas whereby education, health, etc service delivery are basically inadequate and aggravated by poor socio-economic. In addition, the proximity of the writer to education and health services in this sub city and the preliminary assessment made have revealed the prevalence of various problems related to service delivery in the area. Moreover, conducting a study on more sub cities requires more time and resources and these limits making thorough analysis of the subject. Therefore, in line with the above reasons, Arada Sub city was purposively chosen as area of study to investigate its decentralized service delivery. There are state and municipal functions in the sub city. Municipal functions include safeguarding lives and property of the people, maintaining streets, providing facilities for sewage and waste disposal, recreational and social needs, etc. Education and health services are among the state functions. State functions are critical and have got due attention by the government to meet the millennium development goals. As a result, they were chosen as area of study in the sub city.

1.8.3. The Study Population

The study population includes education office management, health office management, school directors, health center heads and their staff, parents, students as well as the sub city community. From point of view of the subject under study, these were targets of the study since decentralization is policy and development issue which in one way or another affects the whole sections of the population. However, given the larger size of the population that the study comprises, it is ideal to find a complete list and it is also impractical and time-consuming to compile an exhaustive list of elements comprising the target population. It is also impossible to include all elements of the targets in the study. Therefore, the study primarily utilized secondary data whereby primary data was used as a complement.

Regarding education service delivery, there are 54 primary schools (10 government owned, 18 public, and 11 private the rest 15 are missionary, community and church owned), 25 secondary schools (6 government owned, 5 public, and 3 private the rest 11 are missionary, community and church owned) that are under the control of the sub city. And there are 84 health institutions out of which only 4 are owned by the government and others are privately owned ones.

Moreover, although the study was primarily based on secondary data, some primary data were also used to complement secondary data. To this end, the study addressed 4 primary schools and 4 secondary schools as a source of primary data. Here, the study addressed 1 school from each category of government, public, private and the rest from others. Moreover, 1 government health institution and 6 private health institutions operating under the sub city were contacted.

On the basis of this selection, key informants were approached from each office. Officials at sub city offices, school directors and health center heads whose experience in the sub city and recent position is pertinent to the study were contacted. Moreover, Parent Teacher Students Association (PTSA) and Health Committee representatives were interviewed on school and health service delivery of the sub city respectively.

1.8.4. Data Source and Data Gathering Tools

Data collection for the study involved both primary and secondary sources. The tool employed in collecting primary data was an interview. Interviews were administered with heads of offices, health institution heads and directors as key informants. Besides, it was also held with Parent Teacher Students Association (PTSA) and Health Committee representatives to complement secondary data that were basically used in the study. The interviews with PTSA and health committees were believed to help in confirming the data collected during key informant interviews .To this end; it was conducted towards the end of data collection period. Secondary data were collected from various sources which were available in the form of books, journal articles, proclamations, policies, constitution, regulations, organizational structures, performance reports and pertinent academic theses.

1.8.5. Data Analysis Method

The analyses of the study was mainly descriptive that combines both primary and secondary data whereby secondary data were used primarily. The data collected in different forms were first organized in view of the objective of the study and the performances on education and health services. Then the data were analyzed considering the standards of Education and Health as well as the national policies. In addition, simple statistics like charts and percentages were utilized.

1.9. Organization of the Study

Chapter one of this study covers the introductory part whereas chapter two deals with literature review in which some of the major concepts in the study are clarified .The third chapter gives an overview of the processes of decentralizing service delivery in Ethiopia with particular reference to the city government. The fourth chapter is concerned with identifying organizational arrangements and community participation in service delivery. The fifth chapter deals with the analysis and discussions on performance of decentralized education and health service delivery based on which major findings are identified. The final chapter is the conclusion part, which summarizes the findings of the study in various views and forward recommendation.

CHAPTER TWO
2. LITERATURE REVIEW

This part of the study tries to address relevant conceptual issues and theoretical frameworks that are pertinent to the topic of the study. In line with this, special attention is given to definitions, approaches, types, benefits and drawbacks of decentralization as well as service delivery and its arrangements.

2.1. DEFINITIONS AND CONCEPTUAL ISSUES

2.1.1. Decentralization

Decentralization is a major governance theme in recent years that form an item in reform agenda and it has various definitions. However, some of the common ones described by different writers are focused hereafter.

According to *Rondinelli (1981)*, decentralization is defined as:

> 'the transfer or delegation of legal and political authority and resources to plan, make decisions and manage public functions from central government and its agencies to field organizations and those agencies, subordinate units of government, semi-autonomous local governments or public corporations, area-wide or regional development authorities or functional authorities, autonomous local governments or non-governmental organizations'.

P. Vijapur, (1998) on his part states that decentralization is generally understood to indicate devolution of powers and resources from the higher level government to the lower level of government. Moreover, decentralization is promoted on the assumption that greater participation in public decision making is a positive in itself or it can improve efficiency, equity, development and resource management (*Ben Wisner 2005:205*).

According to *Tulia G. Falleti (2004:3-5)*:

> 'Decentralization is a process. It is a set of policy reforms aimed at transferring responsibilities, resources, or authority from higher to lower levels of government. The concept is not used as an adjective to qualify a given political or fiscal system. Decentralization is a set of state reforms. As such, decentralization does not include transfers of authority to non–state actors as in the case of privatization reforms.'

Decentralization is transferring authority and responsibility from the central government to field units or agencies, corporations, non government and semi-autonomous public authorities etc to plan, manage, raise and allocate resources (*Liou, 2001: 1013*).

For some writers, decentralization is the devolution of resources, tasks and decision making powers to lower-level authorities which are elected and independent of the central government (*Bossuyt and Jermy, 2000: 1-2; Yigremew, 2001: 103*). Furthermore, authors like *Nsibambi (1998:140)* describe decentralization in general referring to deconcentration or delegation of authorities to field units of the same department or devolution of authority to special statutory bodies or local government.

From the above definitions and concepts it is possible to observe that the authors' views are similar in one way or another in that they are all raising the issue of transferring. That is, it seems that they all agree with the transfer of power and resources from one center to another down the tier of the government. But, their difference lies in the area of their emphasis- some scholars give due attention to the transfer of power whereas others to resources, responsibility, decision making, participation effectiveness, and the like.

2.1.2. Approaches to Decentralization

Regarding how to undertake the process of decentralization, different scholars propose various approaches. Among them, hereafter, are the approaches proposed by scholars for decentralization. These are:

- big push versus small steps
- bottom up vs. top down
- Uniform vs. asymmetric decentralization

The authors addressed each of the approaches as follows indicting their strengths and weaknesses.

Big push versus small steps (Big Bang vs. Gradualism)

According to *Anwar Shah and Theresa Thompson (2004:19)* the literature on federalism some time calls for a holistic approach to division of powers within nations. This entails an integrated approach to decentralization so that major decisions on political, administrative and fiscal decentralization are adopted as a single package. This is due to the fact that crystallization of such an approach may entail a long drawn out process of democratic consultations and consensus building at the grassroots levels. Such a package of reforms when implemented in a single initiative and implemented over a relatively short period of time would constitute a "big bang" approach to decentralization. According to them, a big bang approach has two defining characteristics;

- It is holistic or comprehensive
- It is implemented at lightning speed

They argue that such an approach has a number of commendable elements. The holistic approach ensures that all pieces of the puzzle fit together—i.e. the desired balance in autonomy and accountability is achieved while providing incentives for cost efficiency. This balance might not be achieved under piecemeal reform. For example, if expenditure decentralization is not accompanied by revenue decentralization, the decentralization plan may fail to fully take into account local governments' fiscal capacity and fiscal needs, the availability of good sources of local revenue, the trade-off between equity and efficiency, and the inefficiencies caused by high vertical imbalances that lead to a lack of incentive for revenue effort and reduced accountability. If political decentralization occurs without fiscal decentralization, people may quickly become disenchanted with decentralization in general because there are no tangible benefits from the reform.

According to the above writers, this is because all such reforms create winners and losers, and it is generally the central government, which stands to lose power from decentralization that must implement it. They argue that decentralization reforms empower people and local politicians at the expense of national politicians and bureaucrats. If the reforms are planned to take place over a longer period of time, the latter may be given an opportunity to organize, and they are likely to build coalitions to circumvent reforms.

Sharma, Chanchal Kumar (2008:12) on his part substantiates the importance of big bang approach to decentralization. According to him, bureaucratic resistance, interests and attitudes of powerful stakeholders that are the outcome of centralization legacy can challenge decentralization if incremental approach is adopted. He draws attention towards the constraints imposed by anti decentralization coalitions can only be overcome if a political breakthrough is made by large scale decentralization rather than by moderate decentralization. He argues that policy reform of any sort will be confronted by vested interests such as central bureaucrats and local governments aiming to protect their privileges, which could install such a reform or call for a major setback.

According to *Anwar Shah and Theresa Thompson (2004:20)*, a gradual approach to decentralization might work if there is likely to be a strong political commitment to reform in the foreseeable future and it is unlikely that groups adversely affected could get organized to block reform. As for them, in contrast to the big bang approach, a gradualist approach calls for a sequenced approach to implementing in small steps what may quite possibly be a comprehensive agenda of reform.

This approach is sometimes advocated on the grounds that local governments have inadequate capacities to handle newly assigned responsibilities or citizen participation in local government is weak due to a lack of interest and/or lack of education. They argue that gradualism is also advocated when decentralization, if done incorrectly, could cause serious problems. They contend that this is the case when:

i. local participation is weak and the local government is captured by the elite
ii. Delivery and/or revenue collection break down because of weak local government capacity

These contenders say that lack of capacity at the local level as a reason why decentralization should proceed slowly. But technical capacity can be contracted at first, and eventually be home-grown. They say what is essential is for the decentralization process to get started and to allow accountability mechanisms to take effect.

Sharma, Chanchal Kumar (2008:11) those who support slow, incremental or partial decentralization draw attention towards probable downside risks of decentralization. They argue that most significant among all is the concern with decline in service delivery on account of 'capture by local elites' and low technical capabilities of local government.

Bottom Up vs. Top Down

According to *Anwar Shah and Theresa Thompson (2004:21)*, bottom-up process of decentralization entails resident-voters getting organized in communities and declaring home rule for local public services and asking higher level governments to be supportive of these efforts. This has been the dominant mode of decentralization in North America and Northern Europe. A top-down process of decentralization, on the other hand, represents a blueprint drawn by national governments to shift some of their responsibilities downwards. This has been the dominant process of decentralization followed in Southern Europe and all developing and transition countries.

Uniform vs. Asymmetric Decentralization

According to *Anwar Shah and Theresa Thompson (2004:22)*, uniform decentralization implies that the legal status of a constituent unit is the sole criterion used for assigning responsibilities. For example while there may be differential assignment of responsibilities between the categories of cities, towns and villages, there will not be any such differentiation within each category (i.e. all cities will be treated equally). They contend that uniform decentralization is desirable when various jurisdictions are relatively homogeneous with respect to their fiscal capacities and there is no special asymmetry of political or ethnic grouping that calls for special recognition. Asymmetric decentralization, on the other hand, means that constituent jurisdictions are allowed differentiated responsibilities due to political, fiscal or technical capacity considerations.

According to *Shiuh-Shen Chien (2008:4)*, firstly, asymmetric decentralization is able to politically motivate careerist local leaders to meet centrally-assigned performance targets, creating certain spaces for the accountability mechanism not for the below but for the top. Second, under the centralized personnel management system, 'experienced' local leaders are promoted from economically advanced regions to underdeveloped areas. Such geographically specific cadre transfers diffuse successful local economic experiences to other regions and therefore balance uneven regional development. Third, there are several innovative monitoring against abuse of power either by cross- regional local-based public-owned media or cross-regional juridical systems. In decentralization programs, countries might have gone for one or more of these approaches based on their economic, political, social and cultural contexts.

2.1.3. Types of Decentralization

It is important to distinguish the types of decentralization since they have different characteristics, policy implications and conditions for success.

Scholars[1] have identified four major types of decentralization namely, political, administrative, fiscal and economic decentralization. These concepts are explained as follows:

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[1] http://www.decentralisation.gov.na/articles/decentralisation_concepts.html extracted in December, 2009

Political Decentralization: Political decentralization can be understood to refer to either or both of the following:

I. Transferring the power of selecting political leadership and representatives from central governments to local governments,

II. Transferring the power and authority for making socio-politico-economic decisions from central governments to local governments and communities:

According to the writers, understanding political decentralization only in the first sense would be limiting the meaning of "political" to the choice of political leadership through elections. Therefore, they say that, the promotion of political decentralization in this sense would entail only putting in place structural arrangements that would facilitate local people to exercise their voting power with limited hindrance or intervention from central government. Here, political decentralization would be referring to only electoral decentralization and participation would be understood only in terms of elections. On the other hand, promoting political decentralization in the second sense, would entail putting in place structural arrangements and practices that would empower and facilitate local governments and communities to exercise not only the voting power in the choice of their local leadership and representatives but also to have strong influence in the making, implementation, monitoring, and evaluation of decisions that concern their socio-politico economic wellbeing and to constantly demand accountability from their local leadership. The first sense of political decentralization refers to the vote while the second one refers to the voice. A combination of both enhances the influence of local people on the decisions that concern them (*John-Mary Kauzya, 2007:4*)

It is a process of transferring political power from central government to give citizens and/or their elected representatives more say in public decision making in domains that extend beyond political governance to include general socioeconomic development (*John-Mary Kauzya ,2005:5*). Political decentralization aims to empower citizens or their elected representatives by giving more power of decision making. It is usually based on constitutional reforms, the development of multi-party politics, the presence of strong legislatives and the encouragement of effective public interest groups (*WB, 1997*).

According to *Tulia G. Falleti (2004:3-5)* political decentralization is the set of constitutional amendments and electoral reforms designed to open new or activate existing but dormant or ineffective spaces for the representation of sub national polities. Political decentralization policies are also designed to devolve electoral capacities to sub national actors. Examples of this type of reform are the popular election of mayors and governors who were previously appointed, the creation of sub national legislative assemblies, or constitutional reforms that strengthen the political autonomy of sub national governments.

Administrative Decentralization: According to *Tulia G. Falleti (2004:3-5)* administrative decentralization comprises the set of policies that transfer the administration and delivery of social services such as education, health, social welfare or housing to sub national governments.

Administrative decentralization is the sharing of authority and responsibility between headquarters and field offices. (*Meheret, 1998: 1; Van der Loop, 2002: 7-8*). It aims to redistribute authority and resources among different levels of government.

Fiscal Decentralization: Entails the definition of authority over raising revenues or access to transfers and making decisions on current and investment in expenditures. It is the transfer of decision making power and responsibility to raise adequate revenues. It refers to the set of policies designed to increase the revenues or fiscal autonomy of sub national governments. Fiscal decentralization policies can assume different institutional forms. An increase of transfers from the central government, the creation of new sub national taxes, and the delegation of tax authority that was previously national are all examples of fiscal decentralization (*Tulia G. Falleti 2004:3-5*).

Economic/Market Decentralization: Is the passing over to the private sector of the functions exclusively performed by government. It is the shift of responsibility from public to the private sector. In order to have a successful decentralization, there are some necessary conditions or suggestions (*Andrew, 1989:269-271*). These are:

- adequate financial resources commensurate to responsibilities
- a system of accountability to effectively monitor the performance of the local government
- the legal and institutional framework
- informed decision-making power
- adherence to local priorities
- determined objectives which must be understood and stated clearly
- select delegatee carefully
- establish necessary control and
- retain some important tasks for your self

In as much as there are different types of decentralization, there are also different forms in which decentralization can be achieved, namely, de-concentration, delegation, devolution, privatization and de-regulation (*J.D.Barkan 1998:5-6*).According to Barkan these forms of government are discussed as follows.

De-concentration: occurs when central government disperses its officials to sub-national levels to carry out regular functions under the authority of central government. There is no transfer of power to sub-national levels of government. This form does not empower the regional authority or citizens because decisions would still be made by the ministry having offices in the regions. It is the handing over of some administrative authority or responsibility to lower levels within the central government.

Delegation: is the transfer of certain functions to sub-national levels to be performed on an agency basis. However, central government still retains public accountability and responsibility to provide fund, resources and personnel for the delegated function(s).

Devolution: involves the transfer of functions, resources and power to sub-national levels of government. Here, sub-national governments assume full responsibility and public accountability for decentralized functions. Furthermore, sub-national governments should have clear and legally recognized geographical boundaries over which they exercise authority and within which they perform public functions. This has political implications in that it endangers the sharing of power between these other units and central government institutions.

Privatization: is the transfer of service provision through the divestment of state owned enterprises and public private ventures. In this case the government creates parastatals which will provide services on the business principle of gaining profit. Normally such parastatals do give the government some dividends from their profit which the government used to provide other essential services to the citizens. Generally it is concerned with the transfer of activities from the public to the private sector.

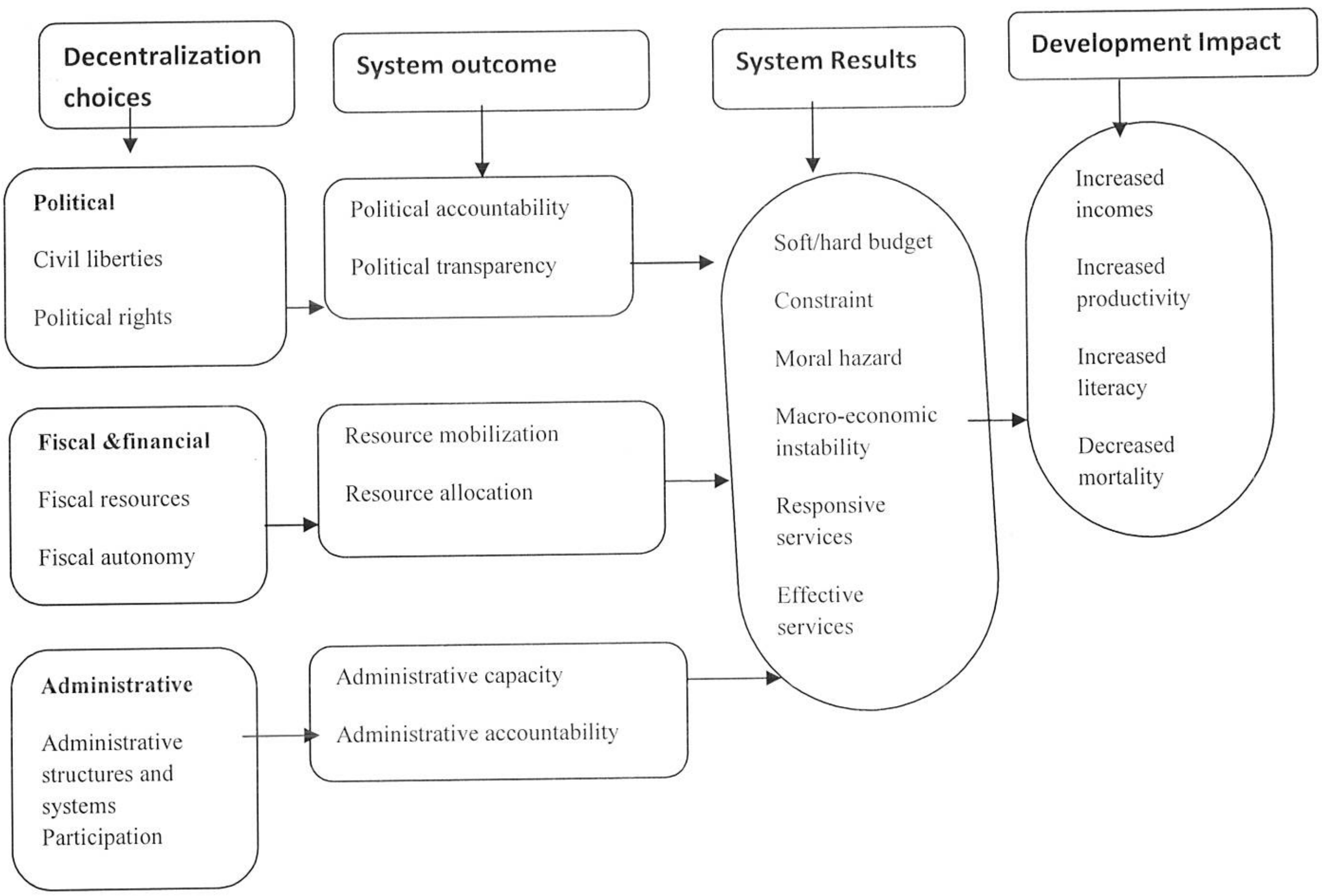
De-regulation: consists of transferring service provision or production activities previously owned and regulated by the public sector to competing private organizations. The best example of de-regulation is outsourcing, where government hire a private company to provide certain services to the government. This can either by in the form of the government hiring a cleaning company to clean its offices instead of government employing cleaners itself.

In general terms, it is difficult to come across a country that has undertaken only one of the above different types of decentralization. All countries, centralized or decentralized, always seek to find an appropriate mix of these types, the central question always concerning how much decision-making power to transfer to local governments. This is directly linked to issues of political decentralization.

2.1.4. LINKAGE OF DECENTRALIZATION AND DEVELOPMENT

If decentralization is conceived, planned, implemented, and sustained as a structural arrangement to support and facilitate the involvement of the local people in the process of their own development, then it stands strong chances of promoting sustainable development. However, decentralization should not be taken as a panacea or as the "automatic" prescription for development. The diagram below provides a birds-eye view of decentralization's role in development (*Andrew N. 1995:44*)

Figure 1: Decentralization choices, outcomes, results and impact



According to *John-Mary Kauzya (2005:14)*, to the extent that decentralization facilitates optimum resource mobilization at local and effective resource allocation at national levels, and in so far as it improves the prospects for efficient and sustainable service delivery, and for income and productivity growth, it is possible to link decentralization to development. What should be born in mind is that decentralization, as a process of structural re-arrangement, cannot in or by itself lead to development. It creates an environment for effective mobilization of resources, and for the channeling of capacities and energies towards the development of local communities.

What is important is to ensure that at the design stage, the development objectives of decentralization are made clear to all actors. Without clarifying local development objectives, decentralization is unlikely to serve as a vehicle for local level development. The nature and extent of the objectives pursued will determine the extent to which decentralization will be linked to development. If the objective is political or administrative only, then it would not be realistic to expect decentralization to directly lead to development (*ibid*).

Niringiye Aggrey(2005:264) argues that decentralization and development linkage helps have public resources are more efficient at the sub national level and this would mean , for example , that a better educated and healthier labor force or faster and less costly transportation will result in greater measures economic growth in future. But he does not hide that the impact of decentralization on development is the function of the country, resources endowment, the number of sub national governments and the particular characteristics of goods and services.

2.1.5. Benefits of Decentralization

Different scholars have been arguing on the advantages and disadvantages of decentralization. The following are the contentions for its importance.

Administrative Efficiency, Effectiveness and Responsiveness: According to *Joel D. Barkan(1998:7)* decentralization enhances democratization via increasing administrative effectiveness by promoting greater coordination and cooperation among the concerned units. He says that this can also increase state responsiveness to the needs and demands of service delivery by various interest groups within the society.

Rwekaza Mukandala (1998: 3-4) also contends that decentralization reduces conflict and promote democracy, efficiency and effectiveness, improve delivery of services, solve problems of over load and congestion, allow for careful consideration of local needs, encourage innovation and invention, provide more accurate description of problems even ease national planning problems. He also argues that decentralization reduces the size and clout of large units thus enhancing chances of national unity. It can also promote geographical equity, increase popular capacity to ensure responsibility and accountability. Moreover, it facilitates easier access to decision points and increase representation.

Philipoxhon, et al (2004) argues that decentralization favors a more efficient allocation of public resources. He contends that this is because the decentralized allocation of resources reflects a greater well-being of the citizens. Sub- national governments could create well-being in the diverse communities throughout the country, adjusting the collection and allocation of public resources to equally diverse preference. It is assumed that the people's preferences vary among regions, and that authorities in each region will be in better position than outsiders to perceive and satisfy the needs and demands of those jurisdictions. In this manner, efficiency will increase when local taxes and fees finance sub national government actions, thus helping the community confront the economic costs of those actions. However, decentralization is not a panacea for solving economic and social disparities, because it does have limitations and potential disadvantages.

Access to information: Decentralization facilitates the acquisition of more accurate information on conditions or situations obtaining at the periphery. This information can then be used for planning more appropriate development and governance activities (*Rwekaza Mukandala 1998: 3-4*).

According to *Junaid Ahmad et al (2005:14-15)* voters may be better informed about the quality and availability of local public goods because of greater physical proximity, or more focused on using this information in voting decisions because of the narrower range of responsibilities for which to hold their representatives responsible. There are two ideas according to him, one that information is easier to come by at local levels and that participation and monitoring by voters is less costly.

Popular Participation and Accountability: Decentralization to locally elected governments narrows the jurisdiction served by a government, and the scope of public activities for which it is responsible, citizens will find it easier to hold government accountable. Roughly speaking, decentralization improves outcomes to the extent that physical proximity increases voter participation and monitoring of performance, and to the extent that narrowing the scope of responsibilities of each tier of government decision makers reduces their ability to shirk on some responsibilities by performing better on others (*Junaid Ahmad et al, 2005:14-15*).

Decentralization strengthen democracy, bringing decision making closer to the citizenry, facilitate and promotes greater citizen participation and involvement in politics and programs that affect them; and leads decision makers to make decisions that are more closely connected to peoples real needs, thereby increasing the program's relevance. All of this is within a context of the democratic election of authorities who after gaining the support of voters should give an account of their activities / accomplishment on behalf of the voters (*Philipoxhon, et al 2004*).

2.1.6. Drawbacks of Decentralization

Contrary to those scholars advocating decentralization, there are also scholars arguing against decentralization. Hereafter are some of the contenders and their view towards decentralization.

According to *Junaid Ahmad, et al (2005:2)*, the following four problems of decentralization are identified.

I. The lack of capacity at sub-national levels of government to exercise responsibility for public services is the most cited problem. He also noticed that lower tiers of government lacked the ability to manage public finances and maintain proper accounting procedures.

II. Decentralization has led to misaligned responsibilities, possibly because the process is incomplete, possibly for political reasons.

III. While decentralization was in some cases intended to strengthen the political power of lower tiers of government vis-à-vis the center, it has also increased the possibility of political capture within these lower tiers.

IV. A host of other problems, not associated with service delivery, have nevertheless helped to undermine service delivery in decentralizing economies.

In socially polarized and/or ethnically fragmented societies, voters tend to vote for those candidates with whom they most closely identify. Political competition between parties thus also concentrates on identity issues, and candidates are nominated from constituencies largely on the basis of demographic calculations of ethnicity and religion. Like uninformed voters, polarized voters are therefore also less able to hold politicians accountable for their overall performance in office in making services work. Public good provision would suffer most under these conditions, since politicians in polarized societies rarely internalize the society-wide costs and benefits of their policy decisions (*ibid*).

According to *Rwekaza Mukandala (1998: 3-4)* decentralization may be for extractionist purpose. The motive may be to create a favorable condition for extracting resources from the public and the workers in the name of participation .Decentralizing authority in order to secure a geographical, ethnic or administrative pluralism may promote fragmentation. This would reduce effectiveness and may even result in pressure for secession. And also easier access to decision points may lead to endless debates, soul searching, issue re-examination, ultimately administrative paralysis, thus lowering operational effectiveness and efficiency. The reduction in hierarchical supervision from supervisors can also have negative consequences. Devoid of supervision, local officials may became "pseudo Gods" and do whatever they want, how and when they want, irrespective of formal rules and procedures. Ultimately, of course, the creation of decentralized units may result in a loss of central political authority. This may in turn weaken the capacity of states to defend national interests or even to defend the motherland (or fatherland) itself .Similarly, a multiplication of diverse semi autonomous units may also result in increased costs which may be economically and political unacceptable.

Smith (1985:5) argues that decentralization can be divisive and separatist in character and effect and therefore a negation of national unity and integration. Because it requires that goods and services be provided at the local rather than the national level, it is said to reinforce narrow sectional interests and is therefore, anti egalitarian. At the local level, decentralization is criticized for having the tendency of benefiting certain classes at the expenses of the general population.

Fumihiko SAITO (2001:2-3) contends that decentralization may foster more local royalty to regional identities than the national identity, and this may encourage more autonomy from the central government and even a territorial secession in multi-ethnic and multi-religious societies. This puts the national integrity itself at risk. Decentralization may increase corruption at local level and thus this would not improve accountability. Another important issue to consider is that of capture of local government by elites. When civic participation in local government is low, there is a greater risk that interest groups and local elites may capture local governments and direct resources toward their own priorities rather than toward improving the provision of local public goods and poverty alleviation elections coincide, there is a greater probability that national politics will influence results of local elections, reducing the accountability of local officials.

2.2. SERVICE DELIVERY

Services are surprisingly heterogeneous and there is no clear boundary to demarcate goods from services. As a result, it is difficult to give a precise definition of services. In most of the literature, goods or services are divided into public goods and private goods and defined accordingly. If private goods/ services are consumed by an individual they will not be available for another individual. In this case goods and services are provided through market and access to them is determined by individual dispositions and market conditions. Most services also have the features of public and private goods and their production, provision and financing may be undertaken jointly. Such goods are either financed by the state and provided privately or financed privately through user charges and provided by state (*Streeten, 1995:247-8*).On the other hand, according to *Barlow (1981:81-82*), public goods are goods which are if available to one, should be equally available to all and when consumed by one, are still available in the same amount to others. Therefore, the consumption of public goods or services is open to all people and difficult to prohibit an individual from consuming it. *Bailey (1999:48)* argues that particularly in developing countries where the provision of goods and services is mainly based on public provision, it is difficult to divide and price public goods.

Public goods have no homogenous character. They vary from basic services to services, which are intended to improve quality of life, and services which are essential and those that are optional. Basic services are services, whose delivery is sanctioned by law while optional services are left to the discretion of local governments. Basic services include mandatory services like police protection, while optional services are determined by the nature of services and the need and the standard of living of a given individual or locality or country. Therefore, the type of service provided in a certain locality may vary from basic services to optional or recreational services, the latter depending on factors that include governmental fiscal capacities and community dispositions (*Barlow, 1981:81- 84*). Type of service also could be divided into services that may be spatially divisible targeted certain local beneficiaries or spatially indivisible that provide benefits over a wide area like transportation. Some services are also classified into point pattern facility systems and network facility systems or area-based services or a combination of both systems. Local school or health center could be an example of point-based service while water supply is an example of network service.

In the case of developing countries physical and social infrastructures like education, health, water supply, roads, etc are mostly provided by government agencies while entrepreneurial infrastructure is provided by the private sector. The government also plays the role of creating suitable situation for the private sector. Therefore, by and large, services are related with sectoral development issues, which are provided by different agencies and defined as access to basic developmental goods or services available to citizens and contributes to human needs or development. In varying degrees, basic public sector services like education, healthcare, water supply, sanitation, housing or shelter, and roads are largely provided at local level (*ibid*). In this study, service refers to public goods or basic public sector services such as education and health the provision of which are under the jurisdiction of the sub city administration.

2.2.1. Service Delivery Arrangements

According to *Barlow (1981:84-91)*, service delivery has been addressed either by public or private sector depending on a various determinants like political and economic structures, interest and capability of private providers, local finances, consumer/societal preferences, geographic dispersal of service beneficiaries, equity and properties of the service itself. So, it is possible for a given a country to organize service delivery system in different ways and levels. This may include private or public and highly centralized level or highly decentralized level. Although some services may be provided by private organizations, the need for public control over certain services has increased to safeguard the provision of some basic services to enable equitable and uniform service provision irrespective of socio-economic category of customers or consumers. In the case of developing countries problem of affordability is also an issue. Hence, provision of basic services such as: health, education, water and sanitation, and energy have remained public responsibility for a long time.

However, the public sector is incapable of providing services according to the needs of users. Nor the centralized form of service delivery arrangement has been capable of discharging its responsibilities to fulfill these needs .According to *Elcak (1994:109-111)* this is because of the limitation of the state, the inefficiency and ineffectiveness of state services to meet public needs and the evolution of new approaches for service delivery like privatization and expansion of other local actors in providing services. This situation has also changed the functions and issues of local government by bringing local governments in a competitive situation by either competing among themselves or outsourcing services to competitive tendering. As a result, *Elcak (1994:111)* argues that most basic services are becoming under the responsibility of local governments with decentralized governance in a devolved system to local level. In line with these, service delivery approaches are discussed as follows.

Centralized Model

This model refers to the concentration of authority or decision-making powers on a wide range of issues in a central body. Until the end of the 1960s, the centralized state used to have an expanding role in the operation of the economy and governments assumed dominant or monopolistic roles in providing public services. This role has been expanded from provision of certain basic services like maintenance of law and order to provision of expansive activities like education, health, social security and macroeconomic management (*Munday, 1996:97*). With such expansive role, the centralized state has been labeled as a developmental state that optimizes the welfare of the people as a whole. On this ground, the state was viewed as the best political and economic institution that can do no wrong, which is based on views expounded by the old romantic theory.

From the early 1970s on, the centralized states particularly those in developing countries began to face difficult challenges of inefficiency in the face of changing economic and political conditions, which eroded the image of the developmental state as public service provider. They failed to lead the economy including the provision of basic services to their citizens. This was particularly manifested in mounting economic problems during the critical periods of the 1970s and 1980s, which were marked by substantial oil price rise and the consequent debt crises respectively (*ibid*).

The challenge of the time prompted a debate beyond national boundaries both in development thought and policy circles leading to successive shifts of policy as expressed in different reform measures. The assumption of the 1950s and 1960s that favored the view that development will trickle down from the center lost its prominence as economic and political situations began to worsen, which resulted in the crumbling of the traditional centralized institutions one after the other (*Martinussen, 1997: 257*).

Following the crisis, the neoclassical political economics and the public choice theory claimed that governments can do no right by reversing the views of their predecessors. The neoclassical economists regarded the public sector as the domain of authority, exercised either benevolently or as a wasteful drain on resources. They advocated that the state should withdraw from the economy and should confine itself to the protection of its citizens against external and domestic threats (*ibid*).

Similarly, the public choice theory argues that government creates distortions in the economy. The theory claims that citizens, politicians, bureaucrats and states use the authority of government to distort economic transactions for their benefit. This claim has been more elaborated by (*Streeten, 1995:214-215*) as follows:

> 'Citizens use political influence and pressures to get access to benefits allocated by government; politicians use government resources to increase their hold on power; public officials trade access to government benefits for personal reward; and states use their power to get access to the property of citizens. The result is an inefficient and inequitable allocation of resources and general impoverishment and reduced freedom.'

Substantiating this view, *Matinussen (1997: 262*), argues that the traditional state has generally been characterized and treated as inefficient and somewhat inequitable, and an institution that utilizes power for individual gains while standing against public interest. Furthermore, according to *Chikulo (1998:9*), the traditional state has been expressed as an institution with complex and ineffective government institutions characterized by bureaucratic red tape, delays, communication overload and distortion of information, and principal-agent hierarchical political power structures. Under these circumstances, the mission of service providers and what is provided is determined centrally without involvement of the public at grass roots or community level. Priorities are set by centralized institutions that are unresponsive to local needs and unaccountable to local constituents resulting in inadequate provision commensurate with local conditions.

Market Model

According to the argument of neoclassical political economists the forces of the free market are the only option capable of advancing the good of society and the private sector is the source of wealth creation. Under the free market, resource allocation will be optimally marked by both technical and allocative efficiency while taking individual preferences and costs of services. For this reason the theory recommends the policies of liberalization, deregulation and privatization (*Bailey, 1999*). The big international financial institutions, the World Bank and the IMF, also revised their earlier assistance strategy from project support to Structural Adjustment Loans, as a condition to push the recipients to come to terms with market-oriented minimalist state.

With this motive, the IMF and World Bank sponsored the first and the second generations of economic reforms pursued under the Stabilization and Structural Adjustment Programs (SAPs), which were aimed at allowing the market to play a dominant role in the economies. According to the World Bank cited in *Rondinelli (1993:174-178)*, public sector particularly in Africa is considered to be over-extended, bloated inefficient, unproductive and incapable of delivering efficient services. Initially, SAPs focused on the need for privatizing public sector services while neutralizing the role of government in the economy.

Consequently, restructuring and transferring of the responsibility from public services including local services such as education, health, local roads, water supply, sanitation and other infrastructures to the private sector has been considered as a cure to the ills of government intervention (*Streeten, 1995:231-232*) .But critics argue that the package of reforms prescribed by the IMF and World Bank have not worked wherever they have been vigorously pursued. In the program, countries cut their public expenditures in education, health, infrastructure, and capital and operating budgets entailed collapse of public services and the withdrawal of the state (*Chikulo, 1998:87-88*). Hence, the reforms have been viewed as not feasible in the context of program countries and the move to change the provision of public services from government to market forces has suffered from serious setbacks.

Moreover, profit-orientation is the very nature of market which is based on material incentives. Market forces are not capable of providing all public goods and services because of the existence of non-competitive markets and externalities. As opposed to private goods, public goods are non-rivalry and non-excludable to which the market could not easily respond (*ibid*).

In addition, the provision of some public goods that are unattractive to market forces may be unattended if left to the market forces alone. Market is unable to enhance positive externalities like expansion of human capital and does not deter negative externalities like environmental damages, which are essential for a society. Thus, the market is not capable of providing all services (*Self, 1993:98-100; Senboja & Therkildsen, 1995: 3-4*).

Furthermore, the private sector in developing countries is at its infant stage and its capacity to provide the wide range of public services will remain very low contrary to the aspirations of the proponents of the market. Hence neither the market nor privatization has reduced the role of the state. As *Chikulo (1998)* argues it, unlike in the west, changes in ownership, franchising, contracting-out or leasing out of public services is rarely practiced in developing countries and consequently the role of the state is not that much influenced. By providing public goods, taxing negative externalities and allocating resources to positive externalities, government intervention plays significant role in the areas where the market fails to respond. Government intervention also safeguards the interest of the poor through equitable distribution of resources for providing public services and in availing services that are not made available by the private sector. Government also creates a conducive environment through legal frameworks, maintaining law and order including the enforcement of contracts and property rights, pursuing macroeconomic policies, expansion of research and development, etc (*Streeten, 1995: 200-202*).

Decentralized Model

In spite of the conflicting outlook advanced by the respective proponents of traditional planned economy and pure market provision of services, the underlying weaknesses in both models has led to a drawing of a continuum between the two extremes. This is a trend where a mixture or a hybrid intuition of both public and private initiatives could either jointly or independently provide public services, which is in line with the views of *Senboja & Therkildsen (1995: 3-4)* a division of labor among different actors.

This has inspired the need for changes in relations and handling of complex interactions among state, firms and markets. This is not only a question of state or market preference but also a governance issue that brings all central and local actors together towards the goal of providing improved services. Creation of such a relationship requires some kind of reform measures or restructuring of state institutions, which will lead to new links for collective action among the state, NGOs and peoples organizations (*Self, 1993: 121*). The orientation of this undertaking has been geared towards who can do best in providing public services by maintaining some sort of government control especially with regulatory role and create a conducive environment for the smooth delivery of both public and private services. One of such measures includes restructuring of the economy through institutional reforms under governance realm that has been considered as a missing link in the first and second-generation of the stabilization and structural adjustment reforms (*World Development Report, 1997; Kayizzi-Mugerwa, 2003*).

Many reasons could be attributed to the need for a reform agenda aimed at decentralized governance. Among these, the unrealized hopes of the developmental state, fiscal crises and economic decline, war and the wave of democratic reforms, the unrealizable prescriptions of SAPs, and conditions put by donors, that required reduction of domestic corruption and the need for increased political participation are the main reasons for the reform. The pressure exerted by globalization has also pushed the governments of developing countries to improve their governance image particularly in attracting foreign direct investments (*World Development Report, 1997:120; Chikulo, 1998:80; UNHABITAT 2002:19; Hamdok, 2003:20*).

Consequently, decentralized governance became one of the essential reform areas aimed at delivering better services and sustaining development. By restructuring or reorganizing authority, the reform has been intended to increase the authority and capacities of sub national level actors and to create a system of co-responsibility between institutions of governance at the central, regional and local levels. In this regard, *Olowu (2000:5-6),* points out that interactions among these institutions fosters the identification of institutional, human and financial resources that can be harnessed for the purpose of delivering improved services. This offers important opportunities for enhanced service delivery by increased public sector efficiency and reduced poverty, which are the two main ingredients of good governance.

According to *Hamdok (2003:15-16*), good governance prevails under decentralized governance system characterized by norms of efficiency, participation, accountability, transparency, rule of law, and political pluralism. The decentralized governance model has also been encouraged owing to its perceived conceptual compatibility with the free market thinking of enhancing individual freedoms. The system has been portrayed as a model that empowers the people and favors individual freedom as opposed to centralized state control of activities through dispersal of authority (*Chikulo, 1998:97*). Thus decentralized governance is a means of overcoming the limitations of centrally initiated development programs and providing local services by local authorities and the beneficiaries themselves.

As clearly stated by *Streeten (1995:212*) decentralized governance authorities can enhance participation be more responsive to needs, gather more information, be more transparent and accountable and improve the quality of government activities. They can also raise more resources because the benefits are more visible. On the basis of these claims, reform in decentralization has been undertaken as an initiative in which people are empowered and government could provide public services through decentralized structures with a lot of benefits (*Kayizzi-Mugerwa, 2003: 2*).

Generally, the above theoretical background on decentralization and service delivery implies that there is no single dimension for the definition of decentralization and service delivery. Moreover, it is possible to generalize that there is no one best way prescribed for the implementation of decentralized service delivery. That is, the real political, economic and socio-cultural situations prevailing in a given country shapes the type, approach and form of decentralization and arrangement of service delivery to be adopted. The aforementioned theoretical background on decentralization and service delivery will be used as a framework for this study.

CHAPTER THREE

3. DECENTRALIZATION AND SERVICE DELIVERY IN ETHIOPIA: AN OVERVIEW

3.1. Decentralization and Service Delivery Before 1991

Before 1991, Ethiopia has been a unitary state and devolved forms of decentralization have not been characterized public service delivery. A devolved form of decentralization is a recent experience, which is notably a departure from the history of the country in general. According to Meheret (2007:73-79) contemporary Ethiopia has limited experience in decentralized governance and administration. Throughout much of its history, the modern Ethiopia state has been a highly centralized polity leaving very little responsibility and authority to sub national levels of administration. Since the beginning of modern public administrative system at the turn of the century, outlying governance and political sub divisions of the country have most often operated by being subordinated to the formal authority of the central government. As a result, there evolved a deconcentrated administrative and governance system whereby local governments and branch offices of central government departments operate as field agents rather than as autonomous local government structure with full and adequate decision making authority and control over resources. This kind of governmental structure hardly lends itself to democratic politics and participatory development at the local level. As a result, the tradition of a centralized and unitary state has persisted for a long period countervailing the evolution of a participatory and decentralized governance structure.

The foundation for a modern local government system was laid by Emperor Haile Selassie I more than half a century ago. The Imperial regime reorganized provincial administration by creating a four tier local government structure that include teklay gizat, awraja, woreda and mekitil woreda levels of administration[2].The first comprehensive administrative decree No.1 of 1942 defined the power and roles of the Ministry of Interior as the principal central government department to supervise local government throughout the country .Governor Generals (Enderasses) for teklay gizats and governors for awrajas and woredas governments were appointed by the central government to act as the representatives of the Imperial throne in the periphery. The system was very much centralized because local government units had no authority over their budgets and could not undertake development on their initiative. It

[2] Mekitil woredas were later dropped and the country adopted a three tier government system in the late 1950s

was also undemocratic because there were no elected local government councils or any other representative bodies to involve the people in governance and development at different sub national levels of administration *(Meheret 1998)*.

The local government administrative structure put in place by the Imperial regime was intended to centralize power and resources in a strong central state leaving very little autonomy to the provinces. Most central ministers operated in the provinces through branch offices which had little or no decision making authority at the local level. In practice, heads of such field offices were made to report to parent ministries as well as to provincial and awraja governors, who acted as representatives of the Ministry of Interior. This structural set up generated dual accountability in central-local relations that often created conflict of authority and communication problems *(Koehn 1974)*.

Furthermore, all his years in power, Emperor Haile Selassie I adopted and pursued with zeal a policy of centralization. As an expression of that policy, municipalities were made an integral part of the government administrative structure having no autonomy of their own. The *Kentiba (*Mayor) and the Town officer were appointed by the Emperor and the compensation of the municipal council determined by the government. The public at large did not participate in the election of the councilors. The minister of the Interior had an unlimited power over municipalities. Municipalities received their directives either from the Governor General of their respective provinces or from the minister of the consent and approval of the government. Their legal status was not expressly recognized. Moreover, municipalities were neither legally guaranteed government grants nor were expressly authorized to borrow *(Minas 1999:50)*.

In 1954, the charter of Addis Ababa introduced some fundamental changes in to the status of the City. The juridical personality of the City had been clearly recognized whereby it was declared to be a body politic. The City could borrow money by issuing bonds. Besides, for the first time, the law recognized the right of the residents to vote for and be elected as council members. The city was further guaranteed the right to regulate administrative affairs by special municipal administrative regulations. The decision of the municipal council also did not have to seek the approval of any government organization. These were fundamental changes. But the emperor continued to retain the power to appoint the Kentiba and the head of municipal departments and sections. As municipalities other than Addis Ababa neither had the legal guarantee for government grants nor the express authority to borrow money, rates, rules and regulations having not been updated for years are naturally very low. This situation coupled with the highly reduced efficiency of municipalities in collecting taxes, fees and charges have greatly reduced municipal revenue *(Ibid)*.

Following the collapse of the Imperial rule, the Derg government assumed power in 1974. However, centralization remained the preferred system of administration throughout the Derg days as well. But the system operated under a different agenda. Marxism-Leninism became the guiding principle. And the principal task of the Urban Dwellers Association (UDA)-the newly established administrative structure of the urban center becomes to protect the revolution and its gains. Municipal services and urban development- the hall marks of municipality were regrettably relegated to a second place. The congress of the central UDA was the supreme decision making and legislative body. In the case of the chartered urban center, the congress with the approval of the council of Ministers, levied and collected land rental and house tax, enacted local laws and prepared and implemented a master plan. It also nominated three candidates for mayoralty among whom the government appointed the mayor. That was a political mayor. The law did not make a clear provision on the appointment of the chief executive *(Minas 1999:56).*

The minister supervised the non-chartered urban centers. As Addis Ababa was the only chartered city, it supervised almost all urban centers. The relationship between the UDAs and the government organizations operating within the urban centers had not been clearly defined. But as the pertinent ministries were represented in the congress, development efforts were presumably coordinated by that body. Rates, taxes, fees and charges continued to constitute the principal sources of revenue. Only land rent and house tax rates had been amended by proclamations issued under that time *(Ibid).*

3.2. Decentralization and Service Delivery in the Post 1991

The constitution of the Federal Democratic Republic of Ethiopia Proclamation No.1/1995 has introduced some fundamental changes to the age-old system of government. The state is now no longer unitary rather a federal state. Accordingly, the Federal Democratic Republic of Ethiopia comprises the federal government and the state government. The power and function of the federal government and the state members have been clearly defined. And according to article 52(1)) all powers that are not given expressly to the Federal Government and the states are reserved to the states *(Minas 1999: 57-66).*

Unlike in the previous constitutions, the issue of self-rule and self-government has been addressed in unambiguous terms. Art. 88(1) of constitution lays down the principal political objective of the government which is "Guided by democratic principles, Government shall promote and support the people's self-rule at all levels". Here, evidently, the phrase, "Self –

rule at all levels" refers to all forms of government at the grass-roots level including municipal governments.

As per articles 50(1) (2) the function of establishing self-government, defining their aims, powers and tasks and determining the appropriate organizational structure has been allocated to state government. It is proper that this matter should fall under the jurisdiction of the states because states are primarily responsible for local affairs; and matters related to government at the grass root level are essentially local. Furthermore, under Article 52 (2) (a), the state government has been given the power and function of 'establishing a state administration that best advances self-government'. This implies that the state government establishes a system of administration which not only creates a suitable climate for grass-roots governments to flourish but also facilitates their advancement. Article 50(4) which by interpretation could be extended to apply to municipal governments further requires state governments: 'to grant adequate powers to the lowest units of government to enable the people to participate directly in the administration of such units.' Although the scope of the phrase 'adequate powers' is subject to interpretation, it would arguably include the right to vote and participate in the formulation, implementation and evaluation of development programs. Presumably, this power would also include the municipal power to raise and manage revenues and administer their staff. And without such a degree of autonomy a meaningful participation of the people in the governing process would be difficult to imagine *(ibid).*

How the federal constitution sees municipalities is a fundamental question. As noted earlier, the constitution does not make an explicit reference to municipalities as such. But it makes an explicit and constant reference to such expressions as 'self-rule' 'self-government' and 'lowest units of government' – expressions which conventionally refer both to rural and urban conglomerations of people. From these references, it can be inferred that the constitution leaves enough ground to recognize and protect municipalities. Actually, the right of chartered municipalities to self-administration as per their charter was recognized by the current government long before the promulgation of the present constitution Art.8 (2) of the national Self –Governments Establishment Proc. No.7/1992). It would therefore be difficult to think that the legislature which recognized the right of chartered urban centers to self administration in a subsidiary legislation only three years before the enactment of the constitution could leave the same entities out of the sphere of recognition and protection of supreme law of the land.

Besides, the overall spirit of the constitution being such as to encourage and promote the exercise of self-government at the grass-root levels. It would not be correct to understand the supreme law to leave the urban centers out of the ambit of its constitutional recognition and protection. The provisions of the federal constitution cited earlier should be considered adequate in terms of the degree of recognition and protection that they extend to municipalities. The path towards decentralized governance in Ethiopia has not been a smooth ride. Among other things, the country's long standing authoritarian political tradition has created seemingly insurmountable challenges in promoting democratic governance and decentralized political and economic decision making. Currently, there is lack of experience on how a federal system ought and must work; and this has created considerable difficulties in instituting genuine devolution of power and responsibilities to sub national levels of administration. This was aimed through empowerment of the communities at grass root level and by creating close interaction between the local administrative units and the people through direct participation of people in the administrative affairs of local governments. Empowerment at the grassroots is seen as a key to the improvement of service delivery *(ibid).*

According to *Tegegne G. and Kassahun B. (2007:15)*, the significance of the decentralized drive to local and grassroots empowerment lies in the fact that different levels of sub national units of government are constituted on the basis of citizen participation in the political process by way of exercising electoral rights. If strictly applied, pertinent constitutional provisions render citizen voice crucial for the formation and operation of government structure thereby signifying the importance of the popular will in influencing decisions of major significance. Citizens are also legally empowered to recall their elected representatives provided the latter are found to be at fault as regards their behaviors and actions that run contrary to their responsibilities and mandates. The Federal and Regional Constitutions define the powers and functions of regional and local governments in Ethiopia. These include both political and economic areas of jurisdiction and competence. The former are expressed in terms of maintaining and enforcing law and order, enacting constitutions and other legislations and organizing police force. The economic functions range from administrating resources to developing and executing developing policies and plans. Therefore, politically decentralization in Ethiopia is based on a federal form of state organization and administration. Administratively, it is based on regionalized functions with sectoral division of activities among regions/city government. In fiscal matters, it is based on division of revenue authority between federal and regional/city government states with federal transfer to regions/city government. Sub Cities are also made eligible for block grants.

Though there are a lot of arguments on the ramifications of the constitutional provision on self-determination and the institutional arrangements made at all levels, the government argues as the only viable strategy to build a stable-state and preserve the unity of nations, nationalities and peoples *(Meheret, 1998:15-16)*. Similarly, *De jong, (1999:22)* argues that the predominant reason for launching the decentralization process was of a political nature. For him, decentralization in Ethiopia took place by a design to respond to the national political problem and thus was not designed to improve the efficient allocation of resources and to enhance the administrative efficiency of the central government. According to him, nor was it aimed at addressing socio-economic or development objectives.

In line with above legal grounds, Addis Ababa city Government has revised its charter in 2003 whereby it recognized ten sub cities that consist of 99 kebeles as part of decentralization program. With these changes Sub cities are considered as the basic unit and important lower level local institution and centers of development because of their key role in prioritizing the provision of public services at the local level. They are also considered as a strategic unit of government for the implementation of the country's development strategies such as expansion of educational and health services, and sustainable development and poverty reduction.

CHAPTER FOUR

4. ORGANIZATIONAL ARRANGEMENTS AND PUBLIC PARTICIPATION IN SERVICE DELIVERY

This chapter deals with analyzing and discussing the organizational arrangements and community participation in Addis Ababa city Government with particular reference to Arada sub city education and health service delivery.

To this end, data collected basically from secondary sources were organized into two main categories based on the research objectives and complemented by data obtained from primary sources through interviews as follows.

- Organizational arrangements in education and health service delivery
- Community participation in education and health service delivery

In addition, major achievements and challenges encountered in decentralized service delivery processes are discussed and analyzed under each category.

4.1. ORGANIZATIONAL ARRANGEMENTS IN SERVICE DELIVERY

Addis Ababa City Government's revised charter 2003 identifies city government's organs of power as city council, the mayor, city cabinet, city judiciary organs and office of the city chief auditor whereas the sub city organs of power as sub city council, sub city chief executive and sub city standing committee. Similarly, kebele organs of power are Kebele council, chief executive, standing committee and social courts. So, the current organizational structure of Addis Ababa City Government being accountable to the Federal government has three tiers administration- City government, Sub city and the kebele.

The city government proclamation that was issued in 2009 in line with the revised charter, has also identified 12 members of the sub city standing committee and structural organs of bureaus as capacity building, education, health, justice, trade and industry development, finance and economics, communication affairs, youth and sports, women's affairs, cultural and tourism, labor and social affairs, design and construction administration development offices. Moreover, the revised charter 2003 recognizes the establishment of ten Sub Cities and 99 kebeles as legal persons in Addis Ababa. The sub cities are Arada, Addis Ketema, Lideta, Kirkos, Yeka, Bole, Akaki Kaliti, Nefas Silk, Kolfe Keranio and Gulele Sub cities.

In line with the above structure, the Sub city executive office operates by establishing regular and direct relationship with the structure in each bureau on matters of planning, performance evaluation and follow up, capacity building, internal staff transfer and promotion, placement of employees and other technical and professional issues in accordance with the provisions of the Charter and the Proclamation in the process of service delivery. Accordingly, the duties and responsibilities of bureaus at city government level and the sub city are stated by the proclamation. This study is particularly referring to education and health services. To this end, duties and responsibilities of sub cities and bureaus related to these services are described as follows.

4.2. Duties and Responsibilities of the Sub City

Addis Ababa City Government Revised charter 2003 has recognized the establishment of sub *cities* administrations with necessary legal, institutional and financial powers. This was aimed at making them effective and efficient institutions of local government for democratic governance and economic development. The charter also provides grounds for direct election of *Sub city* and *kebele* councils by local people besides recognizing *Sub city* and *kebele* institutions as institutions closer to the people.

The revised charter 2003 and proclamation 2009 of Addis Ababa city government have defined the power, duties and responsibilities of Sub cities administrations whereby they are empowered to approve *Sub city* social service delivery, economic development and administrative plans and programs. Accordingly, *Sub cities* are empowered to undertake the following duties and responsibilities. These include among others:

- Prepare the overall plans , work programs and projects and ensure follow up and supervision in the implementation thereof
- Ensure the implementation of policies , laws and standards and the decisions of superior city organs as well as the maintenance of security in the sub city
- Allocate the budget set aside to it, disburse and follow up whether the execution thereof is as per the public finance law ;assess and collect the taxes and duties under category (a) and (b); explore the possibilities of raising the revenue of the sub city and implement it according to law
- Direct and coordinate the operation of the sub city's executive and municipal bodies and create conditions in which service delivery is to be imposed
- See if civil society organizations avail professional and capacity building assistance so as to boost their effectiveness and popular participation in the sub city
- Administer primary and secondary schools besides supervising private schools

- Undertake activities to prevent and control diseases , administer government health centers and clinics, and according to law , supervise private clinics located in the sub city
- Coordinate ,assist and supervise institutions operating to prevent and control HIV/AIDs
- Direct and coordinate the kebeles in the sub city and provide capacity building assistance to them

The above facts indicate that *Sub cities* empowered to enjoy considerable decision-making authority on social and economic development plans, local revenue generation and expenditure. Accordingly, the *Sub city* council approves plans and programs with regard to economic development and social and administrative services in the *Sub city*. Moreover, it supervises the activities of different sector offices and creates a suitable environment for mobilizing and stimulating the general population for development activities besides coordinating different stakeholders. That is, the *Sub city* is responsible for supervision, coordination and implementation of services such as education, health, roads, water supply, sanitation, justice, information, etc within its authority. In this case, since the study is particularly referring to education and health, they are addressed hereafter. The S*ub city* is responsible for education services that are provided up to secondary schools and health services related with primary health care activities provided at health centers, health stations and health posts.

So as to effectively fulfill its responsibilities in enhancing service delivery by encouraging local development, the council of the *Sub city* is empowered to ensure the proper collection of taxes from sales taxes and other taxes as determined by law. For narrowing expenditure gap that may surface in service delivery, the *Sub city* is also entitled to receive transfers in the form of block grants as per the revised charter 2003. The grant is meant to compensate the budgetary constraints in financing *Sub city* expenditure needs (the basis of determining block grant is described later). Moreover, as a result of decentralization program, the Sub city is also empowered to exercise the authority to hire and fire its staff.

4.3. Relationship of City Government and the Sub City in Service Delivery

The *Sub city's* service delivery involves different public sectors, the community and other actors outside the *Sub city*. The most important stakeholders in the delivery of public services at the Sub city are the community at large. Other stakeholders consist of city government bureaus, private organizations and sectoral offices at the *Sub city* level. City government authorities engage in the *Sub city's* service delivery by providing different guidelines and supports. Accordingly, concerned city government bureaus provide manuals and technical support to *Sub city* respective sector offices. In the case of this study, education and health bureaus have direct link with *Sub city* education and health offices.

The revised charter 2003 recognizes four governance structure comprising federal, city government, *Sub city* and *kebeles*. The lowest tier is the *kebele* administration. At each tier of governance in the city there are three organs namely the council, the executive committee and the judicial branch. The council, which is constituted by members of elected representatives from each *Sub city*, is the highest organ of the city government. The executive organ includes Bureau heads and is led by the Mayor.

In a similar fashion *Sub city* structures also include these organs. The highest administrative organ of the *Sub city* is the *Sub city* council that is directly elected by the *Sub city* community through periodic elections and constitutionally accountable to the electorate. It is formed with functional representation from key public sector offices. The *Sub city* executive organ is composed of *Sub city* chief executive that governs the sub city, *Sub city's* deputy executive, *Sub city* manager who executes sub city's municipal services and key public service offices. In the *Sub city* under study there are 10 kebeles. The respective community in each *kebele* elects *kebele* council and the chairperson as well as his/her deputy. There are also social courts and security organs at the kebele level. These days *kebele* administration enjoys a wide range of power and undertakes in their respective areas. The duties of the kebele, among others, include ensuring collection of taxes, mobilizing communities for development activities in terms of labor and material contributions, resolving conflicts through social courts and maintaining security through *kebele* security organs.

To carry out economic and political responsibilities so as to provide public services on locally identified and determined priorities, different public sector offices are organized under the *Sub city* council. That is, service delivery organizations in the *Sub cities* include different sector offices: capacity building, education, health, justice, trade and industry development, finance and economics, communication affairs, youth and sports, women's affairs, cultural and tourism, labor and social affairs, design and construction administration development offices and branches at kebele level. Here, these sector offices have direct contacts with the community and higher tiers. Hence, they have dual accountability-downward to the community and upward to the *Sub city* administration and respective bureaus through regular reporting. These sector offices also have links with their braches at *kebele* level and play significant roles in coordinating and mobilizing the participation of grassroots community.

Moreover, some sectors make use of their branches for direct contact with the community in service delivery. In line with this, the education office coordinates and implements educational services at school levels located in different *kebeles* whereas the health office coordinates and implements health care activities through health centers and stations. The finance and economy office deals with day-to-day activities of financial expenditure and manages these activities for each public office in the Sub city. In this regard, each office makes payment requests as per its approved budget and settles its accounts with the office. Therefore, both human resource administration and financial activities are not dealt by all offices. The Sub city administration office and the office of finance and economic development are the main institutions that play coordination roles. The *Sub city's* administration has the overall responsibility for coordination while coordination of specific sector activities lies under the responsibility of each sector office. The Sub city's finance and economic development office coordinates public services through planning and budgeting mechanism. The office is established to play an essential role with the responsibility for coordination and integration of various office plans and matching these plans with the available budget. Its main role includes collection of revenue, planning and budgeting, financing, inspection and auditing. With the involvement of different sector offices and community structures, this office is responsible for coordination and participation of stakeholders in planning and budgeting processes. The office is also the main link between city government bureaus on one hand and the *Sub city* institutions on the other through reporting mechanism.

Amongst public service organizations in the *Sub city* this study focuses on education and health service delivery. These services play a noteworthy role in human development and are also considered as basic services at local level. In view of this, the offices are structured in line with their respective duties and responsibilities at *Sub city* level. Since education and health services are indispensable social services that enhance integrated social and economic development, they were the oldest public services existed in the *City*. Before decentralization education and health services were the functions of bureaus of the city government whereas education (up to secondary schools) and primary health care services came under the responsibility of the *Sub city* after decentralization. In Ethiopia, health service is provided in a tiered package of facilities. From top to bottom the tiers include referral hospitals, Addis Ababa *City* hospitals, health centers, health stations, and health posts. Health service in the *Sub city* is provided by government and private owned health centers and clinics. The *Sub city* health office coordinates and implements health programs together with these health institutions.

4.4. Powers and Functions of Education Bureau

According to the revised charted 2003 and proclamation 2009 education bureau is authorized to address the functions of education service delivery. That is, it has the duty to prepare elementary level curriculum, publish books and ensure the availability of teaching aid materials in compliance with the national education policy, strategy and standard in consideration of the prevailing situation of the city government. The bureau is also empowered to prepare and implement standard for the construction of schools in the city in accordance with the national requirements. Moreover, the bureau has the duty to execute national examination in the city besides preparing standards for examinations and certificate given by elementary and high schools found in the city.

In order to enhance the competence of teachers, the bureau trains or causes to train teachers and other educational personnel in accordance with the national standards of training. It also gives institutional as well as technical support for sub city offices and other bodies engaged in the sector. The bureau is also authorized to supervise educational institutions run by the government with a view to ensure their compliance with the prescribed standard and accredit same; provide information services and other supports for investors who want to engage in the sector ; ensure that high schools established by local investors are in compliance with the standards set forth. Besides it directs schools administered by private and other non government institutions in the city.

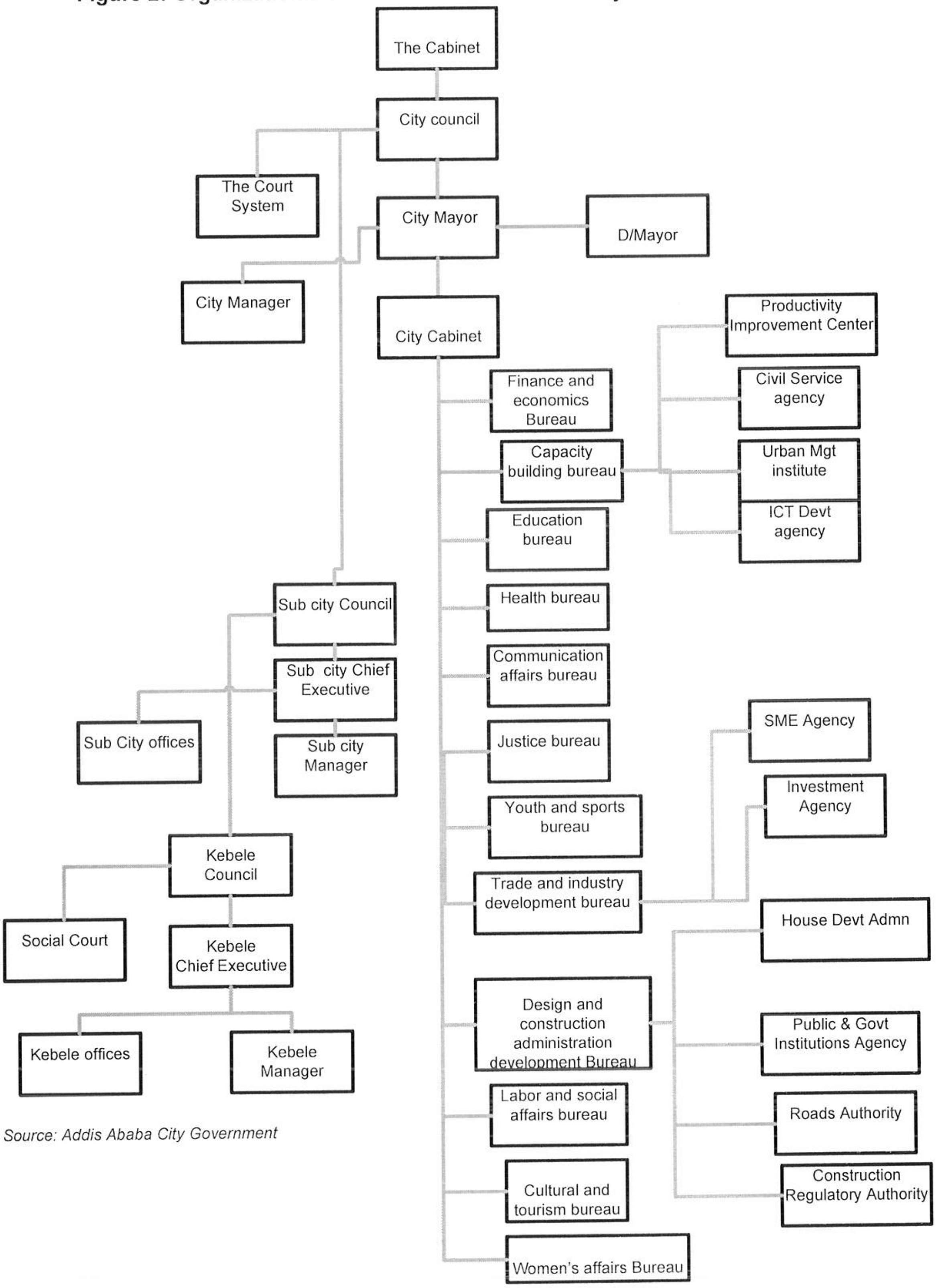
4.5. Powers and Functions of Health Bureau

The Health bureau of Addis Ababa City government has various duties and responsibilities to ensure good health service provision in the city in collaboration with the federal health minister. According to the revised charter 2003 and article 27 of proclamation 2009, the bureau shall have the following powers and functions to:

- Establish health services standards and ensure its implementation in accordance with the National Health Policy and Standard ; provide or cause to be provided health awareness raising educational to the residents of the city
- Control and conduct surveillance , supervise , prevent and collect information concerning communicable disease upon conducting survey and investigation; prevent epidemic diseases in collaboration with appropriate organs
- Provide or cause the provision of mothers and children health care services and supervise the same

- Administer , in accordance with the law , hospitals and health care training institutions owned by the city government
- Distribute medicines and medical equipment that are provided by the Federal Government and donor organizations for the implementation of different programs
- Develop strategies for the application of traditional medicines and treatment together with modern medicines
- Control storage and use of medicines in private as well as public health institutions
- Issue, renew and supervise certificate of competence for medical institutions established by private investors and take appropriate measures
- Conclude agreements and contracts and sign agreements with non-governmental charity organizations that conduct programs of medical services and follow up the implementation of same; issue , renew and supervise professional license to the clinics established by same
- Organize data on the activities undertaken to control and prevent HIV/AIDs and other disease in the city, submit the results of the analysis of the data to the appropriate organs
- Organize and provide health care counseling and information services
- Register health professionals by ensuring their competence ; issue professional license, renew the same , control and take necessary measures
- Register cultural medicine producers
- Issue directives regarding hygiene and environmental health. To this end, check residences , private organizations , governmental and nongovernmental organizations and take actions where necessary

Figure 2: Organizational structure of Addis Ababa City Government



Source: Addis Ababa City Government

Strengthening the above decentralized functions, writers agree that there is a strong relationship between decentralization as policy and the practice of community participation so as materialize the policy. This is because decentralization seeks to transfer decision making levels closer to the end-users. Therefore, it is relevant to consider the usefulness of both decentralization and community participation with respect to strengthening institutions as a mechanism for addressing development issues. It is evident that institution building should be given due attention to hasten the development process. Many capacity building programs consider institution building as a major component of their activity. In this regard, under the decentralization program, Ethiopian government sought to strengthen mechanisms for creating institutions for community support of schools through the creation of Kebele Education and Training Boards (KETBs) and Parent Teacher Student Associations (PTSAs) for education services and Health Committees for health services at the lowest level. In this study, it was possible to know that the above mentioned structures have been put in place and made operational in Arada Sub city.

4.6. Kebele Education and Training Board (KETB) and Parent Teacher Student Association (PTSA)

According to the Addis Ababa City Government Education Bureau Education Management/Organization and Community Participation Manual, the KETB is accountable to Kebele Executive. The office term of the Board would be three years though it may be dissolved by the decision of the executive. The KETB is the next highest level of school administration in which community members participate. Composed of a minimum of seven members, the KETB includes head of Kebele capacity building office as chairperson and others are the Kebele education Office head as a member and secretary, two representatives of the PTSA, two teachers from the local teacher association and a member from kebele civil and social affairs. It is this body that has authority over budgetary matters and school personnel usually in collaboration with the Sub city education office. Here, it would not be hard to observe KETBs are in large part composed of members who are appointed politically. Besides, respondents have confirmed that other members are also assigned with the will of kebele executive.

Accordingly, the board shall have the following duties and responsibilities:

- Approve the annual plan and budget of schools and present it to the sub city education office ; follow up the implementation
- Cooperate with other concerned bodies for the expansion of education
- Devise and effect mechanisms whereby schools could boost their internal incomes

- Conduct awareness raising activities to sensitize the community about the need to send their school age children to schools and not do dropout, strengthen co-curricular activities so that they could complement the teaching learning process
- Make sure that the property of the school is properly handled and utilized for educational purposes
- Supervise and control that the director, teachers and the support staff of the school work together for the prevalence of a smooth teaching-learning process
- Plan, coordinate and effect mechanisms whereby the local community could extend financial and material contribution for the construction and expansion of schools and other relevant activities
- Coordinate the local community, study ways and strive to address the problems of teachers so that they would love their profession and serve in the area
- Give decision of the complaints of a director against those teachers who failed to discharge their duties and responsibilities properly
- When a director, who failed to discharge his/her duty properly, could not be corrected from his/her mistakes, it gives a recommendation for decision to the Sub city Education and Training Board. But, if the offences are simple, decisions would be given by the KETB
- Give decision on teachers' career appraisal when it is presented to it by the school director
- Examine and endorse the schools quarterly performance report
- Recruit teachers and other staff members according to the demand of the school
- Receive schools, which have been built by the initiative of the local people, and make them ready for services, Mobilize the local community to extend financial, material, labor etc. contribution to build the capacity of the schools and enhance the educational activities in their locality
- Encourage the schools efforts exerted to increase their internal income
- When new schools are decided to be built in the area by the government, draw requirements that make a certain place eligible to host the construction of the schools
- Coordinate the local community and other bodies' efforts in the fight against the HIV/AIDS pandemic
- Carry out other relevant activities beneficial for the consolidation of the educational activities in the area

The above duties and responsibilities of KETBs cover diversified areas, but interviews conducted with Sub city education officials, school directors and teachers indicate that

KETB members' efforts and performances are not adequate and inefficient. The respondents have mentioned the following as the weaknesses of the board.

- Capacity problem to undertaken their duties and responsibilities
- Lacks experience and knowledge of school administration
- Absence from attending meetings and delay in decision making

On the other hand, the manual from the education bureau states that PTSA is composed of at least seven members though it may vary from school to school. The chairperson of PTSA is the representative of parents that is elected by a common meeting of parents, teachers and students. Others are also elected by similar meeting in which two teachers and up to four students and parents are assigned accordingly.

Duties and responsibilities of PTSAs are:

- Devise and effect mechanisms where by schools could boost their internal incomes
- Conduct awareness raising activities to sensitize the community about the need to send their school age children to schools and not to drop-out
- Make sure that the property of the school is properly handled and utilized for educational purposes
- Supervise and control that the director, teachers and the support staff of the school work together for the prevalence of a smooth teaching-learning process
- Plan coordinate and effect mechanisms where by the local community could extend financial and material contribution for the construction and expansion of schools and other relevant activities
- Solve the problems of teachers
- Deal with disciplinary issues

DISCUSSIONS

In light of the above remarks, it is a positive step to organize institutions like KETBs and PTSAs at the local level as responsible bodies to support school activities and mitigate decision making and communication delay. They serve as a link between the larger community and schools. Literatures on decentralization show that it seeks to transfer decision making closer to the end-users. In this view, KETBs and PTSAs, in light of the duties and responsibilities given to them, one can understand that they are bodies meant to meet this purpose.

Considering what is mentioned as duties and responsibilities of Boards and PTSAs, the findings in the Sub city confirmed that KETBs have not fulfilled their assigned duties and responsibilities whereas responses made by officials and professionals in the sub city showed that PTSAs are found to make relatively better contribution .The effort of PTSAs is assisted principally by teachers, directors and students, according to the above mentioned sources since their activities are focused on school. But some PTSAs are criticize for negligence, lack of capability, absence from attending meetings and delay in decision making and lack of interest. Here, the writer observed that the factor that contributed to the inefficiency of KETBs and the better performance of PTSAs goes to the composition of these bodies. That is, KETB is dominated by politicians whereas the composition of PTSA is better in that it is composed of parents, teachers and students who are the direct beneficiaries to efficiency and effectiveness in education service delivery. According to the respondents, the school administration may communicate both with sub city education office and KETB simultaneously. This is believed to cause overlap of practices and even some times confusions that increases decision making time and create delay instead of serving the purpose of decentralization-reducing decision making time.

4.7. PARTICIPATION OF COMMUNITY IN SERVICE DELIVERY

According to Philipoxhon, et al (2004), decentralization strengthens democracy by bringing decision making closer to the citizenry, facilitate and promotes greater citizen participation and involvement in politics and programs that affect them. This situation helps decision makers to make decisions that are more closely connected to people's real needs thereby increasing the program's relevance. In line with this view, based on the interview held with the school directors and PTSA members, it was possible to know that parents and community members do not usually visit schools except on rare occasions like opening and closing school ceremonies. They confirmed that only the PTSA members come to the school, not parents in general. Therefore, the community members and parents who have the closest relations with the school of the sub city are usually PTSAs and on rare occasions KETB members. Parents and community members participate in school matters through those representatives. Moreover, the respondents have confirmed that there is no significant work that has been realized in the Sub city which has impacted the education service delivery through community participation though there are some efforts. Although parental follow up of students' performance is believed to have significant impact according to the response of PTSA, the attention parents pay to their children performance is weak. Therefore, considering the above points additional means should be sought to strengthen PTSAs, KETBs and the direct involvement of the larger community since organizing the community is an important step for participation.

Regarding health services, each kebele has aboard comprising of seven bodies that works on health issues. This board is composed of executive of the kebele, health center director, health center head, finance representative, health worker representative, residents' representative and female representative. The board is established comprising people from different groups to address the voice of the public on health issues during board meetings and so as to present their complaints. This method is believed to enable the public to hold their leaders accountable. Besides, there is also health committee at each health center in the same manner that works on the same issue. To enhance public participation, there are also health offices and extension workers and their supervisors at each kebele .There are also health workers that contact households and collect data on the concerns of the residents such as hygiene, water, diseases, etc whereby they report to the concerned body.

Therefore, the presence of boards at each kebele and health committee at each health center can be taken as one step forward since it paves a way for the public to develop sense of ownership, controlling services, participation, questioning servants about wrong doings, evaluation of heads/servants periodically as well as raise their complaints if any. In line with these, decentralization of health services can be taken as a tool that can be used to improve responsiveness, efficiency, participation, accountability, etc of health service delivery. However, the respondents contacted have confirmed that the established bodies are inactive and have not yet brought substantial change in health services particularly in the construction of health infrastructure.

4.8. General Assessment of Coordination and Participation in Service Delivery

According to Joel D. Barkan (1998:7) decentralization enhances democratization via increasing administrative effectiveness by promoting greater coordination and cooperation among the concerned units. It can also increase responsiveness to the needs and demands of service delivery by various interest groups within the society. Similarly, the 1994 Education and Training policy of Ethiopia emphasizes community participation as the main strategy of implementing education and training programs. In line with this, the basic aim of *Sub city* level decentralization is to serve the public by empowering lower tiers of government and local communities by enhancing democratization and services delivery. This process requires participation of different actors and coordination among them. Service delivery also requires the participation of all those who are directly or indirectly affected by the quantity and quality of services. To this end, one of the mechanisms for the involvement of different actors in service delivery is through coordination and participation of different actors at the stages of problem identification, prioritization of needs, implementation and reporting and planning and budget processes. In line with this, KETBs, PTSAs and Health Committees are established. According to respondents, there are additional schools constructed during the study period whereas there is no additional health institution. Hence, it is possible to say education service is more participatory compared to health. Thus, one can say that the provision of education service is more decentralized as compared to health services though, the level and extent of participation has been limited as indicated above.

However, as discussed above referring the responses of different officials, the bodies established are not playing their roles of coordination and participation as per their duties and responsibilities. As a result, there is weak coordination and participation in identifying problems and prioritizing public services in the *Sub city*. Planning and budgeting is conducted based on the principle of 'one plan and one budget' in the sub city. So, schools and health institutions should prepare their own plan and budget and present to the sub city that compiles and in turn submit to city government via their respective boards and committee. Most of the activities in services provision are implemented through the coordination of the sub city offices. But as per the respondents, the offices are not working in a well coordinated and integrated manner and these results in lack of coordination and integration in offices plans and *kebele* plans that have its own impact in involving the community in prioritizing local services needs.

Therefore, based on the above findings, it is possible to conclude that service delivery in the Sub city is characterized by weak coordination and integration and lack of significant input from the community since the board and committees are not really functioning well. The respondents have also confirmed that, even though some discussions are made with the community particularly at school levels, it is not aimed at identifying the problems faced by communities and prioritizes them.

In health services, efforts aimed at involving the community in various program components are very weak as per the respondents. The governance environment at health centers is signified by the dependency of the community and the staff. That is, at health centers, salary of staff, procurement of drugs and equipment is dependent on the budget allocated and managed by the Sub city office. Moreover, it is the bureau that buys and hands over the required materials to health institutions. So, it is possible to say the degree and extent of decentralization in the health service is very low in the *Sub city*.

In general, since it is confirmed from discussions held with concerned officials that KETB and health committees are not operating actively in mobilizing the community as per their duties and responsibilities, it is possible to conclude that popular participation in the Sub city is very limited both in education and health services. Public services are decided and provided by civil servants who feel accountability to their respective institutions and to the Sub city administration rather than to the public. The decision making process is still hierarchical in planning and budgeting processes since “one plan and one budget” approach is followed. As a result, the responsiveness of the Sub city administration to local needs and priorities is challenged.

CHAPTER FIVE

5. ANALYSIS AND DISCUSSIONS OF RESULTS

This chapter deals with analyzing and discussing the performances of decentralized service delivery in Arada Sub city with particular reference to education and health services. It also addresses financial, human, etc resources put in place and their adequacy as well as the participation of other sectors in these service delivery.

To this end, data collected basically from secondary sources were organized into two main categories based on the research objectives and complemented by the data obtained from primary sources through interviews as follows.

- Performances in education and health service delivery
- Resources deployed for education and health service delivery and their adequacy
    - Financial situations
    - Human Resource situations

Besides, major achievements and challenges encountered in decentralized education and health service delivery processes are analyzed and discussed under each category.

5.1. EDUCATION SERVICE DELIVERY

5.1.1. PERFORMANCES OF EDUCATION SERVICE DELIVERY

This part of the study assesses the performances of education services in particular reference to Arada Sub city from the years 1996 to 2000 E.c. The educational and training policy 1994 of the country states, among other things, that educational management will be decentralized to create the necessary condition to expand, enrich and improve the relevance, quality, accessibility and equity of education and training. To this end, educational institutions will be autonomous in their internal administration and in the designing and implementing of education and training programs with an overall coordination and democratic leadership of boards or committees, consisting of members from the community, development and research institutions, teachers and students. In addition to this, the policy states that the government will create the necessary conditions to encourage and give support to private investors to open schools and establish various educational and training institutions. In line with this, various issues related to education service delivery are devolved to Arada sub city.

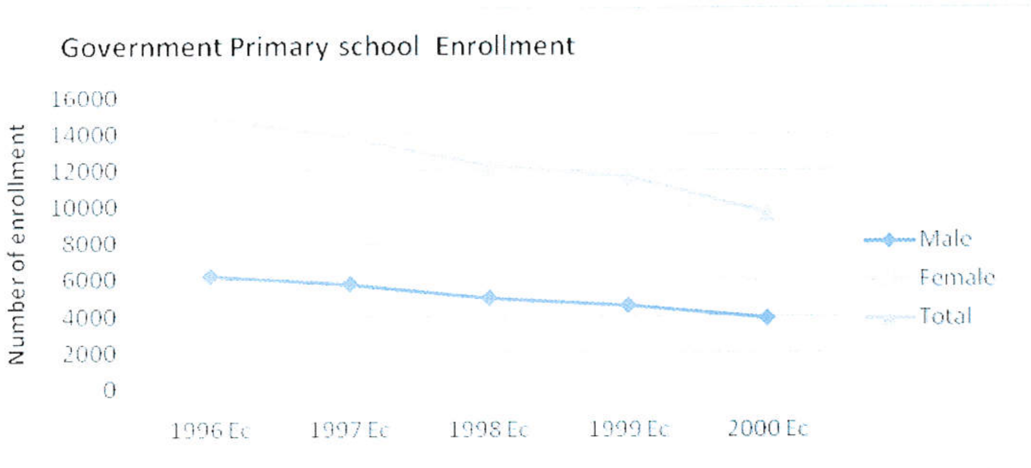
According to the head of education office, the Sub city is authorized to deal with human resources, finance and other resources required for education service provision. These services are to be approved by the KETB and PTSA so as to be presented to the sub city office. Schools (primary and secondary) are directly accountable to the executive of the kebele where KETB operates. Regarding the budget, schools prepare and submit their proposal to the sub city upon the approval of the KETB that compile and submit to city government for approval at which financial decisions are made. That is, it is the duty of the school to prepare annual budget and get it approved.

With the establishment of new structures at city level following the decentralization of 2003, education service delivery coordination and implementation has been brought under *Sub city* education offices. Arada Sub city administration is one of the offices that supervise the delivery of education service at the *Sub city* under the direct coordination of education bureau. The number of schools was 50 in 1996 E.c and increased to 54 in 2000 E.c with additional 4 schools in Arada sub city primary schools.In secondary schools, the number has increased from 13 in 1996 E.c to 25 in 2000 E.c and this is an increase by 92%. These schools are owned either by government, private, public, missionary or the community. Here after, the writer uses the term "non government" to refer to private, public, religious institutions and organizations schools.

Table 1: Gross Enrollment of Students in Government Primary School from 1996 -2000 E.c in Arada Sub City

Year	**Male**	**%**	**Female**	**%**	**Total**
1996 E.c	6214	42%	8708	58%	14922
1997 E.c	5776	42%	7969	58%	13745
1998 E.c	5009	41%	7239	59%	12248
1999 E.c	4594	39%	7046	61%	11640
2000 E.c	3867	40%	5757	60%	9624

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

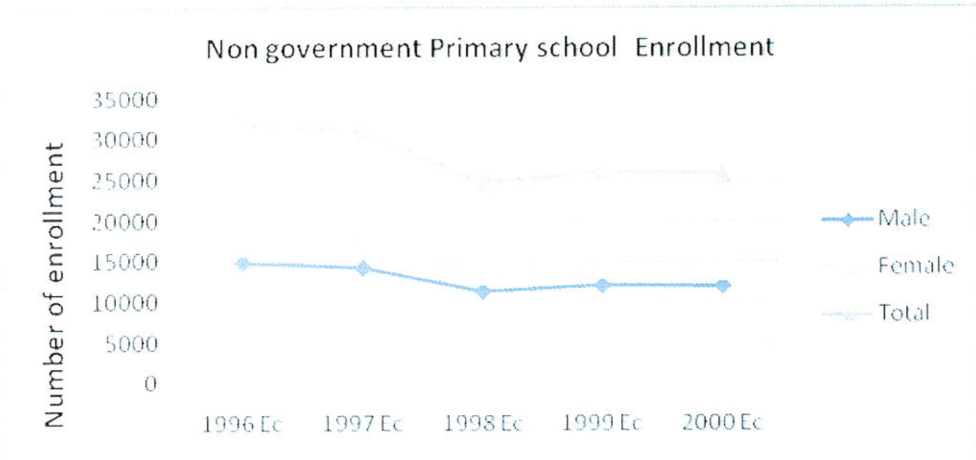


The above table 1 shows that the total enrollment of students in government primary schools was 14922 in 1996 E.c and 9624 in 2000E.c. During these years, the proportion of female students was 58% and 60% respectively. This shows that there was a decline in the enrollment of students in government primary schools though there was an increment in the enrollment of female students relatively.

Table 2: Gross Enrollment of Students in Non government Primary Schools from 1996 -2000 EC in Arada Sub City

Year	**Male**	**%**	**Female**	**%**	**Total**
1996 E.c	14869	47%	16809	53%	31678
1997 E.c	14219	46%	16690	54%	30909
1998 E.c	11359	46%	13332	54%	24691
1999 E.c	12041	46%	14065	54%	26106
2000 E.c	11999	47%	13773	53%	25772

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

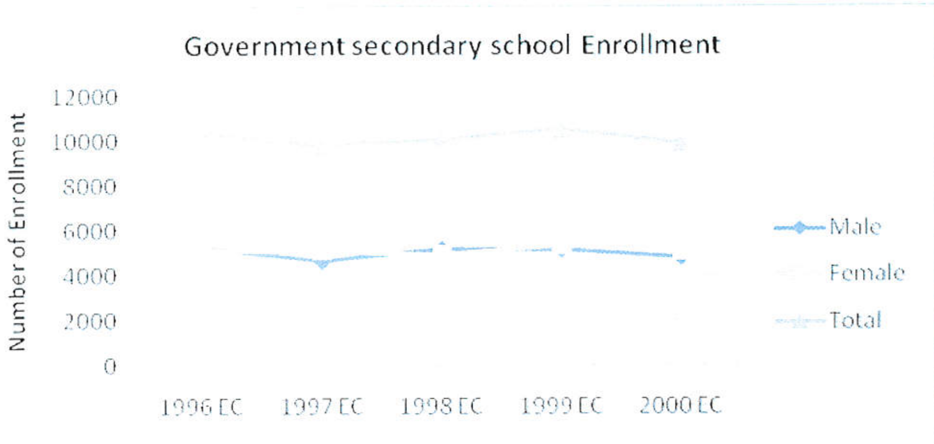


The above table 2 shows that the total enrollment of students in non government primary schools was 31678 in 1996 E.c and 25772 in 2000 E.c. During these years, the proportion of female students was 53% similarly. This shows that there was a decline in the enrollment of students in these primary schools. Moreover, it is possible to see that the number of students enrolled here was by far greater than that of government though it is in a decreasing pattern.

Table 3: Gross Enrollment of Students in Government Secondary Schools from 1996 -2000 EC in Arada Sub City

Year	Male	%	Female	%	Total
1996 E.c	5224	50%	5157	50%	10381
1997 E.c	4631	48%	5102	52%	9733
1998 E.c	5184	51%	4910	49%	10094
1999 E.c	5159	49%	5347	51%	10506
2000 E.c	4811	49%	5094	51%	9905

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

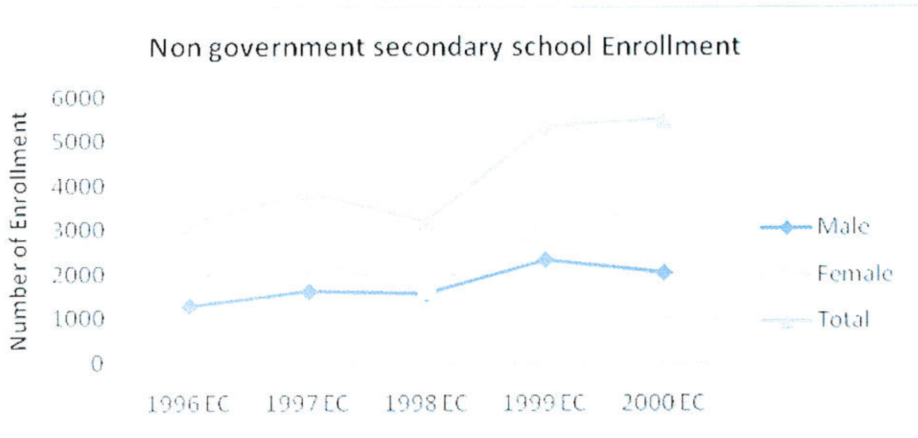


The above table 3 indicates that the total enrollment of students in government secondary schools was 10381 in 1996 E.c and 9905 in 2000E.c. During these years, the proportion of female students was 50% and 51% respectively. This shows that there was a slight decline (5%) in the enrollment of students in government secondary schools.

Table 4: Gross Enrollment of Students in Non government Secondary Schools from 1996 - 2000 EC in Arada Sub City

Year	**Male**	**%**	**Female**	**%**	**Total**
1996 E.c	1288	41%	1859	59%	3147
1997 E.c	1613	42%	2231	58%	3844
1998 E.c	1574	49%	1632	51%	3206
1999 E.c	2323	44%	3010	56%	5333
2000 E.c	2028	37%	3464	63%	5492

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office



The above table 4 shows that the total enrollment of students in non government secondary schools was 3147 in 1996 E.c and 5492 in 2000E.c. During these years, the proportion of female students was 59% and 63% respectively. This shows that there was an increase by 75% in the total enrollment of students in these schools. Moreover, it is possible to see that the proportion of female students enrolled here is greater than that of male.

Table 5: Pupil -Section ratio of Government Secondary Schools from 1996 -2000 E.c in Arada Sub City

Year	Pupil	Section	P/s Ratio
1996 E.c	10381	126	82
1997 E.c	9733	126	77
1998 E.c	10094	132	76
1999 E.c	10506	175	60
2000 E.c	9905	200	50

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

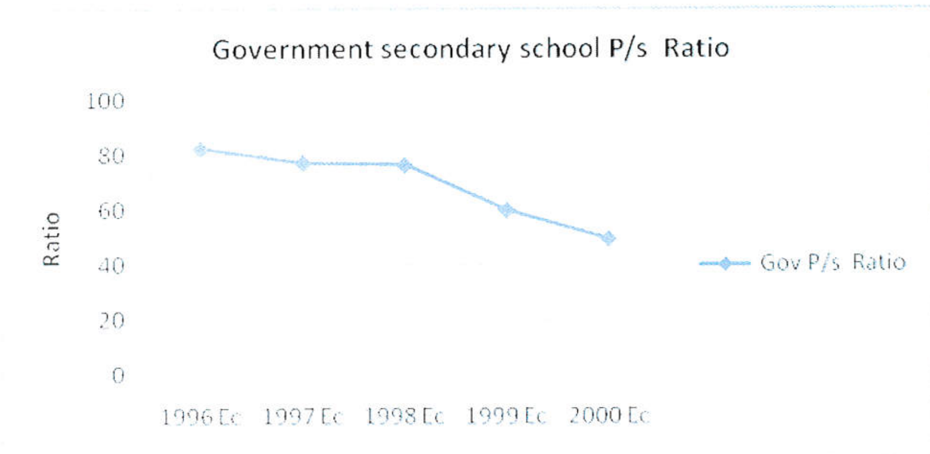


Table 5 shows that the pupil-section ratio of government secondary schools was 1:82 in 1996 E.c and 1:50 in 2000 E.c. This data implies that the number of students attending a class has been getting smaller in government schools.

Table 6: Pupil -Section ratio of Non Government Secondary Schools from 1996 -2000 EC in Arada Sub City

Year	Pupil	Section	P/s Ratio
1996 E.c	3147	65	48
1997 E.c	3844	221	17
1998 E.c	3206	176	18
1999 E.c	5333	101	53
2000 E.c	5492	101	54

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

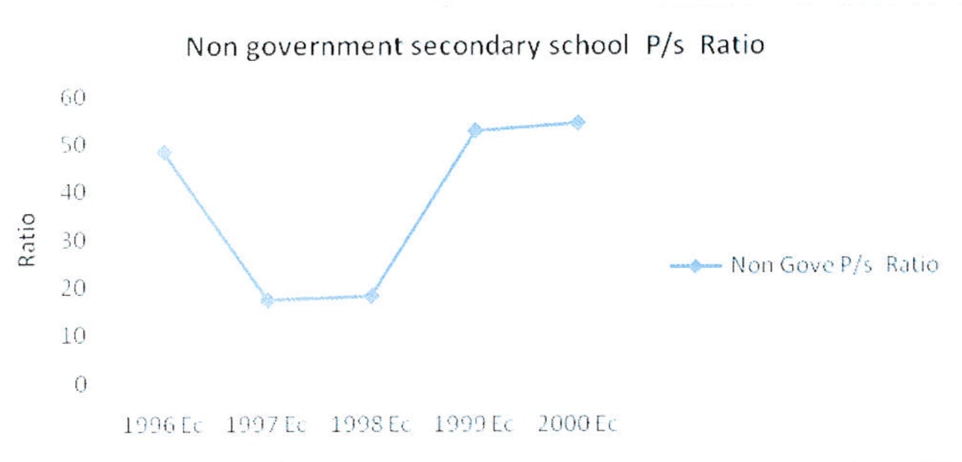


Table 6 shows that the pupil-section ratio of non government secondary schools was 1:48 and 1:54 in 1996 and 2000 E.c respectively. According to this data the number of students attending a class has been indicating fluctuation in non government schools during the study period.

Table 7: Pupil -Section ratio of Government Primary Schools

Year(E.c)	Pupil	Section	P/s Ratio
1996	14922	268	56
1997	13745	202	68
1998	12248	246	50
1999	11640	206	57
2000	9619	186	52

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

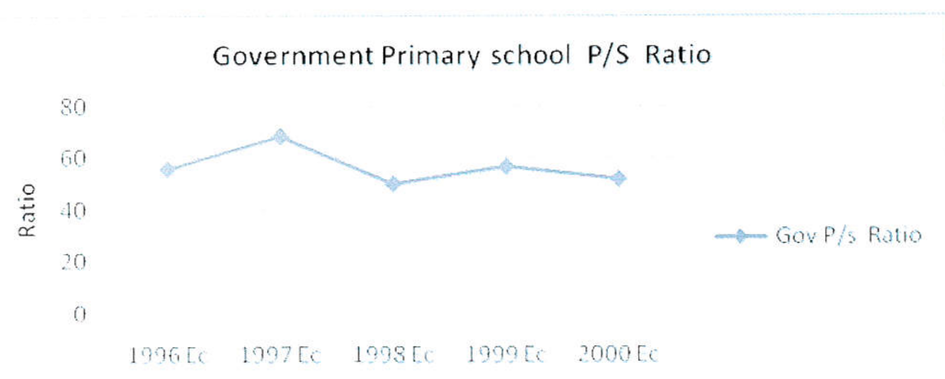


Table 7 shows that the pupil-section ratio of government primary schools was 1:56 in 1996 E.c and 1:52 in 2000 E.c. According to this data the number of students attending a class has been getting smaller in government primary schools.

Table 8: Pupil -Section ratio of Non government Primary Schools

Year(E.c)	Pupil	Section	P/s Ratio
1996	31678	586	54
1997	30909	673	46
1998	24691	731	34
1999	12041	490	25
2000	13773	590	23

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

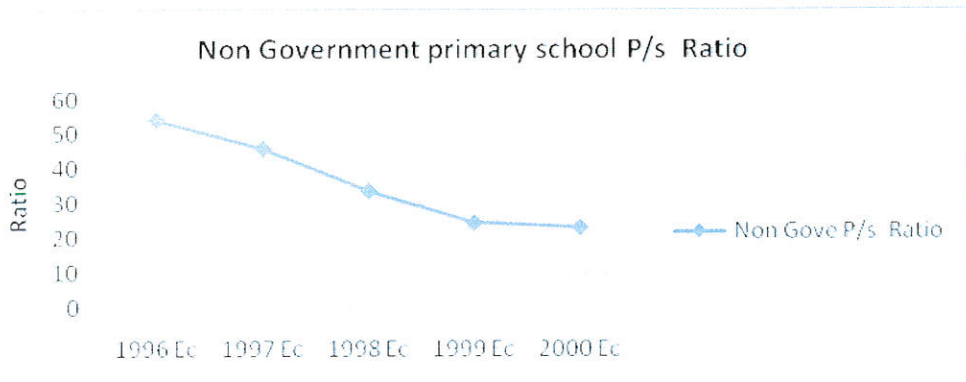


Table 8 shows that the pupil-section ratio of non government primary schools was 1:54 and 1:23 in 1996 and 2000 E.c respectively. Thus, according to this data the number of students attending a class has been getting smaller in non government primary schools.

Table 9: Pupil –Teacher ratio of Government Primary Schools from 1996 -2000 EC in Arada Sub City

Year(E.c)	Pupil	Teacher	P/T Ratio
1996	14922	417	36
1997	13745	439	31
1998	12248	443	28
1999	11640	444	26
2000	9619	436	22

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

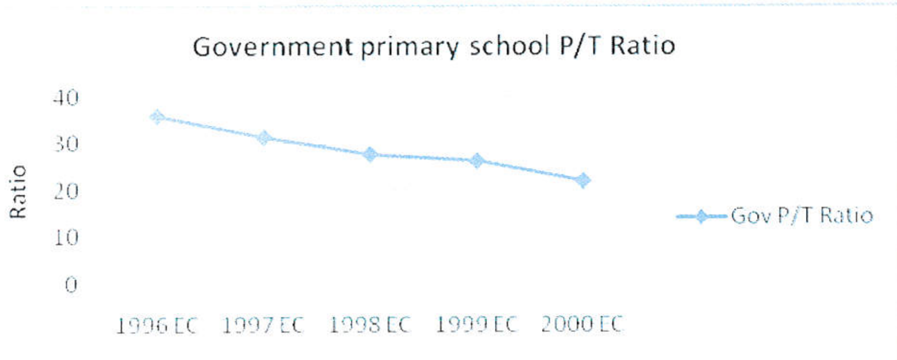
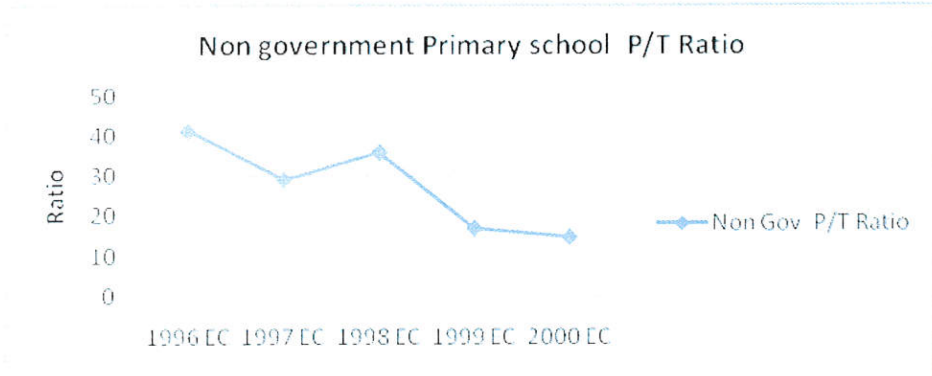


Table 9 shows that the pupil-teacher ratio of government primary schools was 1:36 in 1996 E.c and 1:22 in 2000 E.c. This implies that the number of students taught by a teacher at a time has been getting smaller during the study period.

Table 10: Pupil –Teacher ratio of Non government Primary Schools from 1996 -2000 EC in Arada Sub City

Year(E.c)	Pupil	Teacher	P/T Ratio
1996	31678	766	41
1997	30909	1059	29
1998	24691	686	36
1999	12041	709	17
2000	13773	933	15

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office



Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

Table 10 shows that the pupil-teacher ratio of non government primary schools was 1:41 and 1:15 in 1996 and 2000 E.c respectively. This shows that the number of students taught by a teacher at a time has been getting smaller during the study period.

Table 11: Pupil –Teacher ratio of Government Secondary Schools from 1996 -2000 EC in Arada Sub City

Year(E.c)	Pupil	Teacher	P/T Ratio
1996	10381	221	47
1997	9733	202	48
1998	10094	244	41
1999	10506	332	32
2000	9905	371	27

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

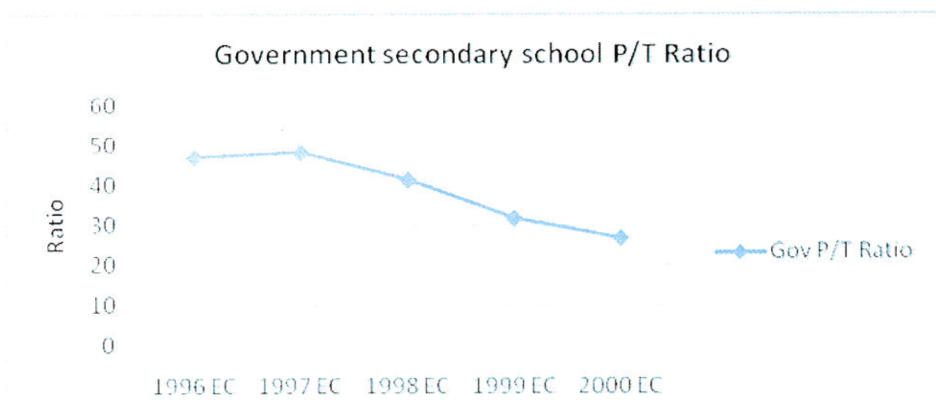


Table 11 shows that the pupil-teacher ratio of government secondary schools was 1:47 in 1996 E.c and 1:27 in 2000 E.c. This implies that the number of students taught by a teacher at a time has been getting smaller in government secondary schools.

Table 12: Pupil –Teacher ratio of Non government Secondary Schools from 1996 -2000 EC in Arada Sub City

Year(E.c)	Pupil	Teacher	P/T Ratio
1996	3147	188	17
1997	3844	191	20
1998	3206	190	16
1999	5333	174	31
2000	5492	182	30

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

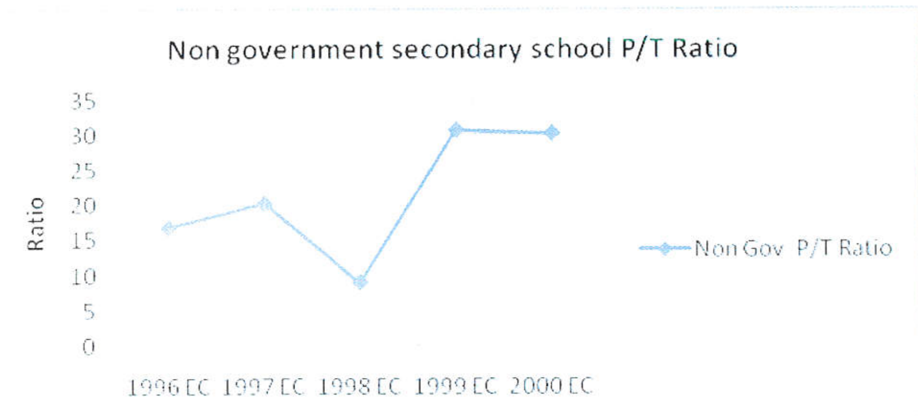
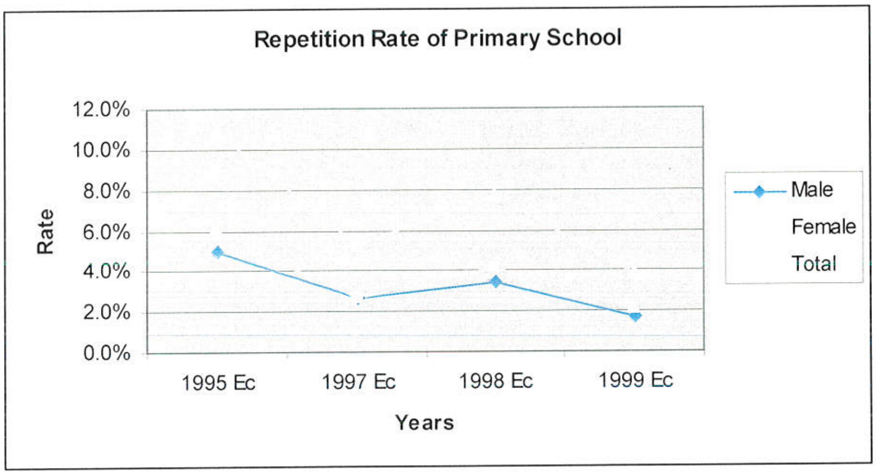


Table 12 shows that the pupil-teacher ratio of non government secondary schools was 1:17 and 1:30 in 1996 and 2000 E.c respectively. The table also shows that the number of students taught by a teacher at a time has been fluctuating in non government secondary schools.

Table 13: Number of Repeaters in Primary Schools in Arada Sub City

Year(E.c)	Male	Female	Total
1995	5.0%	5.8%	10.8%
1997	2.7%	2.7%	5.3%
1998	3.5%	4.2%	7.6%
1999	1.7%	2.2%	3.9%

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office

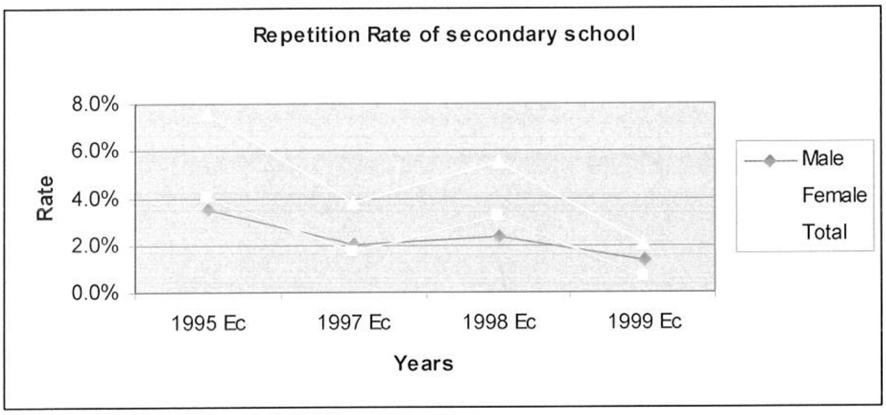


The above table 13 shows that 10.8 % of the total students enrolled in primary schools repeated in 1995 E.c(female 5.8%) whereas this rate has reduced to 3.9 % in 1999 E.c (female 2.2%).This indicates that the rate of repetition has been decreasing significantly, particularly of female in the sub city.

Table 14: Repetition Rate of Secondary Schools in Arada Sub city

Year(E.c)	Male	Female	Total
1995	3.5%	4.1%	7.6%
1997	2.1%	1.7%	3.8%
1998	2.4%	3.2%	5.6%
1999	1.4%	0.7%	2.1%

Source: Computed from data provided from Addis Ababa Education Bureau and Arada Sub City Education Office



The above table 14 shows that the total proportion of repeaters out of the total enrollment in secondary schools was 7.6% in 1995E.c (female 4.1%) and 2.1 % in 1999E.c (female 0.7%).This indicates that the rate of repetition has been decreasing significantly in the sub city.

DISCUSSIONS

Enrollment

The number of primary schools in Arada sub city was 50 in 1996 E.c and has increased to 54 in 2000E.c with additional 4 schools.In secondary schools, the number has increased from 13 in 1996 E.c to 25 in 2000 E.c and this was an increase by 92%.This implies that secondary schools have been given more attention during these years as compared to primary schools. Table 1 and 2 above show that generally there has been a decline in the enrollment of students in government and non government primary schools from 1996 to 2000 E.c in the sub city. Moreover, it is possible to see that the number of students enrolled in non government schools was by far greater than that of government. The above table 3 shows that there was a slight decline (5%) in the total enrollment of students in government secondary schools, but table 4 shows that there was an increase by 75% in the total enrollment of students in non government secondary schools during the period under study. Moreover, it is possible to see that the proportion of female students enrolled in non government secondary schools has been greater than that of male during these years.

On the other hand, according to Addis Ababa Education Bureau abstract , the total enrollment of students in Addis Ababa primary schools was 391,202 in 1996 E.c out of which 197,958 was from government schools whereas it was 390,106 in 2000E.c out of which 181,848 was from government schools. This shows that there has been a decrease of 1,096 from the overall enrollment in the city, but government schools' enrollment has decreased by 16,110 during these years. Contrary to government primary schools, the enrollment of students in non government schools has increased by more than 15, 000 in 2000 E.c as compared to 1996 E.c in Addis Ababa. Moreover, in Addis Ababa, the total enrollment of students in secondary schools was 96,571 in 1996 E.c out of which 84,353 was from government schools whereas the total enrollment becomes 116,436 in 2000 E.c out of which 84,763 was from government schools. This shows that there was a significant increment in the overall enrollment in secondary schools, but the increment in government schools enrollment was insignificant - only 410. Contrary to this, there was an increment by 19,463 in non government secondary schools.

Therefore, since the enrollment of students in both government and non government schools has decreased during the same years in the sub city and there has been a significant increment in non government schools found in Addis Ababa, it is possible to conclude that residents of Arada sub city should have been sending their children to non government schools that are out of Arada sub city. Besides, the responses from education officials, school directors and PTSA have substantiated the fact that students prefer non government schools since teachers' turnover is high in government schools relatively. For example, in 1999 and 2000 E.c only, 81 and 84 teachers left Arada Sub city government schools respectively. In addition, students contacted have confirmed that they are attending government school despite its quality due to their financial problems to afford non government schools.

Pupil- Section Ratio

Table 5 shows that the pupil-section ratio of government secondary schools was 1:82 in 1996E.c and 1:50 in 2000E.c. This data implies that the number of students attending a class has been getting smaller in government schools. But the writer does not consider this as a real improvement. Because, as mentioned under enrollment part this was because of the reduction in enrollment and the relative increment of number of sections in government schools. However, according to table 6 the pupil-section ratio of non government secondary schools was 1:48 and 1:54 in 1996 and 2000 E.c respectively. According to this data, the number of students attending a class has been indicating fluctuations in non government schools during the study period.

On average, these ratios show progress as per the national standard that sets 1:40 (40 students per class).But, since secondary schools have not yet met the standard; more efforts have to be exerted upon secondary schools improvement. On the other hand, according to Addis Ababa Education Bureau abstract, this ratio has become changed from 1:71 in 1996 to 1:59 in 2000 E.c in Addis Ababa secondary schools .Thus, it is possible to see that the sub city's ratio is better as compared to the city government in relative terms. Generally, it is known that the number of students attending a class affects the quality of education. That is, the smaller the class sizes the better the learning-teaching process. In this regard, although some fluctuations are noticed, on average the situation in non government secondary schools is better as compared to government ones.

The above table 7 shows that the pupil-section ratio of government primary schools was 1:56 in 1996 E.c and 1:52 in 2000 E.c. According to this data the number of students attending a class has been getting smaller in government primary schools. In addition, table 8 shows that the pupil-section ratio of non government primary schools was 1:54 and 1:23 in 1996 and 2000 E.c respectively. Thus, according to this data the number of students attending a class has also been getting smaller in non government primary schools. But, the situation of non government primary schools is by far better than that of government as per this data. But the writer does not consider these as a real improvement. Because, as mentioned under enrollment parts these were because of the reduction in enrollment and the relative increment of number of sections in both government and non government schools. On the other hand, these ratios show progress as per the national standard that sets 1:50 for primary schools (50 students in one class). But, unlike non government primary schools, since primary schools have not yet met the standard in government schools, more effort has to be exerted. In the same manner, according to Addis Ababa Education Bureau abstract, the ratio of pupil-section has decreased from 1:59 in 1996 to 1:43 in 2000E.c in primary schools in Addis Ababa .Thus, the trend of pupil-section ratio has generally indicated improvement both at city government and the sub city level, but it has showed more progress at city level according to this data.

Pupil-Teacher Ratio

Table 9 shows that the pupil-teacher ratio of government primary schools was 1:36 in 1996 E.c and 1:22 in 2000 E.c. This implies that the number of students taught by a teacher at a time has been getting smaller during the study period. Table 10 shows that the pupil-teacher ratio of non government primary schools was 1:41 and 1:15 in 1996 and 2000 E.c. This also shows that the number of students taught by a teacher at a time has been getting smaller during the study period in non government primary schools. According to this data pupil-teacher ratio of both government and non government primary schools have been showing progress. But the writer does not consider these as a real improvement. Because, as mentioned under enrollment parts these were because of the reduction in enrollment and the relative increment of number of teachers in both government and non government schools. On the other hand, according to Addis Ababa Education Bureau abstract, the ratio of pupil-teacher has improved from 1:39 in 1996 to 1:29 in 2000 E.c in Addis Ababa primary schools. This indicates that, in general, there was an improvement at both city government and the sub city level as far as pupil-teacher ratio is concerned, but the sub city is having better ratio considering this data.

Table 11 shows that the pupil-teacher ratio of government secondary schools was 1:47 in 1996E.c and 1:27 in 2000E.c. This implies that the number of students taught by a teacher at a time has been getting smaller in government secondary schools. But the writer does not consider this as a real improvement. Because, as mentioned under enrollment part this was because of the reduction in enrollment and the relative increment of number of teachers in government secondary schools. But table 12 indicates that the pupil-teacher ratio of non government secondary schools was 1:17 and 1:30 in 1996 and 2000 E.c respectively. This implies that the number of students taught by a teacher at a time has been increasing in non government secondary schools. Here, although there is some increment of class size in non government secondary schools due to the increment in enrollment, still it is not far from government schools ratio in which enrollment is reduced. Thus, it is possible to conclude that non government secondary schools are performing better than government secondary schools. At Addis Ababa level, the ratio of pupil -teacher has improved from 1:40 in 1996 to 1:31 2000 E.c according to Addis Ababa Education Bureau abstract. This indicates that, in general, there was an improvement at both city government and the sub city level as far as pupil-teacher ratio is concerned, but the sub city is having better pupil - teacher ratio.

Repetition Rate

The above table 13 shows that 10.8 % of the total students enrolled in primary schools repeated in 1995 E.c(female 5.8%) whereas this rate has reduced to 3.9 % in 1999E.c (female 2.2%).This indicates that the rate of repetition has been decreasing significantly, particularly of female in the sub city. Similarly, table 14 shows that the total proportion of repeaters out of the total enrollment in secondary schools was 7.6% in 1995E.c (female 4.1%) and 2.1 % in 1999E.c (female 0.7%).This indicates that the rate of repetition has been decreasing significantly in the sub city though the rate of repletion in primary schools is greater than that of secondary schools. On the other hand, the rate of repetition of primary schools has decreased from 8.9% to 2.2 % at the city government level. In the same manner, although 9.3% of the total enrolled female repeated in 1995E.c, only 2.1 % had repeated in 1999E.c in Addis Ababa. This was a significant change and even better than the repetition rate of female at Arada sub city which was 2.2% in 1999 according to Addis Ababa Education Bureau abstract. Thus, it is possible to conclude that the repetition of students at primary schools was decreasing both at the sub city and the city government level.

Generally, the above facts indicate that enrollment of students has been decreasing both in government and non government primary schools during the study period in Arada sub city.

But in case of secondary schools enrollment, there was a slight decline in government schools and a significant increment in the case of non government schools. Thus, it is possible to conclude that decentralized education services delivery has not brought significant change in Arada sub city government schools generally though there are better situations in non government schools regarding enrollment. Here, the writer believes that it is reasonable to recognize that it is the investment policy of the government that paved a way for private investors' contribution in education services. On the other hand, the ratio of pupil-section, pupil - teacher as well as repetition rates has been generally getting improved throughout the study period. But these results are due to the reduction in enrollment. This is why the writer argues that there are no real improvements in the ratios of pupil- section and pupil-teacher particularly in government schools. Regarding these, respondents in the sub city have strengthened the prevalence of these situations and attributed the source of the problems to weak responsiveness, inefficiency and ineffectiveness as well as poor work environment of government schools besides unattractive salary and benefit system. However, it is worth noting to recognize that the ratio of book to students has attained 1:1 in the sub city in 2000 E.c though it was 1:2 in 1996 E.c.

5.1.2. Education Services Budget and its Adequacy

Literatures show that many failures in decentralization program have been attributed to inadequate budget. So, if decentralization should give fruit, it is indispensable to give solution to budget inadequacy. In line with this, the budget situation of the education sector of the Sub city is assessed in this study. Educational budget is allocated depending on the decision of the concerned Sub city councils. Besides, the Sub city receives a block grant according to ministry of education School Grant Guidelines 2001. School Grants Program (SGP) is an initiative by the Ministry of Education (MoE) to improve school performance and the quality of education in primary and secondary schools. The school grants program is funded under the General Education Quality Improvement Program (GEQIP) which is supported by the government of Ethiopia and Development Partners. In line with this, the minimum amount that schools receive is 15 birr for each student enrolled in primary schools and 20 birr for each student enrolled in secondary schools. Accordingly, the total grant is determined on the basis of official federal Enrollment Management Information System data. Because of the time taken in reporting and processing enrolment data, the data used is for the previous year. The school grant can be spent on any items that improve school performance and the quality of education at the school. But there are items that the school grant cannot be spent on. This are new classrooms or buildings (new toilets are allowed), salaries, per-diem or payments to individuals, televisions and DVD players, fuel and weapons.

Table 15: Budget allocated for Education Services from 1996 to 2000 E.c (in million Birr)

Budget	**Annual Trend (E.C)**									
	1996	**%**	**1997**	**%**	**1998**	**%**	**1999**	**%**	**2000**	**%**
Sub city Recurrent	52.03	42%	46.27	19%	64.66	47%	57.98	65%	68.84	60%
Sub city Capital	72.66	58%	195.78	81%	71.73	53%	31.27	35%	45.61	40%
Sub city Total	**124.69**	**100%**	**242.05**	**100%**	**136.39**	**100%**	**89.25**	**100%**	**114.45**	**100%**
Education Office budget	18.55	15%	18.16	8%	21.18	16%	21.8	24%	24.96	22%
Salary	13.68	74%	12.52	69%	15.03	71%	17.14	79%	19.95	80%
Operation	4.87	26%	5.64	31%	6.15	29%	4.66	21%	5.01	20%

Source: Arada Sub City Finance & Economic Development Office

The above table 15 shows that the recurrent budget of the sub city was 42% and that of capital budget were 58% in 1996E.c, but this has become 60% and 40% respectively in 2000.Inaddition, the trend of recurrent budget has been increasing whereas that of capital budget is showing the opposite trend during these years. The table also shows that the budget allocated for education was 15% of the sub city's total budget in 1996 and 22% in 2000, but this also never exceeded 24% that was met in 1999.Out of the budget allocated for education, the budget that goes for salary has increased from 74% in 1996 to 80% in 2000. Here, the budget allocated for operation of education has decreased from 26% in 1996 to % 20% in 2000 and it reached 31% only in 1997. So, the attention given to operation budget seems less and this is expected to obstruct the operation of schools in education service delivery.

Moreover, according to the respondents, the allocation system does not consider the needs of the front- line service delivery offices seriously. That is, though they are involved in service delivery, they are not given the power to decide nor have the means to deliver those services adequately. The respondents confirmed that schools are found facing such problems even though they are obliged to remit the revenue they collect to the Sub city finance and economic development office. Besides, expenditures for salary, constructions, and repairs and supply of different equipment are provided from the above.

Complementing the above circumstances, school directors have substantiated that they have been facing serious problems to provide education services due to the shortage of operation budget. Moreover, they assured that although the larger part of budget is allocated for salary, still employees are leaving their schools in search of better salary. Therefore, based on the above facts one can conclude that the budget allocated for education services delivery are not adequate whereby services provisions has been challenged.

5.1.3. Assessment of Human Resource Situations in Education Service Delivery

According to the proponents of decentralization, the availability of human resource both in the required quantity and quality is the vital issue in order to achieve efficient and effective service delivery at local level. In line with this, the study has assessed human resource situations in Arada sub city education office referring to staff and teachers.

Table 16: The current Administrative Staff of Arada Sub city Education Office

No	Education Level	Number
1	Below Diploma	1
2	Diploma	4
3	Degree	15
4	Masters	3
	Total	**23**

The above table 16 indicates that currently there are 23 staff members in education office of Arada sub city out of which 78% (15plus 3) of them are degree and above graduates. Based on this data, the office has more degree holders as compared to diploma and this is believed to help in having competent staff that can undertake his/her duties and responsibilities easily. However, officials contacted have confirmed that the number of staff does not commensurate with the volume of workloads that are devolved to the sub city. As a result, the office has been facing challenges related to responsiveness in education service delivery.

Table 17: Current Teachers and their Qualifications in Arada Sub city

School	Owner	Education Level					
		Below certificate	**TTI**	**Diploma**	**Degree**	**Masters**	**Grand Total**
Primary school	Government	0	163	269	0	0	432
	Non government	24	301	550	203	0	1054
	sub Total	**24**	**464**	**819**	**203**	**0**	**1486**
Secondary school	Government	0	0	24	329	11	364
	Non government	0	0	27	260	36	323
	sub Total	**0**	**0**	**51**	**589**	**47**	**687**
Grand Total		**24**	**464**	**870**	**792**	**47**	**2173**

Regarding primary schools, the above table 17 indicates that currently there are 432 teachers in government primary schools out of which 163 are graduate of Teachers Training Institute (TTI) and 269 are diploma holders. On the other hand, there are 1054 teachers in non government primary schools out of which 301 are TTI, 550 diploma and 203 are degree holders. In this regard, it is possible to see that non government primary schools are recruiting degree holders for primary schools whereas government primary schools have no degree holder. This implies how much non government primary schools are working towards ensuring quality education.

Regarding secondary schools, the above table indicates that currently there are 364 teachers in government secondary schools out of which 24 are diploma holders, 329 degree holders and 11 are master's degree holders. On the other hand, there are 323 teachers in non government secondary schools out of which 27 are diploma holders, 260 degree holders and 36 are masters' degree holders. In this regard, it is possible to see that non government secondary schools are recruiting more master's degree holders for secondary schools though government secondary schools have fewer numbers. This also indicates how much non government secondary schools are working towards ensuring quality education.

However, although the standard issued by education bureau of the city government stated that primary schools should be taught by at least diploma holders whereas secondary schools by degree and above, according to the above data the standard is not yet achieved. In line with this, more effort is required from both government and non government schools in order to ensure education quality though the situation of non government is currently better as compared to government.

One of the powers given to the *Sub city is* to administer issues associated with human resource management such as hiring, dismissal, promotion, etc. But, although various activities are devolved to the lowest tier of government (kebele) they cannot practice the above human resource functions unlike the sub city. That is, still it is the Sub city that is undertaking these human resource functions for kebeles. Moreover, the responses of contacted teachers and officials have confirmed that staff members are rarely given a chance to improve themselves and as a result lack the required competences. Some staff members of the Sub city offices were given some training according to the respondents. But, compared to the capacity problems observed in the Sub city the situation requires further capacity building efforts and this was the serious concern of the respondents that were contacted. Therefore, based on the above data and the responses of officials and the staff of the sub city, it is possible to conclude that there is human resource inadequacy both in quantity and quality in general though non government schools have shown relative progress.

5.2. Health Service Delivery

5.2.1. Health Service Performances at Arada Sub City from 1996 -2000 E.c

The 1993 health policy of the country states among other things that democratization and decentralization of the health service system is crucial in order to implement preventive and curative components of health care. To this end, the development of an equitable and acceptable standard of health service system that will reach all segments of the population within the limits of resources and promotion of the participation of the private sector and nongovernmental organizations in health care are taken as points of attention.

Health service delivery in the *Sub city* was coordinated and implemented under the immediate supervision of the City Health Bureau before decentralization. This responsibility has been transferred to the *Sub city* health office, which has been established after 2003. The office coordinates and implements health services through the health infrastructures that exist in the *Sub city*. The office is authorized to register; license and monitor, etc private health service providers that are below hospital level as per the directive issued by Ministry of Health tailored to this purpose .The health office also provides assistance to private health institutions by advising and making follow up. As of 2000 E.c, there were three government health centers and one clinic besides 80 private health institutions in the sub city.

Table 18: Health Office Performances in Arada Sub City from 1996 to 2000 E.c

Health Indicators	**Unit**	**Years (E.c)**				
		1996	**1997**	**1998**	**1999**	**2000**
Population in '000	No	312	321	333	212	330
DPT3 immunization coverage	%	67	67.9	63.2	65	62
measles (Immunization coverage)	%	68	68.2	61.5	77	82.5
TT2 coverage(pregnant)	%	56	55.9	56.9	62	72
Antenatal care service coverage	%	83	83.6	81.2	93	92
Postnatal health service coverage	%	16	15.5	17.3	53	83
Delivery service	%	26	25.8	30	78	79
Family planning	%	39	39.8	48	69	79
Physicians	No	10	12	12	11	11
Physicians to population	Ratio	1:31200	1:26750	1:27750	1:19272	1:30031

Nurses	No	62	61	76	96	94
Nurses to population ratio	Ratio	1:5032	1:5262	1:4380	1:2208	1:3514
Number of clinics	No	70	70	73	82	84
• Private	No	69	69	72	78	80
• Government(clinic)	No	1	1	1	1	1
• Government(health centers)	No	3	3	3	3	3
Clinic Population ratio	Ratio	1:4457	1:4585	1:4562	1:2585	1:3932

Source: CSA, Arada Sub City Health Office and own computation.

The above table 18 shows that there were 70 private clinics, 3 government health centers and one government clinic in 1996 E.c. But as of 2000 E.c there are 80 private clinics, 3 government health centers and 1 government clinic. One of the indicators of health services quality is the presence of health professionals at the required kind and quality. The number of health professionals was 10 physicians/general practitioners and 62 nurses in 1996 E.c, but as of 2000E.c there were 11 physicians/general practitioners 96 nurses and 43 health officers in government health institutions.

DISCUSSIONS

The ratio of a physician to population has changed from 1:31,200 to 1:30,031 whereby nearly 1000 population is reduced from a physician from 1996 to 2000 respectively. That means the ratio has not shown significant improvement from 1996 to 2000 E.c. But since the number of nurses has increased by about 52 % the ratio of a nurse to population has improved from 1:5,032 in 1996 to 1:3,514 in 2000E.c. But, this ratio is lower than the standard of world health organization (WHO) that indicates the ratio of a doctor to population to be 1:10,000 and of a nurse to be 1: 1,000 as stated in the Health and health related indicators published in 1999 E.c by Federal Ministry of Health of Ethiopia. On the other hand, a nurse to population ratio was 1:3,459 in 1996 and 1:2,304 in 2000 in Addis Ababa. Similarly, this ratio was 1:4,572 in 1996 and 1:4,725 in 2000 at national level. This implies that the ratio is better at the city government level as compared to the sub city. This indicates that there should be other sub cities that are better-off as compared to Arada sub city in terms of having more nurses.

Regarding a physician to population ratio, it was 1:12,692 and 1:23,662 in 1996 and 2000 respectively at Addis Ababa level. And at national level, this ratio was 1:26,527 and 1:37,996 in 1996 and 2000 respectively. This implies that there is no progress both at Addis Ababa and the national level in having more physicians that service the population. This is because the number of physicians has decreased from 221 to 133 in Addis Ababa and from 2,679 to 2,085 at national level from the year 1996 to 2000 E.c whereas the number of population has been increasing. This shows that there are high turnover rate of physicians in the country in general and the city in particular. Regarding this, the office of health has confirmed that 19 health officers have left their job from 1999 to 2000E.c whereby only 3 health officers were hired by the sub city health office in replacement so far. This calls to the attention of decision makers in putting more effort to enhance the quality and accessibility of health services by supplying professionals in the required quantity and quality.

Moreover, table 18 shows that the number of government health centers and clinic has been the same throughout the study period. But the number of clinics in private ones has increased from 69 in 1996 to 80 in 2000 E.c .This has brought the ratio of a clinic to population from 1:4,457 in 1996 to 1:3,932 in 2000 E.c. So, one can observe how much the private clinics have been contributing in health service provision in the sub city. This means one clinic was serving 4,457 people in 1996 but this has improved to serving 3,932 people as of 2000 E.c.

In line with the national health policy, the sub city health office has been working by giving more attention to diphtheria, pertusis and tetanus (DPT3) immunization, tetanus toxoid (TT2), measles immunization, antenatal service, postnatal services, delivery services, family planning, etc among others. The health service of the sub city has shown improvement in these services in general. Table 18 indicates that the coverage of measles immunization has shown progress from 68% to 82.5 %, family planning from 39 % to 79 % from 1996 to 2000E.c. Here, one can say that, if the infrastructure of government health institutions had improved, the change in health institutions would have been better than these.

Similarly, according to Health and health related indicators published by ministry of health; the immunization in health service has shown improvement throughout the periods in Addis Ababa city government and at national level. Moreover, the ratio of a clinic to population was 1:6,841 and 1:6,695 in 1996 and 2000 at City level whereas it was 1:39,090 and 1:31,436 in 1996 and 2000 respectively at national level. This also indicates that there are additional health infrastructures that provide services to the public. As compared to City government level and the national level, it is possible to say that the sub city's clinic population ratio is in a better condition. But, as indicated in the above table 18 the contribution of government is insignificant in the sub city since there is no additional health institution. As for the writer, this might have taken place due to the fact that government is primarily using preventive strategy to health service as compared to curative. Here, the contribution of private institutions is significant in that they established 11 additional health institutions in the sub city during the study period and this is realized because of investment policy of the government in health service. But, the contacted private health service providers complain that government is not following participative, encouraging and democratic approach in their relationship, rather it is playing more of controlling mechanism and bureaucratic and dictating roles. In addition, respondents from private health institutions are concerned about the behavior of the kebele and sub city inspectors. That is, they complain that these officials are not sincere and open to them, they lack experience in interpersonal skill, leadership skill and conceptual skills to encourage the private sector develop sense of participation.

As per the basic health coverage standard of Federal Ministry of Health, one health center provides service for 40,000 residents. If we consider the existing four government health institutions only in the sub city, the coverage of the health service in the sub city is below 50 %. That is, one health center provides service for 82,586 residents. Therefore, based on the above facts and the respondents view, it is possible to generalize that health service performances have been low during the years under study. That is, the coverage of basic health services in the sub city is limited, but the private health institutions have been playing significant roles.

5.2.2. Health Service Budget and its Adequacy

Literatures show that many failures in decentralization program have been attributed to inadequate budget. So, if decentralization should give fruit, it is essential to give solution to budget inadequacy. In line with this view, this study has assessed the budget situation of the health office in the Sub city under study. Health budget is allocated depending on the decision of the concerned Sub city councils. In addition, the Sub city receives a block grant for health services. Block grant is determined basically considering the number of population and the number of facilities available in the sub city. Regarding the population, the number of children is given special attention in grant determination. To this end, the minimum amount of grant allocated for each child in the sub city is 0.86 USD. Accordingly, the total grant allocation amount will be determined taking in to account the total number of children in the sub city as well as facilities and the whole population size.

Table 19: Budget allocated for Health service Delivery from 1996 to 2000 E.c *(in million Birr)*

Budget	**Annual Trend (E.C)**									
	1996	**%**	**1997**	**%**	**1998**	**%**	**1999**	**%**	**2000**	%
Population ('000)	312		321		333		212		330	
Sub city Recurrent	52.03	42%	46.27	19%	65	47%	58	65%	69	60%
Sub city Capital	72.66	58%	195.78	81%	72	53%	31	35%	46	40%
Total	**125**	**100%**	**242**	**100%**	**136**	**100%**	**89**	**100%**	**114**	**100%**
Health Office	3.58	3%	3.40	1%	3.57	3%	3.56	4%	4.06	4%
Salary	0.45	13%	2.11	62%	2.53	71%	2.66	75%	2.96	73%
Operation (HOB)	3.13	87%	1.26	37%	1.04	29%	0.90	25%	1.10	27%
HOB/ capita	10		4		3		4		3	

Source: Arada Sub City Finance & Economic Development Office and CSA

The above table 19 shows that the recurrent budget of the sub city was 42% and that of capital budget was 58% of the total budget in 1996 E.c, but this has become 60% and 40% respectively in 2000 E.c. In addition, the trend of recurrent budget has been increasing whereas that of capital is showing the opposite trend during these years. The table also shows that the budget allocated for health was 3% of the total sub city budget in 1996 and 4% in

2000 E.c. Generally, the proportion of budget allocated for health has never exceeded 4% throughout these years. Out of the budget allocated for health, the budget that goes for salary has increased from 13% in 1996 to 73% in 2000 E.c. Moreover, the above table shows that the budget allocated per capita is 10 birr in 1996 and 3 birr in 2000 E.c. This means that 10 birr was allocated for health service of a person in 1996 and only 3 birr to treat a person in 2000.

In the same manner, the operation budget of health has significantly declined from 87 % in 1996 to 27 % in 2000 E.c. This can be taken as the worst decline in operation budget despite the scarcity of medical facilities, equipment, medicine and human resource at all health institutions. In reality, the operation of health should not be obstructed due to lack of budget as a matter of its nature to prevent and cure human beings.

Moreover, according to respondents, the allocation system does not consider the needs of the front- line service delivery offices seriously. That is, though they are involved in service delivery, they are not given the power to decide nor have the means to deliver those services adequately. Health institutions are found facing such problems even though they are obliged to remit the revenue they collect to the Sub city finance and economic development office. Besides, expenditures for salary, constructions, and repairs and supply of different equipment are provided from the above.

Accentuating the above situations, health institution heads and health committee members have confirmed that they have been encountering serious problems to provide health services due to the shortage of operation budget. Moreover, they assured that although the larger part of budget is allocated for salary, still employees are leaving their health institutions in search of better salary. Therefore, based on the above facts and the opinion of respondents, one can conclude that the budget allocated for health services delivery are not adequate whereby services provisions has been challenged.

5.2.3. Assessment of Human Resource Situations in Health Service Delivery

According to the supporters of decentralization, the availability of human resources both in quantity and quality is the vital issue in order to achieve efficient and effective service delivery. In line with this, the profiles of human resources in Arada sub city health office and institutions are presented and discussed as follows.

Table 20: Current Administrative Staff of Arada Sub city Health Office

No	Education Level	Number
1	Below Diploma	1
2	Diploma	8
3	Degree	17
4	Masters	1
	Total	**27**

The above table 20 indicates that currently there are 27 administrative staff members in health office of Arada sub city out of which 67% (17 plus 1) of them are degree and above graduates. Based on this data, the office has more degree holders as compared to diploma and this is believed to help in having competent staff that can undertake his/her duties and responsibilities easily. However, officials contacted have confirmed that the number of staff does not commensurate with the volume of workloads that are devolved to the sub city. As a result, the office has been facing challenges related to responsiveness in health service delivery.

Table 21: Existing and Required Human Resources in Government Health Institutions

Position	Existing	Required	Gap	Requirement Attained
Immunization and prevention staff	41	68	27	60%
Basic Health service staff	50	153	103	33%
Finance and property admin	11	18	7	61%
Human Resource Development staff	11	14	3	79%
Plan and follow up staff	4	8	4	50%
Laboratory technicians	3	6	3	50%
Pharmacist	3	7	4	43%

Child and infant growth follow up professional	5	5	0	100%
Family health service professional	4	5	1	80%
Antenatal, postnatal and the like professional	5	10	5	50%
Inpatient professional	3	5	2	60%
Outpatient professional	8	18	10	44%
TB, leprosy professional	1	2	1	50%
HIV prevention and control staff	6	7	1	86%
Total	**155**	**326**	**171**	**48%**

Source: Arada Sub City Health office and own computation

The above table 21 shows that the existing technical health staff of the health office is 155 while the total required is 326 leaving the gap of 171 staff. That is, the office has met only 48% of the total requirements. According to the head of the health office of Arada Sub city, human resource deployed to run the office are not adequate. The official confirmed that the presence of human resource shortage both in quality and quantity has been impacting their activities together with budget shortage and lack of facilities such as medical equipment, laboratory tools, cars, computers, etc. Moreover, all the interviewed officials and the staff from health institutions have substantiated the prevalence of human resource shortage as the major problem although the case of private sectors is relatively better.

One of the powers given to *Sub city is* to administer matters related with human resource management. Devolution of power is meant to have power over hiring, dismissal and promotion of employees. But, although various activities are devolved to the lowest tier of government (kebele), they cannot practice the above human resource functions unlike the sub city. That is, still it is the Sub city that is undertaking these human resource functions for kebeles. Moreover, the responses of contacted staff members have confirmed that they are rarely given a chance to upgrade themselves. Short-term training could have mitigated the shortage of qualified staff by improving the efficiency of existing staff. Some staff members of the Sub city sector offices were also given some training according to the respondents. But compared to the capacity problems observed in the Sub city the situation requires further capacity building efforts and this was the serious concern of the respondents.

Generally, as far as health service delivery is concerned, despite some general improvements in immunization and basic health services, there is no much variation in overall performance from 1996 to 2000 E.c. Moreover, resources deployed such as human resource, finance and facilities are not adequate and hence have been obstructing health service delivery as confirmed by respondents.

5.3. Summary of Findings

- The study found that various functions have been devolved to the lowest tier of government, but there are no adequate resources that commensurate to undertake these activities. Moreover, there are overlaps in duties and responsibilities in addition to organizational arrangements that do not allow efficient practices whereby decision making time increases

- KETBs and PTSAs are organized at the local level as responsible bodies to support school activities and mitigate decision making and communication delay. But, the practical situation of Arada sub city does not show this reality according to respondents

- The direct involvement of the larger community is limited and PTSA members have confirmed that the participation of parents in school affairs is found to be weak. Regarding health services, there are boards at each kebele and health committee at each health center to facilitate community participation. But, the study revealed that they are inactive in practical terms

- The number of both primary and secondary schools has increased in Arada sub city from 1996 E.c to 2000 E.c. And there is a decline in the enrollment of students in government and non government primary school from 1996 to 2000 E.c; the number of students enrolled in non government schools is by far greater than that of government. On the other hand, there is an increase in the total enrollment of students in non government secondary schools during the period under study

- The pupil-section ratio has been improving during the years from 1996 to 2000 E.c in both government and non government secondary schools. Similarly, the pupil-section ratios of government as well as non government primary schools have manifested improvement. Pupil-teacher ratio has shown significant improvement at government primary schools and non government primary schools. In the same manner, the pupil-teacher ratio of government secondary schools has shown progress during the same years, but not in the case of non government schools. However, since these changes are seen due to the general reduction of enrollment, it is difficult to consider them as achievements. Besides, the rate of repetition of students in primary as well as secondary schools has been decreasing significantly

- The ratio of a physician to population has not shown significant improvement from 1996E.c to 2000, but the ratio of nurses to population has improved though it is lower than standard

- The number of government health centers and clinic has been the same through out the study period. But, the number of clinics in private ones has increased. The sub city health office has shown improvement in immunization and basic health services in general. Private health services complain that government is not creating conducive environment for their participation

- The trend of recurrent budget has been increasing whereas that of capital is showing the opposite trend during these years of study. The budget allocated for health has never exceeded 4% of the total sub city budget throughout these years. On the other hand, the budget allocated for education is better as compared to health, but this has never exceeded 24%. Even in education service where there is relatively better allocation it has been facing budget constraints. Out of the budget allocated for health and education the budget allocated for salary has the significant portion and has been increasing. Moreover, operation budget allocated for education and health has been decreasing in the same manner, but the case of health has shown the worst decline as compared to education

- The availability of human resources in the required quality and quantity has been the major challenge in both education and health service delivery since the devolution of power to the *Sub city*. This has been aggravated by the prevalence of high turnover rate of staff both in education and health offices

- The study has also revealed that the existing government investment policy has paved a way for more involvement of private education and health service providers

CHAPTER SIX

6. CONCLUSIONS AND RECOMMENDATIONS

The main objective of the study is to examine decentralized education and health service delivery in the case of Arada sub city of Addis Ababa city government. In line with this, data collected basically from secondary sources were organized, analyzed and discussed based on the research objectives and complemented by data obtained from primary sources through interview. In doing so, the study assessed the performances of education and health offices and summarized the findings above. Based on the above analysis, discussions and findings the following conclusions are drawn and recommendations are forwarded.

6.1. Conclusions

This paper has tried to show the achievements gained and the challenges faced in decentralized education and health service delivery in light of the four broad categories: organizational arrangement, participation, performances and resources deployed. Based on the above findings the following are summarized as the achievements and challenges of decentralized education and health service delivery.

Achievements

- The establishment and empowerment of lower tiers of government with clear duties and responsibilities on legal grounds is the key aspect of decentralization. In this regard, as per the charter of the city government, the lower tiers of government that are empowered in education and health service delivery are legally recognized. Moreover, duties and responsibilities of each level of organizational arrangements are stated and have got legal grounds. Thus, although there are limitations with these issues, they can be accounted as the achievement of decentralization program

- Literatures on decentralization show that the transfer of decision making closer to the end-users needs institutions that are empowered to mitigate decision making and communication delay. In this regard, the establishment of Boards, PTSAs and health committees at the local level as responsible bodies to support school and health activities can be taken as the achievements of decentralization

- Standard of education quality assurance states that the number of students that attend a class at a time impact the quality of education. Besides, the number of students addressed by a teacher at a time also influences the quality of teaching – learning process. From this point of view, the study has shown that the pupil-section and pupil-teacher ratios have been improving during the years under study in both primary and secondary schools. This implies that the number of students attending a class and taught by a teacher was getting smaller and this was expected to contribute towards the improvement of quality of education. But, this was found because of the reduced enrollment and relative increment of number of sections and teachers during the period. Moreover, the study has shown that the rate of repetition in both government and non government at primary and secondary schools has been decreasing significantly. The study has also revealed that the ratio of book to student reached 1:1 in 2000E.c though it was 1:2 in 1996

- The number of health professionals deployed in health service is one of the vital factors that influence the quality and coverage of health services. According to this study, although the ratio of a physician to population has shown slight improvement, the ratio of a nurse to population has improved during the study period. But, this ratio is still lower than the standard of world health organization and has been impacted by the high turnover of professionals

- Among others, the number of health facilities availed for health services is the major means for the betterment of access to health service delivery. In this regard, although the number of government health centers and clinic has been the same throughout the study period, the number of clinics in private institutions has increased. This has improved the ratio of clinics to population ratio. Hence, private clinics contribution in health service delivery has been significant in the sub city

- The national health policy of the country is basically dependent on preventive strategy whereby immunization health service has been give due attention. In line with this, the health office of the sub city has been providing health service focusing on immunization and basic health services. Accordingly, although there is no additional heath institution during the study period, the office has shown improvement in these services

Challenges

- One of the features of decentralization of services is empowering the lower tiers of government based on clear duties and responsibilities. In this regard, the study found that although there are legally recognized tiers of government in order to implement decentralized education and health services as a result of decentralization program, there are lack of coordinated action, lack of adequate and competent leaders and lack of integrated follow up and evaluation of the services provision. Moreover, there are overlapping activities whereby the higher and lower tiers are practicing the same. For example, both the bureau and the office at the sub city and the office at the kebele are engaged in monitoring the quality of education and health services. Moreover, though decentralization is meant to devolve powers and functions to lower tiers of government, in practices, there are some duties that are still not devolved to the sub city. For example, in health service, the procurement of diagnostics, medical equipment, medicine, etc has not been decentralized. As a result, health institutions are forced to wait the health bureau in order to get these inputs to provide services

- Moreover, the study indicated that there are still decisions that are made at the higher tier of the government though the actual task is done at the lowest. Besides, the higher government offices are seen performing the activities that are devolved on legal grounds. Here, although kebeles are empowered to undertake various tasks legally, it is difficult to say they are performing their duties with clear independence of decision making. Some respondents have argued that the real situation of service delivery in the sub city is complex, full of gap of responsibility, weak confidence of decision making, etc

- The very reason of decentralizing public services such as education and health is to create suitable condition for the participation of the larger community. In line with this, the study noticed that there are boards and committees established to enhance public participation both in education and health services delivery. However, it is revealed that these bodies have not been performing as per their duties and responsibilities as a result of which there is low public participation in education and health services. This is because of the fact the board is chaired by a political assignee who is busy doing his/her kebele duties. In addition, other members are also engaged in their formal work as a result of which decisions related to public services have been delayed

- Literatures indicate that the adequacy of budget plays substantial role in the successful implementation of decentralized service delivery. But, the study revealed that there have been financial shortages in both education and health service delivery of the sub city. Moreover, the study has shown that capital budget has been given less attention whereby the larger proportion of the budget allocated for education and health goes to salaries of employees. Moreover, there is no utilization of revenue generated at the lower levels, rather it remit to the government coffer and request latter in the form of budget that goes to the city council through the long hierarchy. This issue has been impacted by the "one plan one budget" principle of the city government according to officials. Thus, in the eyes of the proponents of effective decentralization this evidence shows that the decentralization made to sub cities manifests limitations

- Proponents of decentralization contend that decentralization program should be backed up with the required quantity and quality of human resource so as to be successful. However, the study found that one of the major challenges in service delivery of the Sub *city* has been the problem related with the availability of human resource in the required quality and quantity. This problem is the most frequently raised issue in the country in general and the Sub city in particular although the case of private sectors is relatively better. Besides, the study confirmed that there is high turnover of staff due to lack of attractive salary and benefits that can attract competent professionals and lack of conducive work environment

6.2. Recommendations

The following are recommended to overcome the challenges encountered in the implementation process of decentralized education and health service delivery.

- The hierarchical relationships between the lower tiers such as the kebele and higher levels of government should be redesigned in order to maintain flexibility and quick decision making process

- Bodies established at lower levels to coordinate and organize public participation should not be led by political assignee but independent that is elected by the community

- Community participation is expected in improving service delivery. So, there should be awareness creation so that they develop sense of ownership in education and health service delivery

- The number of population increases from time to time. Thus, to meet the existing and the upcoming demands, both government and private education and health institutions should be expanded whereby service coverage will be improved

- Improvement should be made in the supply of the required facilities, equipment, materials and medicine, etc. That is, the lower level administration should be empowered to procure them whereby the higher officials monitor their effectiveness besides providing the required assistance

- More effort has to be made in participating and motivating private education and health service providers. For example, by putting in place and implementing incentive and recognition programs for best performers publicly

- If the decentralization of service is required to be successful, adequate budget should be allotted besides empowering the schools and health centers to utilize the revenue generated at their locality

- The decentralization program should be backed up with the required quantity and quality of human resource besides addressing the cause of high turnover such as lack of attractive salary, benefit and conducive work environment. Besides, committed and ethical staff should be created and maintained

- Generally, in order to maximize the benefits of decentralization, all the necessary resources such as finance, human resource, facilities, etc should be deployed up to the required level of quantity and quality in both government and private education and health service providing institutions

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APPENDICES

DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT MANAGEMENT

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Interview guidelines for data collection from Health Office of Arada Sub City

This checklist is prepared to collect views of Health Office Manager in the Sub- city.

1) Why decentralized health service delivery is required?
2) What were problems of health service delivery before decentralization?
3) What health service delivery functions are devolved to the sub city and how are they working with the city government health Bureau?
4) Do you think that the resources deployed for health service delivery are adequate?
5) What do you say about institutional arrangements to foster coordination and participation among different actors of health services delivery?
6) What are the actions being taken to strengthen the capacity of the office in resources such as human resources, finance, etc in health service delivery?
7) Are local people popularly participating in the betterment of health service delivery? How?
8) How are private and NGOs participating in health service delivery? What are the duties and responsibilities of government?
9) What are the major achievements of decentralized health service delivery? Is there any improvement in terms of raising responsiveness, efficiency, participation, accountability, etc?
10) What are the major constraints affecting the performance of decentralized health services delivery?
11) Is there any health service standard used by the sub city? If any, how is it used?

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Interview Guidelines to collect data on health service delivery in Arada Sub city. This checklist is prepared to collect the views of health institution heads and health committees.

1. Do you know the purposes of decentralized health service delivery in the city?
2. What are the functions currently practiced in health service delivery at the health institution?
3. What do you say about the coordination and integration of stakeholders in health service delivery?
4. How does the community participate in health service delivery? Do you think their participation is adequately practiced?
5. Do you think that health service delivery is in line with community's interest?
6. What do you say about the adequacy of resources such as finance, human resource, facilities, etc deployed for health services delivery?
7. Are there continuous training to improve skills and abilities of health staff to perform jobs in more efficient manner?
8. In your opinion, what do you say about the turnover rate of health staff in your health center? Why?
9. What do you say about the performances and challenges of health service delivery?
10. Comment, if any____

Thank you!

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FACULTY OF BUSINESS AND ECONOMICS

ADDIS ABABA UNIVERSITY

Interview guidelines for data collection from Education Office of Arada Sub City

This checklist is prepared to collect views of Education Office Manager of the Sub-city.

1) Why decentralized education service delivery is required?
2) What were problems of education service delivery before decentralization?
3) What education service delivery functions are devolved to the sub city and how are they working with the city government education Bureau?
4) Do you think that the resources deployed for education service delivery are adequate?
5) What do you say about institutional arrangements to foster coordination and participation among different actors of education services delivery?
6) What are the actions being taken to strengthen the capacity of the office in resources such as human resources, finance, etc?
7) Are local people popularly participating in the betterment of education service delivery? How?
8) How are private and NGOs participating in education service delivery? What are the duties and responsibilities of government?
9) What are the major achievements of decentralized education service delivery? Is there any improvement in terms of raising responsiveness, efficiency, participation, accountability, etc??
10) What are the major constraints affecting the performance of decentralized education services delivery?
11) Is there any education service standard used by the sub city? If any, how is it used?

Thank You!

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Interview Guidelines to collect data on education service delivery in Arada Sub city. This checklist is prepared to collect the views of school directors and parent teacher student association.

1. Do you know the purposes of decentralized education service delivery in the city?
2. What are the functions currently practiced in education service delivery at school levels?
3. What do you say about the coordination and integration of stakeholders in education service delivery?
4. How does the community participate in education service delivery? Do you think their participation is adequately practiced?
5. Do you think that education service delivery is in line with community interest?
6. What do you say about the adequacy of resources such as finance, human resource, facilities, etc deployed for education service delivery?
7. Are there continuous training to improve skills and abilities of teachers to perform jobs in more efficient manner?
8. In your opinion, what do you say about the turnover rate of teachers in your school? Why?
9. What do you say about the performances and challenges of education services delivery?
10. Comment, if any____________________________________

Thank you!

DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university and that all sources of material used for this thesis have been duly acknowledged.

Declared by:

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Date: June 3, 2010

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Date: June 3, 2010

Place and date of Submission: Addis Ababa, June 3, 2010