



**MANAGING URBAN INSTITUTIONS FOR DEVELOPMENT
(Employment and Housing)
IN ADDIS ABABA CITY**

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This is to certify that the thesis prepared by Biruk Shiferaw entitled as Managing Urban Institutions for Development (employment and housing) in Addis Ababa city which is submitted in partial fulfillment for the Degree of Master of arts in Public Management and Policy (Development Management stream) complies with the regulation of the University and meets the accepted standard with respect to originality and quality.

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TABLE OF CONTENT

Board of examiners approval	
Acknowledgement	
List of figures and tables.....	i
Acronym/Abbreviation.....	ii
Abstract.....	iii
<u>Chapter One- Introduction</u>	
1.1 Background.....	1
1.2 Problem Statement..	3
1.3 Objectives of the Study.....	4
1.3.1 General Objective.....	5
1.3.2 Specific Objectives.....	5
1.4 Research questions.....	5
<u>Chapter Two – Research Methodology</u>	
2.1. Research Methodology.....	7
2.1.1. Research Design.....	7
2.1.2. Study Population.....	7
2.1.3. Sampling method.....	8
2.1.4. Sample size.....	8
2.1.5. Data Collection Techniques.....	9
2.2. Data Analysis.....	9
2.3. Significance of the Study.....	9
2.4. Scope of the Study.....	10
2.5. Limitation of the Study.....	10
2.6. Organization of the study.....	10
2.7. Spatial and population description of the study area.....	11
2.8. Population of the Study area	12
<u>Chapter Three – Literature Review</u>	
3.1. Theoretical Literature	
3.1.1. Concepts and definitions of terms.....	13
3.1.2. Urban Theories.....	15
3.1.3. Development theories.....	16
3.1.4. Development objectives.....	17
3.1.5. Measures of development.....	18
3.1.6. Unemployment in Urban centers.....	19
3.1.7. Housing in urban centers.....	21
3.2. Empirical literature and other country experience	23
3.2.1 Urban unemployment in Addis Ababa.....	23
3.2.2 Urban housing challenges in Addis Ababa.....	24
3.2.3 Urban unemployment in Nairobi, Kenya.....	24
3.2.4 Urban housing challenges in Nairobi, Kenya.....	25
3.2.4.1 Kenyan Government Action.....	25
3.2.4.2 Building code of Kenya.....	26
<u>Chapter Four – Spatial description and population of the study area</u>	
4.1. Background of the organizations.....	27
4.2. Government Agencies.....	27
4.2.1 Addis Ababa Housing Construction Project Office.....	28
4.2.2 Addis Ababa City Admin. labour and Social affairs Bureau.....	29

4.3. The Organization for Women in Self Employment (WISE).....	30
4.4. Sunshine Construction PLC.....	31

Chapter Five – Data Analysis and Presentation

5.1. Data Sources and profiles of the research participants.....	33
5.2. Data Analysis and Presentation.....	34
5.2.1. Data Analysis and Presentation on Housing.....	34
5.2.1.1. AA Housing Construction Project office.....	36
5.2.1.2. Sunshine Construction PLC.....	53
5.2.2. Employment and Development.....	60
5.2.3. Data Analysis and Presentation on Employment.....	60
5.2.3.1. AA City Social and Labour Affairs bureau.....	61
5.2.3.2. WISE	69

Chapter Six – Conclusion and Recommendation

6.1. Conclusion.....	78
6.2. Recommendations.....	80

Bibliography

Annexure

Annex I - Gant Chart

Annex II – Budget

Annex III – Survey instruments:

- Questionnaire
- Interview guide
- Mail survey questionnaire to Association of Real Estate Developers

Statement of Authenticity

<u>List of Figures</u>	<u>Page</u>
Figure 5:1... ..	. 39
Figure 5:2... ..	. 51
Figure 5:3... ..	. 57
Figure 5:4... ..	. 63

<u>List of Tables</u>	
Table 2:1... ..	.11
Table 5:1... ..	.38
Table 5:2... ..	.38
Table 5:3... ..	.42
Table 5:4... ..	.43
Table 5:5... ..	.61
Table 5:6... ..	.62

Acronyms and Abbreviations:

AA	Addis Ababa
ARED	Association of Real Estate Developers
CCD	Country Club Development
CCRDA	Consortium of Christian Relief and Development Association
CSA	Central Statistics Agency of Ethiopia
CSO	Civil Society organizations
EiABC	Ethiopian institute of Architecture, Building Construction and City Development
GTP	Growth and Transformation Plan
HFI	Housing Financial institutions
SLAB	Social and Labor Affairs Bureau
SACCOs	Saving and Credit Cooperatives
TOT	Training of trainers
TVTC	Technical and Vocational Training Center
UN-HABITAT	United Nations Human settlements Programme
WISE	Organization of Women in Self Employment

Abstract

Addis Ababa city is experiencing rapid expansion and population growth. Following the population growth the demand for employment opportunities is getting much higher than the supply of jobs. In addition to this the expansion of the city could not significantly respond to the demand for shelter. These key problems of employment opportunity and housing shortage are becoming a challenge to urban citizens in Addis Ababa. Unless these evils are tackled, the desired fruits of development i.e. improved quality of urban citizen's life will not be realized. None of urban institutions could resolve these problems individually but individual actions need to be coordinated, road blocks cleared and challenges tackled by different institutions having different in some cases overlapping roles. This thesis aims at exploring the government institutions' role of enabling the private sector and NGO's & Private Company's contribution in tackling unemployment and housing shortages. The role of one NGO, WISE, and one private company, Sunshine construction PLC, were taken in this thesis to see their individual and coordinated action in tackling unemployment and housing shortage in Addis Ababa. This resulted in-depth understanding of the problem and recommending possible solutions. The thesis has revealed that the level of unemployment in Addis Ababa is significantly high, the absence of employment policy and coordinated action cast its shadow on the efforts of government in tackling unemployment. Similarly, there has been no coordinating organ of the housing sector that synergizes individual efforts and clear obstacles. Moreover the supply of land is a bit of a challenge that negatively affecting the supply of housing. Strong collaboration and partnership among the NGOs, private firms and the government organs responsible for housing and employment believed to bring about a positive change in the labour market and housing development.

Chapter One

Introduction

1.1. Background

The 21st century is being widely called the ‘urban’ century as our planet, earth, is experiencing unprecedented growth of cities. According to the 2013 World Bank report 53% of the world’s population inhabits in cities and urban settlements. This leads to an increase in built up areas by 1.2 million square kilometers.^{1,2} Urban centers pull the rural people by its seemingly better living conditions and life styles and the rural areas push farm workers due to mechanization of agricultural practices and population growth etc.³ The combined effect of these and other factors lead to the concentration of people at urban areas. Though the level of urbanization is low, Ethiopia is not an exception to this global phenomenon. If we take the capital city (Addis Ababa) alone it accounts for 3.58% of the total population of the country.⁴

The change in the economic policies that opened up the village economy to the global economy, the free movement of capital from any part of the world to the other as well as the enlargement of markets lead to the growth of industrial society. Manufacturing industries and service sectors established urban centers that enforced the concentration of portion of the population in industrial or commercial cities.⁵ These urbanized people generate more than 80% of global GDPs. This means urbanization, if managed well, can promote sustainable growth by increasing productivity, creating entrepreneurs, saving energy, land and natural resources.^{6,7} Again this global reality is slowly coming to Ethiopia, it has been developing industrial zones in the capital and main regional cities to expedite the transition from agricultural economy to industrial economy. The one being implemented

¹ <http://www.worldbank.org/en/topic/urbandevelopment/overview#1> accessed on 22 June 2014

² http://www.btcctb.org/files/web/publication/The%20urban%20factor_Challenges%20facing%20sustainable%20urban%20development.pdf accessed on 22 June 2014

³ Weber, 1967: 154-229 as quoted by Timberlake, 1985:4

⁴ CSA, 2013 projection

⁵ weber,1967:185 as quoted by Timberlake, 1985:5

⁶ <http://www.worldbank.org/en/topic/urbandevelopment/overview#1> accessed on 22 June 2014

⁷ E.S Simpson: 1987, pp150&152

in Addis Ababa, Bole Lemi II and Kilinto Industrial Zones, aims to create jobs by attracting new investments and improving enterprise competitiveness.⁸

Though urbanization has those positive faces it has also a number of challenges which includes, accelerated demand for basic services, infrastructure, employment, land, and affordable housing.⁹ To counter these challenges the cooperative planning and action of stakeholder institutions and development partners need to come together in the urban management arena. Urban Management is concerned with the policies, plans, programs and practices that seek to ensure that population growth is matched by access to basic infrastructure, shelter, and employment among others. The access will depend as much, if not more, on private initiatives and institutions, these are critically affected by public sector policies and functions that only government can perform.¹⁰

By the 1980s the notion of institutionalizing private sector experience and culture to local government was a new approach to local administration in the developing world. Local administrators changed their title to Urban managers in which the later refers to “the political and administrative structures of cities and their challenges that they face to provide both social and physical infrastructure services. This includes managing urban economic resources particularly land and assets of the building environment, creating employment, and attracting investment in order to improve the quality of goods and services available”.¹¹

Keeping the creation of jobs to meet the ever increasing urban population seems a bit of a challenge to urban managers to realize development which is the process of improving the quality of all human lives. The statistics tells us that 22.3% of Addis Ababa dwellers are unemployed.¹² Cognizant of this fact the Growth and Transformation Plan (GTP) of the country set the objective of urban development as poverty and unemployment reduction in the various urban infrastructures and business development initiatives.¹³ Given the population growth of Addis Ababa and the backlogs it has this challenge will continue to be faced.

⁸ http://www.eia.gov.et/english/files/brochures/Final_Draft_ESMF_for_Bole_lemi.pdf accessed on 22 June 2014

⁹ <http://www.worldbank.org/en/topic/urbandevelopment/overview#1> accessed on 22 June 2014

¹⁰ <http://ww2.unhabitat.org/programmes/ump/Publicationabstracts.asp#11> accessed on 22 June 2014

¹¹ Mila Freire, Richard Stren (eds.), 2001

¹² MoLSA, 2013

¹³ [http://www.mofed.gov.et/English/Resources/Documents/GTP%20Policy%20Matrix%20\(English\)2.pdf](http://www.mofed.gov.et/English/Resources/Documents/GTP%20Policy%20Matrix%20(English)2.pdf) accessed on 06 July 14

The other challenge is meeting the demand of citizens to adequate housing by way of an enabling approach to shelter where the Government plays the role of housing provider, facilitator of the actions of all participants in the production and improvement of shelter.¹⁴ According to the UN-HABITAT's definition of slum, 80% of houses in Addis Ababa are slums. Out of these slum houses 70% of them are government owned rental houses.¹⁵ This calls for coordinated action of various stakeholders to address the backlog and control creation of new slums.

The considerable gap between the supply of labor and the demand (job opportunities) for it as well as poorly existing and significantly unmet demand for adequate housing in Addis Ababa are challenges we are experiencing. Managing and coordinating the available human and financial resources intended to address these challenges seems indispensable for efficiency and synergy. These resources are owned and managed by different stakeholder institutions of NGOs, Private companies and Civil Society Organizations having complementary roles. In the Ethiopian context the government plays a role of supplier of houses, a direct creator of employment opportunities and has hands on managing private institutions' and NGOs' resources through the application of its rules and regulations emanated from its legislative power. This research looks into the individual role and integrated effort of the private sector i.e. Sunshine Construction PLC, the Non-Governmental Organization i.e. Organization for Women in Self Employment (WISE), and the Government organs i.e. Bureau of Labor & Social Affairs and AA Housing Construction Project Office which is under AA City Housing Development and Construction bureau, in tackling unemployment and supply of adequate housing.

1.2. Problem Statement

The world is experiencing a rapid growth of urbanization. Smaller settlements rapidly changing themselves grow and pass urban threshold and mega-cities continue to grow at an average rate of about 5% per annum. This trend is expected to continue; by 2025 two-third of the world's population will live in urban areas.¹⁶ This projection translates to social, political, economic, environmental challenges in general and increases in demand for health services, education services, employment, housing, etc in urban areas. With the current limited capacity to provide basic services, particularly in

¹⁴ http://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf accessed on 06 July 2014

¹⁵ http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136 accessed on 31 May 2014

¹⁶ I.S.A. Buad and J.Post: 2002:349

sub-Saharan African countries, how these cities will be managed to balance the increasing demand by at least equally supplying these basic services is something that calls for research attention to support far sighted planners with knowledge.

According to CSA's 2013 projection, Ethiopia has a population of 86,613,986, out of which 3,103,999 of them lives in Addis Ababa. The global trend of urbanization and the Ethiopian government's ambition to industrialize the country's economy witnessed with substantial investment (900 million Birr) in establishing an industrial hub in AA.¹⁷ These will definitely be one of the many factors that attract more people to come to AA looking for employment opportunities and subsequently need shelter. With the existing reality of limited employment opportunities (22.3% unemployed in Addis Ababa), and inadequate housing (80% of houses are slum), building research based knowledge and take educated action is a wise way out of these problems.

While searching for empirical literatures on AA, the researcher could not come across researches done in the management of urban institutions with particular emphasis on employment and housing from different development actors' perspective. Hence it is believed that this is the first research being done at AA level.

Grasping a better understanding of this phenomenon and informing policy makers and pave the way to further researchers in this line is the demand of the day. With this in mind the researcher planned to uncover facts in urban unemployment, and housing shortage in AA City with reference to the role of development actors in housing production and employment creation. Ultimately this research generates knowledge about the role of individual development actors under consideration and the synergy and efficiency generated as a result of joint production and supply of housing and employment opportunities.

1.3. Objective of the study

The study appreciates the challenges of managing urban institutions to counter act the resource limitations to bring about development in ever increasing urbanization in the metropolitan city of AA. This research aims at discovering how the government makes use of its policy tools to manage the resources of urban institutions in its coordinating and enabling role as well as create synergetic

¹⁷ <http://www.bloomberg.com/news/2013-03-18/ethiopia-to-open-first-industrial-zone-to-boost-economic-growth.html>
accessed on 06 July 2014

interactions, primarily to meet their objectives; ultimately benefit the urban citizens in terms of employment creation and/or provision of adequate housing. It does also look into the complementary linkage among the government institutions, private institution and non-governmental institution. Ultimately this process generates an in-depth understanding of the problem and generating alternative solutions.

1.3.1. General Objective

The study focuses on unemployment and housing challenges in Addis Ababa city which constitutes 3.58% of the total population of the country and 19% of the total urban population of Ethiopia.¹⁸ It looks into the management or supervision of urban institutions working in housing supply and employment creation that contributes to the development objective and coordination and cooperation of different actors to create better opportunities to the urban dwellers, particularly in these two sectors.

1.3.2. Specific Objectives

The specific objectives of this study, conducted in Sunshine Construction PLC, WISE, Bureau of Labor & Social Affairs as well as AA Housing Construction Project Office, are:

- To identify the individual actions of urban institutions with particular focus on the policy, programme and practice of urban Government to ensure access to adequate housing and employment;
- To identify the level of engagement of all institutions considered in this study in the reduction of unemployment and provision of housing;
- To look into the interaction among institutions operating for the same purpose in the two sectors i.e. housing and employment creation;
- To look into the challenges of unemployment and supply of affordable housing;
- To look into how government manages urban institutions through its policies and regulations and its level of enabling role.

1.4. Research Questions

While reviewing literature the researcher discovered that development is not a product of a single machine rather it needs an interwoven inputs and actions of CSOs, Government and the private

¹⁸ <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS> accessed on 01 August 2014

sector.¹⁹ Among these, Government has irreplaceable role of using its legislative power of devising policies, rules and regulations that facilitate, coordinate and increase the supply of goods and services.

In the recent development theory of free market economy, economists prescribed 'free market' and less government intervention to the Third World countries economy to promote competition and agitate rapid economic growth and development.²⁰

Based on these theoretical backgrounds, the researcher planned to search answers for the following research questions:-

- ◆ What does Addis Ababa city construction and housing development Bureau, Sunshine construction PLC, Addis Ababa City Labour and Social affairs bureau and WISE do to tackle unemployment and housing shortage in Addis Ababa?
- ◆ Do Addis Ababa city construction and housing development Bureau, Sunshine construction PLC, Addis Ababa City Labour and Social affairs bureau and WISE do in their full capacity?
- ◆ Is there coordination and cooperation among private sectors and between the private sector and government institutions?
- ◆ What are the challenges of tackling unemployment and housing shortage?
- ◆ Does the government manage and enable/facilitate the operations of urban institutions participated in this research?

¹⁹ I.S.A. Buad and J.Post: 2002

²⁰ Michael P. Todaro, 1992:100

Chapter Two

Research Methodology

2.1. Research Methodology

By methodology we mean the total sum of techniques of data collection, tools and methods of analyzing data and theoretical perspectives or orientations that govern this research. Here below is the rules of procedures of the research:

2.1.1. Research design

The research design selected to this research is the one which helps to answer the research questions by way of collecting a wealth of data that could be easily understood and interpreted. Accordingly the research design more suitable for the research under consideration is exploratory research design and the data is mainly qualitative data. In this design, data has been collected using the data collection instruments of structured interview and questionnaire designed for this purpose. The researcher is independent and do not manipulate any of the factors but independently analyzed and presented the research result in simple mathematical tools such as percentages, tables and graphs.

2.1.2. Study population

The population of this study would be the employees and managers of the four organizations selected for this research. These are Sunshine Construction PLC (private sector) with 5,000 employees, WISE (NGO) with more than 100 employees, Addis Ababa Housing Construction Project Office with 2,171 employees & Addis Ababa City Administration Labor and Social Affairs Bureau with 225 employees (Government organs).

During the data collection, it was learnt that Sunshine PLC involves in road construction and real estate development among others. Real estate department is one of the departments that focus on real estate business and share services with the construction and other businesses. This research focused on this department.

2.1.3. Sampling method

The researcher took government institutions responsible for employment creation which is AA Social and Labor Affairs Bureau and for housing, AA Housing Construction project Office which is under the AA Construction and Housing Development Bureau. The researcher looked for the list of real estate companies and NGOs working in employment creation in AA so as to take a random sample but could not manage to get the list. Then decided to take one company working in real estate sector with at least ten years in the industry and convenient for data collection based on this took Sunshine Construction PLC. In the same manner an NGO working in employment creation, which is WISE, was selected based on convenience sampling.

I know that sampling is the selection of respondents who are representatives of the working universe to be studied; however the purpose of this research is not to reach to a conclusion about unemployment and housing shortage from data collected from these four institutions only. Rather it is to search for insights into the general nature of the problem and recommend possible decision alternatives. The researcher selected research participants among the population in judgmental sampling method due to the fact that obtaining the sample frame from each organization was difficult. The data collected in this method was triangulated by interviewing key informants among the population of the study.

2.1.4. Sample size

In doing a qualitative research of this kind, there is no hard and fast rule in determining a sample size. What matters is the purpose of the study and the quality of data. If the additional sample we take does not bring a new insight rather increase redundancy, we should stop there.^{21,22} Many experts consider saturation as central to qualitative sampling while Ragin suggests a convincing sample size is 20 for M.A. thesis and 50 for Ph.D. dissertation.²³

Based on this theoretical background the researcher took a sample of 40 participants to complete the questionnaire and six employees interviewed from all the three institutions considered for this

²¹ <http://apps.who.int/medicinedocs/en/d/Js6169e/7.6.html> accessed on 15 August 2014

²² https://www.google.com.et/search?q=Qualitative+Research%3A+Sampling+%26+Sample+Size+Considerations&oq=Qualitative+Research%3A+Sampling+%26+Sample+Size+Considerations&aqs=chrome..69i57.846j0j8&sourceid=chrome&es_sm=122&ie=UTF-8#q=Study+Notes%3A+Qualitative+Research%3A+Sampling+%26+Sample+Size+Considerations+Adapted+from+a+presentation+by+Dr.+Bonnie+Nastasi%2C++Director+of+School+Psychology+Program accessed on 15 August 2014

²³ http://eprints.ncrm.ac.uk/2273/4/how_many_interviews.pdf accessed on 21 August 2014

research. The number of employees in each of the organizations considered in this study varies. Taking a sample proportion to the number of employees in each institution creates disparity in terms of number of participants. Hence the researcher allocated a quota of 20 samples to the government agencies participated in this research and 20 for the private and NGO sectors. Then samples of ten were taken from Housing Construction Project Office and ten from Social and Labor Affairs Bureau, ten from WISE and ten from Sunshine Construction. On top of this additional data were gathered from the Association of Real Estate Developers (ARED) through e-mail survey and interviews conducted with key informants in each of the institutions participated in this research.

2.1.5. Data collection Techniques

The researcher used both primary and secondary data. The sources of secondary data were: Central Statistics Agency reports and projections, Growth and Transformation Plan of the country, published reports, and websites. The primary data was collected from the study population using questionnaires complemented with key informant interviews.

2.2. Data analysis

Now we are in the stage where the data are to be processed using various data analysis techniques to create relationships among the data elements and generate important information, give meaning to the data that could be used in the interpretation and final recommendation.

The data analysis technique used is explorative analysis supported by tables and graphs to describe the data in more understandable manner.

2.3. Significance of the Study

Ethiopian urban settlement is one of the fastest growing in Africa; African average urban population growth is 3.3%, Ethiopian is 4.3%. This entails strong competition for limited available resources like shelter and limited employment opportunities in urban centers. Hence, research outputs in this line has contribution to different stakeholders particularly to the government which helps to see alternative ways of tackling this challenges by way of formulating and enforcing different policy intervention. This research looks into the unemployment and housing problems in Addis Ababa and makes recommendations on the best way of achieving reduced level of unemployment and increased the stock of affordable adequate housing in the city.

The major envisaged utilities of this research to the development actors are:

- It uncovers the existing practice of development actors in terms of cooperation and coordination in which the practice of one might be a lesson for another;
- It recommends possible solutions that would result in better management of resources and synergy to the stakeholders;
- It informs policy makers in particular and other stakeholders in general, the policy gaps and ways of filling it in alleviating unemployment and affordable housing shortage;
- Serve as reference for future researches in unemployment and housing sector in relation to multiple stakeholders and other development indicators in other spatial areas or in the same spatial area.

2.4. Scope of the study

Though there are a number of aspects of development like Education, Health, Life Expectancy etc and institutional resources that should have been looked into, this research focused on unemployment and housing aspects only. There are a number of different institutions creating employment opportunities, and construct housing units but this research focused on three actors selected to participate in this research; these are Sunshine Construction PLC, WISE and the government organs responsible for housing and employment i.e. Addis Ababa city housing Construction Project Office which is under Addis Ababa city construction and housing development bureau and Addis Ababa Social and Labor Affairs Bureau. The spatial scope of this research is limited to Addis Ababa city.

2.5. Limitation of the Study

Exploring multiple development indicators and involving all stakeholder institutions in Addis Ababa city and other cities might give robust picture of the level of development in general and housing and unemployment situation in particular; however, the time and financial resources required to conduct such a big research is a big challenge. Due to the fact that participation in this research has no special motivating factor, all research participants were not equally willing to participate which has negatively affected the rate of questionnaires return.

2.6. Organization of the study

This research is presented in six important chapters. These are introductory chapter which introduces the background of the study, the utilities of doing this research. The second chapter deals with the methodologies used in the data collection, sampling, methodologies used in the research as well as

the spatial aspect of the research area. The third chapter deals with the practical and theoretical aspect of the issues to be studied, here a wealth of empirical data and theoretical literatures in urbanization, institution, development, employment and housing are presented and lessons are drawn. The fourth chapter presented background of the organizations is studied so that we have a fair understanding of each of the organizations in which this paper dwells in and spatial description of the research. Each of the institutions represent either of the development actors i.e. business institution, non for profit institution and government institutions. The fifth chapter dealt with the data analysis and presentation. Here a wealth of data presented and the data themselves spoke about the questions raised in this research. The sixth chapter is the recommendation and conclusion part, here the data squeezed and released a usable recommendations to alleviate or at least reduce unemployment and housing problems.

2.7. Spatial and population description of the study area

This research was conducted in Addis Ababa city which is the most populated city in the country. The city government of Addis Ababa is one of the two cities reporting to the central government, it has mayor, elected city council, and charter. The city is divided into ten sub-cities and geographically encircled by Oromia Regional Government. The sub-cities with their projected population as at July 2013 are indicated below:²⁴

Table 2.1 Addis Ababa sub-cities by population size and areas in Sq km

Ser No	Sub-city	Population	Area in Sq. Km
1.	Akaki Kaliti	205,385	118.08
2.	Nifas silk lafto	358,359	68.30
3.	Kolfe Keranio	485,952	61.25
4.	Gulele	303,226	30.18
5.	Lideta	228,547	9.18
6.	Kirkos	250,665	14.62
7.	Arada	239,638	9.91
8.	Addis ketema	289,344	7.41
9.	Yeka	392,781	85.98
10.	Bole	350,102	122.08

Source: 2013 CSA projection

²⁴ CSA, 2013

There is no sub-city boundaries set for this study as the selected three development actors, WISE, Sunshine construction PLC, AA housing construction and social and labor affairs bureau, are not focusing on sub-city boundaries.

2.8. Population of the Study area

The populations of the organizations to be studied are as follows:

Addis Ababa city construction and housing development bureau/

AA Housing Construction Project Office - 2,171

AA City Social and Labor Affairs' bureau - 225

- >5,000 (this constitutes professional, technical and operational personnel)

WISE (organization for Women in Self Employment (WISE) - >100

The total research population is more than 7,496.

Chapter Three

Literature review

3.1. Theoretical Literature

3.1.1 Concepts and definitions of terms

The academia has different insights on these concepts, having reviewed these diverse views believed to be the right point to depart from her to the journey of going through the wider body of literature. Here below is a succinct definition of these concepts:

Urban

CSA defined Urban as a locality with 2000 or more inhabitants. However practically it includes all administrative capitals (Regional capitals, Zonal capitals and Wereda capitals), Localities with Urban Dweller's Association (UDAs), having a population of 1000 or more persons, and whose inhabitants are primarily engaged in nonagricultural activities.²⁵ It is further defined as a geographic area containing jobs and most of the people who work at those jobs. The most common criteria are population size and density of geographic area.²⁶ The other definition of urban area is a densely settled geographic area with a minimum population of 2,500 people and a minimum density of 500 people per square mile.²⁷

This concept has various definitions among them these are some of them. Institutional development is a move from a less to a more efficient set of basic rules and behaviors and can be measured by the reduction in “transaction costs.” Think of transaction costs as the total cost of doing business (i.e. all costs aside from out-of-pocket expenditure that are associated with the time and opportunities lost in concluding the transaction in question). For example, simplifying an unnecessarily complex government regulation reduces the cost of compliance without adverse effects.²⁸ It could also be understood as an organization, establishment, foundation, society, or the like, devoted to the promotion of a particular cause or program, especially one of a public, educational, or charitable character;²⁹ Institutions is sociologically a well-established and structured pattern of behavior or of

²⁵ http://www.csa.gov.et/images/general/news/nlfs_statistical_report_2013 accessed on 18 Feb 2015

²⁶ Schreiber and Clemmer, 1982:7

²⁷ O'Sullivan, 2009:3

²⁸ Salvatore schiavo-Campo and Hazel M. McFerson, 2008:16

²⁹ <http://dictionary.reference.com/browse/institution>

relationships that is accepted as a fundamental part of a culture i.e. marriage: the institution of family.

³⁰ Furthermore we can understand institutions as norms, rules of conduct and generally accepted ways of doing things. Social institutions are well-defined and formal organizations of society that govern the way that society operates – e.g class system, private versus communal ownership, educational system – while political institutions are the systems that govern the operations of the government of a particular society – e.g. formal power structures, political parties, mechanisms of getting into power.³¹

Development

Development means a process of improving the quality of all human lives and capabilities by raising people's levels of living, self-esteem, and freedom.³² The three equally important aspects of development are: 1. raising people's living levels, i.e. their incomes, and consumption levels of food, medical services, education etc., through 'relevant' economic growth processes. 2. Creating conditions conducive to the growth of people's self-esteem through the establishment of social, political and economic systems and institutions which promote human dignity and respect; and 3. Increasing people's freedom to choose by way of enlarging the range of their choice variables, e.g. increasing varieties of consumer goods and services.³³ Economic development is also viewed by Gillis M., Perkins D., et al (1996:8), as fundamental changes in the structure of the economy for instance the raising share of industry together with the falling share of agriculture in the GDP of a given country and increasing percentage of people who live in cities.³⁴

With this understanding of the basic concepts, managing institutions entails how they enforce rules, procedures and processes that gear to the development of society by removal or minimization of society's evils like unemployment and absence of adequate housing particularly in urban centers. Furthermore, managing involves the efficient and effective utilization of resources and relationships.

According to the World Bank report, for the first time in history more than half the world's people live in cities. Over 90 percent of urban growth is occurring in the developing world. During the next two decades, the urban population of the world's two poorest regions—South Asia and Sub-Saharan

³⁰ Ibid

³¹ Michael P Todaro, 1992:495

³² Tador and Smith, 2012

³³ Michael P Todaro, 1992:487

³⁴ Gillis M., Perkins D. et al, 1996:8

Africa—is expected to double. In the same line we may say that Ethiopian city dwellers will double. The people migrating to urban areas or born in urban areas will face a challenge in:

- Limited access to employment opportunities so also income;
- Inadequate and insecure housing and services;
- Violent and unhealthy environments;
- Little or no social protection mechanisms, and
- Limited access to adequate health and education opportunities.

The urban growth is attributed to both natural population growth, and rural to urban migration. Urbanization contributes to sustained economic growth which is critical to poverty reduction.³⁵

3.1.2 Urban Theories

Scholars examined the nature and politics of urban settlement and came up with different models and contending theories which will be presented succinctly.

A. Pluralist Theory

Post-war theories of urban politics analyzed the balance of power inside the political structures of major cities to discover the identity of the decision-makers. The rival “pluralist” and “regime” theories of city governance wrestled between competing models to describe urban government as either a welcoming or hostile place for community participation. The pluralist explains pluralist assumptions that governmental authority is adequate to make and carry out policies.

B. Regime theory

The Urban regime theory has been a dominant paradigm in the field of urban politics and policy for more than a decade. From its origins as a tool to explain public- and private-sector relationships in American cities, the concept has been applied in a number of different settings because regime theory is more of a multifaceted concept than a theory. Four different regime types are defined as: maintenance or caretaker regimes, which focus on routine service delivery and low taxes; development regimes that are concerned with changing land use to promote growth; middle-class progressive regimes, which include aims such as environmental protection, historic preservation, affordable housing, and linkage funds; and lower-class opportunity expansion regimes that emphasize human investment policy and widened access to employment and ownership. The latter two are most difficult to achieve in part because they entail a measure of coercion or regulation of businesses

³⁵<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTURBANDEVELOPMENT/EXTURBANPOVERTY/0,,contentMDK:20227679~menuPK:7173704~pagePK:148956~piPK:216618~theSitePK:341325,00.html> accessed on 31 May 14

rather than voluntary cooperation, it makes clear that the participation of businesses is still an ingredient in the regime.

Regime analysis views power as fragmented and regimes as the collaborative arrangements through which local governments and private actors assemble the capacity to govern. The primary reason for the fragmentation of power is the division of labor between market and state (Elkin 1987, 18). Both local government and business possess resources needed to govern— legitimacy and policy-making authority, for example, in the case of government, and capital that generates jobs, tax revenues, and financing, in the case of business.³⁶

C. Public choice Theory

Two theories emerged in the 1980s to explain the motivations and formulas pushing urban development. First and most significant of these new ideas was the “public choice” theory. It states that urban politicians and governing regimes are subordinate to the overall economic principles that force cities to compete to capture new investment and capital. The competitive nature of cities encourages the business elite and politicians to favor new development projects, concluding that successful cities require a local infrastructure that is supportive of the needs of business and economic development.

D. Growth machine

In 1987 the first substantial criticism of the public choice theory emerged. The combination of entrepreneurs and urban politicians were described as a “growth machine”. A powerful, pro-development network of business interests and local politicians whom favor increased economic development at the expense of neighborhood residents and other vulnerable stakeholders. It argues that the close relationship between city management and the business world creates the growth machine and fuels its ability to overpower weaker forces attempting to influence the development process. It also identify the costs and externalities created by the growth machine’s drive for economic development that were absent in public choice theory.³⁷

³⁶ [http://www.urbanunlimited.nl/uu/downloads.nsf/10/362BB65A0024C359C12570B9005BD3EE/\\$file/Reader+Intro+B.pdf](http://www.urbanunlimited.nl/uu/downloads.nsf/10/362BB65A0024C359C12570B9005BD3EE/$file/Reader+Intro+B.pdf)
accessed on 31 May 14

³⁷ <http://webatomics.com/jason/Images/thesisthree.pdf> accessed on 01 June 2014

3.1.3 Development theories

An Indonesian intellectual Soedjatmoko, as quoted by Tador and Smith, put aptly the missing parts in the development thinking as “Looking back over these years, it is now clear that, in their preoccupation with growth and its stages with the provision of capital and skills, development theorists have paid insufficient attention to institutional and structural problems and to the power of historical, cultural, and religious forces in the development process.”³⁸ These attention seeking noneconomic factors embedded in the system and people who operate the system has got recognition in recent years. Let us go back and see the developments in development theory.

We may put the approaches in a time series starting from 1950 onwards.³⁹

- A. The ‘Stages of economic growth’ theory (1950s and 1960s) – the process of development was considered as a series of sequential stages in which all countries should pass through. Saving, investment and foreign aid were necessary to succeed in this progress. Hence development was synonymous with economic growth.
- B. The ‘international dependency’ theory (1960s and 1970s) – this theory explains the dual economy of few rich and many poor countries and dual societies of few rich people and many poor people coexist in this same planet. This was created due to international power relationships between countries and citizens as well as domestic institutional and structural economic rigidities. Dependency theory focuses on institutional constraints, both internal and external, on economic development such as gross inequalities in land ownership, significantly unequal and unbalanced international trade relationships, and most important domestic and international economic levels are controlled by a few wealthy local and global elites. The focus of dependency theory is on policies needed to eradicate poverty, offer diversified employment opportunities and reduce income inequalities. To bring about these desired egalitarian results, the economy needs to grow but the economic growth is not given exalted status.
- C. The ‘free-market’ theories (1980s and 1990s) – Economists prescribed ‘free market’ and less government intervention to the Third World countries economy to promote competition and agitate rapid economic growth and development.

³⁸ Tador and Smith, 2012:13

³⁹ Michael P. Todaro, 1992:100

3.1.4 Development objectives

Understanding development from the economic and non-economic growth perspective, the objective of improving the standard of living of people may be factored into three, as mentioned by Todaro, viz.

1. Increasing the availability and distribution of basic goods i.e. food, shelter, health and protection to all members of society;
2. Raise levels of living by way of higher income, provision of more jobs, better education and pay more attention to cultural and humanistic values. These serves not only increase material well- being but also generate greater individual and national self-esteem;
3. Expand the range of economic and social choices to individuals and nations by freeing them from servitude and dependence not only in relation to other people and nation-states but also to the forces of ignorance and human misery.⁴⁰

New concepts and strategies to bring about development were introduced at the outset of 1990. These new concepts include participatory governance, partnerships, social capital, synergetic development and collective learning. In the governance debate, the role of state is redefined as an enabler, a coordinating agency able to work together with a variety of other organizations as oppose to its former role of pioneer of development.⁴¹ Now it is believed that the provision of public services by private sectors brings about higher levels of efficiency and customer satisfaction but it should be avoided in the case of pure public goods, natural monopolies and market failures.⁴²

3.1.5 Measures of development

As Todaro put it, development is not only an economic progress but also multi faceted process which incorporates radical changes in institutional, social and administrative structures as well as popular attitudes. However, this conceptual understanding came to the picture passing through different meanings and approaches of economic developments in the past. Let us go through the traditional and the current measure of development:⁴³

a. The traditional economic development measure

In the 1960s and 1970s which was labeled by the United Nations as “Development Decades”, development was understood mainly in terms of the increase in economic growth rate of GNP by 6%.

⁴⁰ Michael P. Todaro, 1992:100

⁴¹ I.S.A. BAUD, J. Post, 2002:1-2

⁴² Mila Freire, Richard Stren, 2001

⁴³ Todaro, 1992, pp 98-99

Commonly the rate of growth of per capita GNP was used as economic index to measure the ability of a nation in expanding its output at a rate faster than the population growth rate. It has also seen the change in the structure of the economy in the sense that the agriculture's share in terms of employment and production declines whereas the manufacturing and service sectors increase. This implies that development used to focus on promoting urban industrialization while giving less attention to agriculture and rural development. In general development was measured in economic terms.

b. The current economic development measure

The traditional understanding and measure of development reached its peak when most developing countries achieved the growth target of UN but the living standard of the majority of the people were unchanged. At this time scholars started to look into the rampant absolute poverty, inequality and unemployment and redefined development by including non-economic measures of development taking 'Redistribution from growth' as a common slogan. Now development is conceived as "a multi-dimensional process involving changes in structures, attitudes and institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty".⁴⁴

3.1.6 Unemployment in Urban centers

"...If all we want are jobs, we can create any number -- for example, have people dig holes and then fill them up again, or perform other useless tasks. Work is sometimes its own reward. Mostly, however, it is the price we pay to get the things we want. Our real objective is not just jobs but productive jobs -- jobs that will mean more goods and services to consume."⁴⁵

ILO defines the unemployed as members of the economically active population who are without work but available for and seeking work, including people who have lost their jobs or who have voluntarily left work. Some unemployment is unavoidable. At any time some workers are temporarily unemployed—between jobs as employers look for the right workers and workers search for better jobs. Such unemployment, often called frictional unemployment, results from the normal operation of labor markets. Vulnerable employment is the proportion of unpaid family workers and own-account workers in total employment is derived from information on status in employment. Each group faces

⁴⁴ Michael P. Todaro, 1992:100

⁴⁵ http://townhall.com/columnists/johnhawkins/2011/11/29/10_of_the_best_economics_quotes_from_milton_friedman/page/full accessed on 20 Dec 2014

different economic risks, and unpaid family workers and own-account workers are the most vulnerable—and therefore the most likely to fall into poverty.⁴⁶

Creating more jobs in the productive sectors or industries using labor-intensive production systems faces problems of industrialization and in the non-productive sectors of administration and service sectors result in over manning.⁴⁷

Edwards, as quoted by Todaro identified five forms of underutilization of labour, these are:⁴⁸

1. Open unemployment

This could be classified as voluntary and involuntary. The former includes people who do not search for jobs rather they consider support from others than employment; the latter refers the situation where they could not get the opportunity to work.

2. Underemployment

These are people who would like to work more than the days, weeks or seasons they are working now.

3. The visibly active but underutilized

This form of underutilization of labour is those people who are neither openly unemployed nor underemployed. But those who have marked time viz.

a. Disguised underemployment

People who have fulltime employment job, be it in agricultural farms of their own or employed, government office or private organizations, but the work they do does not warrant fulltime rather much more less of it. Due to various factors including social pressure on those private and public organizations, the underemployment is disguised. However; if available work is frankly shared among those employed, then the underemployment would be explicit.

b. Hidden unemployment

These are people who could not manage to get employment due to unavailability of job opportunities and go for their 'second choice' but not employment like education and household chores. When job opportunities at the level of educational qualification already achieved exhausted or in some cases social norms put its own pressure on women, educational institutions and household became the least

⁴⁶ <http://data.worldbank.org/sites/default/files/wdi-2014-book.pdf> accessed on 20 Dec 2014.

⁴⁷ E.S. Simpson, 1987:159

⁴⁸ Michale P. Todaro, 1992, p. 221

option to be employed in. for some enrolling for further education might be less able to compete for jobs unless they pursue further education.

c. The prematurely retired

The retirement age is falling in many countries while longevity is increasing. Premature retirement creates promotion opportunity for those pushing up from below.

4. The impaired

In this category of underutilized labour we get people physically or mentally unable to work full-time but their level of effort is seriously impaired due to malnutrition or lack of preventive medicine.

5. The unproductive

These are people who engage themselves in the work and devoted long hours but with inadequate resources to make their input produce even the essentials of life.

3.1.7 Housing in urban centers

In housing research, the word commonly used to describe the physical structures we live in is house. Given the fact that housing research is mainly Western oriented, this term seems to be synonymous with the Western type of single-family house. However, 90% of the dwellings in the world are not of this type but are buildings that are self-built by their owner-occupiers or built by members of the community in which the occupier lives. Sometimes we recognize that not all dwellings are houses, for instance when certain types of dwellings are characterized as slums, huts, cabins, shacks or tents. So the term house seems to indicate a certain Western oriented type of dwelling, which, from a cross-cultural point of view, makes it less useful.⁴⁹ The dictionary definition of housing is a structure serving as a dwelling for one or more persons, especially for a family.⁵⁰

According to Mila Freire and Richard Stren(2001), Land is one of the inputs of housing production/supply. The price of land is closely linked to demand and supply which in cases where population growth exceeded the capacity of developers to provide land for housing leads to an increase in land price or if the government regulation related to land use limits the expansion or supply implies an increase in the existing land price. It is good to see the housing stock and flow of

⁴⁹ http://download.springer.com/static/pdf/9/art%253A10.1007%252Fs10901-011-9247-4.pdf?auth66=1404407445_4440bc7d2c289239e8e912e604f0a8d3&ext=.pdf accessed on 01 July 2014

⁵⁰ <http://www.thefreedictionary.com/House> accessed on 06 July 2014

supply and housing service. The housing services is quality of housing units or one unit of housing service being the quality of housing service yielded by one unit of housing stock per unit of time the price of which is rent.

Demand for housing units is determined by economic factors such as household income, economic base of a local area, savings and interest rates and by demographic factors such as rate and level of household formation. Household income is a strong predictor of housing consumption. Housing demand studies in developing countries show that housing demand is inelastic with respect to income. For renter's income elasticity of demand ranges from 0.3 to 0.6 for owners, it ranges from 0.4 to 0.8, an income elasticity of demand for housing of 0.8 means that a 10 percent increase in income will result in an 8 percent increase in housing consumption.

Housing is supplied by the private (for profit and not-for-profit) and public sectors. The percentage of housing built by each varies from country to country, except in centrally planned economies. Most new housing (flow) is supplied by the private sector (with or without plan approvals). One can hardly discover housing supply dynamics in developing countries by examining building permits (flow) statistics alone, because these by definition do not recognize unauthorized housing. Unauthorized developments can be estimated and monitored by examining aerial photographs and interviews with homebuilders and households can provide further detailed information about a range of building activities carried out by different actors.⁵¹

The UN Habitat set up the "Global Housing Strategy to the Year 2025" with the objective of advancing its agenda of "adequate shelter for all" and prepares a new vision of housing through a global strategy document emerging from broad-based national, regional and global consultation processes. The main outputs of strategy would be:⁵²

- **Shift thinking and practice** in housing policy and serviced land delivery within the new charter for urban planning by strengthening the linkages between urban planning, neighborhood development and housing;
- **Systemic reforms** promoted that can enable wider accessibility to adequate housing;

⁵¹ Mila Freire and Richard Stren, 2001

⁵² <http://www.urbangateway.org/sites/default/ugfiles/120816-Information%20Sheet%20-%20GHS%202025%20Global%20Housing%20Strategy%202025-Final.pdf> accessed on 28 July 2014

- **Strengthened linkages** of housing with other parts of the economy and ensued economic development, employment generation and poverty reduction;
- **Decentralization** of housing production and empowerment of different actors and modalities of housing development;
- **Sustainable building and neighborhood designs** and technologies towards more cost-effective and energy-efficient solutions.

In Addis Ababa there is a housing deficit of 300,000 units which increases with the current urban population growth. However; effective demand, ability and willingness to pay for housing, may not grow at the same rate as the demand.⁵³ The way out for those who may not afford the house is the informal sector which increases the level of slums the city has and it would be a challenge to the government.

3.2. Empirical literature and other country experience

A relevant literature from comparable city in Africa was reviewed to draw pragmatic lessons in related areas of this research. Among the top hundred cities in Africa, based on the 2010 data, Addis Ababa is ranked tenth with a population of 3,315,108 while Nairobi, Kenya twelfth with population of 3,246,384. Though we have comparable cities from more populated cities than Addis Ababa, they are not the capital cities of the countries they are in or countries like Egypt and South Africa are much advanced than ours to be comparable. For this reason the researcher considered Nairobi as comparable city to Addis Ababa in terms of population and other urban challenges.⁵⁴ The review is not limited to Nairobi, obviously empirical literatures related to Addis Ababa itself was also reviewed.

3.2.1. Urban unemployment in Addis Ababa

The unemployment rate for urban areas is estimated at 20.6%. The urban unemployment varies by sex where unemployment among women is estimated to be about 27.2%, compared to 13.7% among men.⁵⁵ According to World Bank data 17% of the total population of Ethiopia dwells in urban areas from 2009 to 2012 and increased to 18% in 2013. The total urban population in Ethiopia is 16,506,402 in 2013. The largest city which is Addis Ababa constituted 19% of the total urban population in the country.⁵⁶

⁵³ http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136 accessed on 06 July 2014

⁵⁴ http://www.blatantworld.com/feature/africa/most_populous_cities.html accessed on 01 August 2014

⁵⁵ <http://www.ilo.org/public/english/employment/ent/coop/africa/countries/estafrica/ethiopia.htm> accessed on 15 August 14

⁵⁶ <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS> accessed on 01 August 2014

3.2.2. Urban housing challenges in Addis Ababa

“A strong economy causes an increase in the demand for housing; the increased demand for housing drives real-estate prices and rentals through the roof. And then affordable housing becomes completely inaccessible.” William Baldwin⁵⁷

In Addis Ababa there has been a housing deficit of 300,000 units which keeps on increasing with the current population growth in the city and limited supply of housing units. However; effective demand, ability and willingness to pay for housing, may not grow at the same rate as the demand.⁵⁸ The Addis Ababa Housing Construction Project Office indicated that the housing shortage in January 2014 was 446,076 housing units which indicate the seriousness and progression of the problem.⁵⁹

Following the government announcement to register house seekers in March 2005, there were a total of 453,287 registered house seekers. The Government constructed and distributed 108,482 condominium houses to these registered house seekers in nine round lottery system and people who are evicted from their residents for any development reasons from 2005 to 2013. Some special considerations were given in the distribution of these houses to women in such a way that reserving 30% of the units for women headed families in addition to this they have also equal chance to compete for the remaining 70% of units. The studio and one bed room units are transferred at subsidized price (up to 70% less than the market price), and long term payment basis.^{60,61}

3.2.3. Urban unemployment in Nairobi, Kenyan experience

According to the 2009 housing and censuses report the total population of Kenya was 38,610,097 out of which the capital city, Nairobi, takes 3,138,369 inhabitants. In terms of land area Kenya has a total area of 581,313.2 square kilometers again Nairobi takes 695.1 square kilometers of it.⁶² One third of the Kenya population inhabits in urban and by 2020 it is predicted that 50% of the population lives in urban areas. Out of the current urban population 50% of them are living in informal settlements with no sufficient infrastructure. Two third of these adult slum dwellers are economically active but the

⁵⁷ http://www.brainyquote.com/quotes/authors/w/william_baldwin.html accessed on 01 August 2014

⁵⁸ http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136 accessed on 20 June 2014

⁵⁹ AA Housing Construction project office, Basic Facts, January 2014

⁶⁰ <http://www.addisababacity.gov.et/index.php/en/economic-sector/construction/aa-administration-housing-development-project-office> accessed on 19 June 2014

⁶¹ AA Housing Construction project office, Basic Facts, January 2014

⁶² Kenya National Bureau of Statistics, STATISTICAL ABSTRACT, 2013

unemployment rate is 26%. Again out of these unemployed slum dwellers female unemployment is five times more than their male counterparts.⁶³

The unemployment rate has been alarmingly increased from 12.70% in 2006 to 40% in 2011.⁶⁴

3.2.4. Urban housing challenges in Nairobi, Kenyan experience

About 60 per cent of Nairobi's population lives in slums, occupying only 5 per cent of the land. Kenyan urban population is growing by 4% per annum.⁶⁵ The worst housing problems and lack of regulation manifest themselves as sprawling slum and informal settlements, typified by congestion and unsanitary conditions, high rents, spontaneous and unplanned expansion of houses and increases in the number of high-rise residential estates.⁶⁶

According to the 1999 The Kenya Population and housing census, as quoted by Philippe et al, 82% of Nairobi inhabitants lived in rental units from landlords of 4.8% government houses, 3.9% local authority houses, 2.8% parastatal houses, 5% private company houses and a majority of them, 65.7%, in individual rental units. It argues that one of the reasons for such a high percentage of tenantry is that the people consider their stay in the city as a temporary one and intends to retire to their rural home so prefer to rent houses in town. Though having a plan to retire in the rural home does not hinder ownership of the houses in cities, they direct their savings for both consumption and investment on land, cattle and housing in the rural area. The 1978 Ministry of Housing and Social services survey on Kenya's urban housing needs and demand for the period 1978 – 2000: the survey observed that there was no reliable record of the total existing housing stock and house production in the country and that there seemed to be no coordination between the ministry concerned with housing and the local authorities.⁶⁷

3.2.4.1. Kenyan Government action

At the initial stage government was struggling to do everything from planning to land allocation and then developing and maintaining housing estates. Later on the National Housing Corporation was established to provide subsidized housing by sourcing funds from World Bank, US government as well as other international development agencies. However due to the decline in the government expenditure on housing, the housing units built by the government declined and the informal

⁶³ <http://www.alnap.org/resource/7072> (Nairobi Urban Social Protection Programme) accessed on 19 August 2014

⁶⁴ <http://www.tradingeconomics.com/kenya/unemployment-rate> accessed on 15 July 2014

⁶⁵ <http://www.kippra.org/downloads/Kenya%20Economic%20Report%202013.pdf> accessed on 19 August 2014

⁶⁶ Philippe et al, 2009:6

⁶⁷ Philippe et al, 2009:56

settlements increased to 60% in 1996. The government involved the private sector to produce housing, now the private sector, both formal and informal, are the largest producers of housing units in the country.

Housing finance in Kenya is provided mainly by specialised housing finance institutions. HFI in Kenya involve in the planning and design stage through construction. It also assesses the affordability and marketability of the houses and provide mortgage credit facilities to would-be buyers. The National Social Security Fund developed a number of houses for outright sale and mortgage purchase.

3.2.4.2. Building Code and policies, Kenyan experience

The government seeks conventional houses to be built and has a code that considers a house to have two rooms, a kitchen, a toilet and a shower and covering not less than 38.5 sq meter, built with conventional and durable materials. However, current houses in urban areas do not meet this minimum standards of durability, sanitation, space and are deplorable.⁶⁸

There is no explicit rental housing policy in Kenya which created a loophole for the landlords to exploit. If the government provide land at affordable price, loan to finance housing construction at affordable and flexible arrangements and the use of local but durable materials to construct houses at low cost, may reduce housing problem.⁶⁹

⁶⁸ <http://jetems.scholarlinkresearch.org/articles/Environmental%20and%20Housing%20Problems%20of%20Low-Income.pdf>
accessed on 20 June 2014

⁶⁹ <http://jetems.scholarlinkresearch.org/articles/Environmental%20and%20Housing%20Problems%20of%20Low-Income.pdf>
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Chapter Four

Spatial description and population of the study area

4.1. Background of the organizations

Development is a multifaceted concept which involves multiple stakeholders and touches upon various sectors of an economy and social life of a society. Since looking into all development indicators goes beyond the scope of this study, a focus was made on housing and employment challenges in AA. The relevant sectors for this study are selected from government institutions, private sector and NGO working in these two sectors were selected.

The following section presents backgrounds of government organs that focus on housing that is Addis Ababa housing Construction Project Office, and employment that is Addis Ababa Social and Labor Affairs Bureau and then the business sector, Sunshine Construction PLC, followed by the Non-Governmental Organization (WISE) presented. In general this paper touches upon some of the actors involved in the alleviation of the chronic unemployment and housing shortage.

4.2. Government agencies

In 1948 the right to decent housing was recognized as Human Rights in the Universal Declaration of Human Rights, it was also reaffirmed in 1976 Declaration of Human Settlement. The Vancouver declaration on Human Settlement places a responsibility on Governments to prepare spatial strategic plans and adopt human settlement policies to guide and harmonize them with policies on industrialization, agriculture, social welfare, and environmental and cultural preservation so that each supports the other in a progressive improvement in well-being of all mankind. It further places an obligation on governments to ensure that everyone has attained the basic human rights of adequate housing and services by removing all impediments hindering attainment of these rights. The human settlement policy should harmonize a wide variety of components like population growth and distribution, employment, shelter, land use, infrastructure and services, to realize this government should create mechanisms and institutions to develop and implement this policy.^{70, 71}

⁷⁰ <http://jetems.scholarlinkresearch.org/articles/Environmental%20and%20Housing%20Problems%20of%20Low-Income.pdf>
accessed on 23 August 2014

⁷¹

<http://www.defensoria.sp.gov.br/dpesp/Repositorio/28/Documentos/Legisla%C3%A7%C3%A3o/Legisla%C3%A7%C3%A3o>
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Since Ethiopia is one of the founding members of the UN, it has accepted this declaration. In the following sections we will see the government organs considered in this research.

4.2.1 Addis Ababa Housing Construction Project Office

According to the UN-HABITAT's definition of slum, 80% of houses in Addis Ababa are slums. Out of these slum houses 70% of them are government owned rental houses.⁷² To change this among the key suppliers of housing, the state is the one who does have irreplaceable role in terms of devising policies and enforcing it. This Office is one of the government organs working in housing production in Addis Ababa.

i. Major Functions of the Office

- Constructing comfortable and affordable houses based on the information obtained from Housing Development and Management Agency regarding the demand for housing;
- Ensure the availability of efficient land and infrastructure supply for houses constructed in alliance with other concerned bodies;
- Strengthening the construction industry by using and spreading cost effective housing construction technology;
- Purchasing necessary inputs and construction materials from domestic market and, if necessary, from abroad;
- Establishing factories producing cost effective construction materials as well as giving other related services so as to support the effort made to overcome housing shortage and achieve housing development objectives;
- Making the housing development program go on efficiently by ensuring the expected standard from the design up to construction stages;
- Creating job opportunity by letting micro and small enterprises participates in housing development program; building their capacity in association with other concerned bodies;
- Working in integration with appropriate institutions to produce competent professionals for housing construction industry;

[o%20Internacional/Declara%C3%A7%C3%A3o%20sobre%20assentamentos%20humanos%20de%20Vancouver.pdf](http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136)

accessed on 23 August 2014

⁷² http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136

accessed on 23 August 2014

- Preparing local development plan necessary for housing construction. This is done by the project itself or by outsourcing to others. The details of which should agree with the master plan of the city;
- Whenever it is necessary, the project office constructs buildings that can be used for related services in condominium houses;
- Based on the agreement made, the project office transfers the completed houses to Housing Development and Management Agency as well as other concerned bodies;
- Preparing annual plan and budget, and implement when permitted;
- Whenever it is necessary to do so, the project office also performs other related works and constructions when ordered by the administration.

ii. Organizational setup

The institution is headed by the General Manager and having two Deputy Managers i.e. Construction Deputy Manager and Input Supply Deputy Manager. There is also Communication Affairs Support work process, Design department, Construction Department, Micro and Small enterprises department, Supply and Logistics work process. It has also branch Offices in each of the sub-cities and Project sites of Project 11 – 15 which means it has a total of 15 branch offices. It has 404 professional and 1,767 support employees. It gets the consultants and micro and small enterprises involved in the construction and quality control of the Project.

4.2.2. Addis Ababa City Administration labour and Social affairs Bureau

The bureau is undertaking multifaceted developmental activities to ensure that the city has extended employment opportunities, reined in industrial peace and social security. The section that handles employment in the bureau is the employment service expansion main process.

The main process has central Office and necessary human resources at sub-city and woreda level. The main functions at the sub-city level are:

- Support the city level labor market survey;
- Collect and disseminate labor market information;
- Organize the job seekers data;
- Conduct preliminary survey on free government information on job and job seekers, labor brokers agencies and illegal agencies;

- Provide training;
- Approve apprenticeship contract;
- Professional counseling and advisory;
- Free liaison of job seeker and job;
- Follow up and monitoring of private agencies on liaising job and job-seekers;
- Support returnees from foreign employment.

The labor Affairs target in the GTP is:⁷³

1. Ensure effective enforcement of the labor law;
2. Launch a job information service;
3. Support job seekers;
4. Provide capacity development training to employees and employers;
5. Launch dialogue and discussion forums at workplaces;
6. Provide support to solve labor disputes through dialogues and discussions;
7. Strengthen monitoring of working environments.

Organizational setup

The institution has presence at the central level, sub-city level and Woreda level. Its overall human resources are 29 employees at the center, 80 employees at the sub-city levels and 116 at Woreda levels.

4.3. The Organization for Women in Self Employment (WISE)

The urban unemployment varies by sex where unemployment among women is estimated to be about 27.2%, compared to 13.7% among men.⁷⁴ This justifies that the role WISE is playing in employment creation contributes to narrow the gap between men and women unemployment rate and focuses on the most unemployed in Addis Ababa. Though the objective of this research is not to look into the gender dimension of unemployment, the overall contribution of WISE in employment creation makes it a better candidate to be included in this research.

WISE was established in September 1997, with the support of Action Aid and commenced full programme operation in January 1998. WISE is dedicated to the elimination of the facets of urban

⁷³ [http://www.mofed.gov.et/English/Resources/Documents/GTP%20Policy%20Matrix%20\(English\)2.pdf](http://www.mofed.gov.et/English/Resources/Documents/GTP%20Policy%20Matrix%20(English)2.pdf) accessed on 06 July 2014

⁷⁴ <http://www.ilo.org/public/english/employment/ent/coop/africa/countries/eastafrica/ethiopia.htm> accessed on 15 August 14

poverty and the realization of sustainable livelihoods among poor women. The Organization is currently working with poor self-employed women and girls in Addis Ababa in their efforts to achieve self-reliance and improve the quality of their lives by drawing on empowering, development oriented strategies. Accordingly, WISE's areas of intervention include building the capacity of women micro and small entrepreneurs through creating access to both financial and non-financial services.

WISE offers its services with its driving motto of 'Money is Power'. Thus, the main aims of its program are to promote sustainable income among the target women and girls and to enable them create job opportunities for themselves and others.

WISE has recorded remarkable achievements in the development of women micro-enterprise operators. It has created 52 saving and credit cooperatives and has over 12,500 members. Through the provision of financial services, the target women and girls were able to initiate or expand their preferred lines of micro-enterprises operation and also make down-payments for condominium housing units and covering children's school costs. Moreover, various business development services have been offered to these women and girls. WISE stood first in a competition organized by CCRDA (umbrella of 350 NGOs) in Urban Poverty Reduction in 2012.

The Organization's Source of Finance

WISE continues its services through grants from donors and internal income generated from various services. WISE is open to new ideas and partnerships with private, governmental, and non-governmental organizations to enhance its services to poor, enterprising women and girls in Ethiopia.

4.4. Sunshine Construction PLC

Sunshine Construction Plc is a company that was established in 1984 as a sole proprietorship and later in 1993 transformed into a private limited Company. After three decades of a successful engagement mainly in the construction sector, it evolved into and become Mother Company, Sunshine Investment Group, to the three autonomous business and philanthropic entities. Since its inception, the company has set its first target to reach to a level of highest contractor's category and diversify itself into various investment potentials and social responsibilities. The 30 years milestone career (from 1984-2013G.C) of the company has enabled Sunshine Construction to build a reliable capacity and exhibit practical excellence mainly in the construction sector.

The company claims that among its objectives being a trend-setter in the country's real estate development so as to meet the growing housing demand of the people across social & economic landscapes is one.

Organizational capacity

The company claims that it has an estimated total investment cost of around 1 billion birr, equivalent to 50 million USD. It has over 30 years of experience and currently has over 5,000 professional, technical and operational personnel.⁷⁵

⁷⁵ <http://www.sunshineinvestmentgroup.net/construction/index.php>, accessed on 15 August 14

Chapter Five

Data Analysis and Presentation

5.1. Data sources and profiles of research participants

The primary data was collected from government institutions working in the supply of housing units and employment creation as well as private institution and non-governmental organization. These institutions are:

- a. Addis Ababa City Construction and Housing Development Bureau (Addis Ababa City Housing Project Office);
- b. Sunshine Construction PLC – the real estate department;
- c. Addis Ababa City Labor and Social Affairs Bureau;
- d. Organization for Women in Self Employment (WISE).

The data collection tools developed were self-administered questionnaires and face to face interview guides. A total of 40 questionnaires (20 on housing and the other 20 on employment) were distributed and 25 were returned (14 from housing and 11 from employment).

Demographic Characteristics of Respondents:

- a. Age and Gender – Age is an important demographic variable that has an impact on the physical and mental abilities of people while gender is also another variable that has disparities in the society. The survey result indicates that the age range of majority the research participants were from 25 to 45 years of age. Among the research participants who have completed the questionnaire 29.41% were female while 70.59% were male, when we disaggregate this into age categories, 47.06% were between 25 and 35 age bracket, 35.29% from 35 to 40 age bracket, only 5.88% were between 40 and 45 years, and 11.77% were above 45 years old.
- b. Educational level – this variable is among the development indicators and important factor in terms of understanding situations and creating correlations among variables which has impact on the quality of data collected. All research participants completed first university degree except one who has diploma.

- c. Work experience - This variable helps respondents to have better understanding about the sector's opportunities and challenges. 41.18% of the research participants worked less than three years in their current organization while the rest 58.82% worked from three to eighteen years.

To supplement the data collected through self-administered questionnaires, key informant interviews were conducted with relevant employees in all institutions participated in this research. The interview was conducted in their respective office premises and the answers were recorded in hand writing for fear of the research participants discomfort to be recorded. Furthermore the data collected from the institutions participated in this research were triangulated with data collected via e-mail survey from the head of the Association of Real Estate Developers (ARED).

5.2. Data Analysis and Presentation

Here the data collected through questionnaires and key informant interviews supplemented with secondary and e-mail survey data are analyzed and presented. At the end of each organization there are findings drawn from the data and finally there are general findings about housing and unemployment related to the research questions.

5.2.1. Data Analysis and Presentation on housing in Addis Ababa city

The data collected from Addis Ababa housing construction and urban development bureau of housing project office and Sunshine Construction PLC is triangulated with the data collected from ARED and secondary data sources to clarify conflicting or vague data.

The data collected from ARED reveals that there are over 200 registered real estate companies. The association was established in 2013 by 18 companies which mean only 9% of the real estate companies are members of this association.

Government policy is the bond that brings this association, individual real estate developers, the government and CSOs together and guides them to maximize the benefit of urban dwellers. The government has developed Urban Housing Supply Strategic Framework which was issued by the Ministry of Urban Development Housing and Construction in Feb 2013 (Yekatitt 2005 E.C.). Among the implementing organs mentioned in the strategic frame-work, Federal Housing Development Council with one of its responsibilities being evaluating and directing housing development actors

and serve as learning forum for best practices and challenges of housing development actors (refer page 167 & 168 (2) & (4)) and Stakeholders Council (this council takes the private sector as member of the council) (refer page 162 (6)) are some of them; however the data collected from ARED reveals that none of these councils exist.

Under chapter three of this framework, entitled urban housing supply policy and strategy, it recognized that the government alone can't solve the huge housing shortage in urban centers. It further articulated nine ways of supplying houses out of which four of them are implemented by the government and the other five by individuals and institutions as indicated below:⁷⁶

1. Houses constructed by the coordination of government:
 - i. 10/90 scheme – benefits low income citizens. 10% of the houses cost will be covered by the individuals' saving then own the house and the remaining 90% to be covered from the government arranged bank loan, the housing being collateral for the loan.
 - ii. 20/80 scheme – continuing the condominium house construction. 20% of the houses cost will be covered by the individuals' saving then own the house and the remaining 80% to be covered from the government arranged bank loan, the housing being collateral for the loan.
 - iii. 40/60 Scheme – saving inducing housing construction. 40% of the houses cost will be covered by the individuals' saving then own the house and the remaining 60% to be covered from the government arranged bank loan, the house being collateral for the loan.
 - iv. Special purpose houses construction – these are houses constructed for blue-collar workers and university teachers. 100% of the cost covered by the government organization requesting for the construction.
2. Real estates' Housing Supply – these are houses constructed by real estate companies for sale.
3. Owner-built Housing Supply – these are houses constructed for dwelling by individual citizens.
4. Housing Cooperatives – these includes the following housing cooperatives:
 - a. Urban citizens organize themselves in the institutions they are working in. These people save money from their salary so that contributes and own a house.

⁷⁶ Ministry of urban Development Housing and construction, 2005 et.c., Urban Housing supply strategy framework, Addis Ababa

- b. Urban citizens organize themselves in their residential area. These are people who are engaged in their private business. Woreda administrators work on the organization of these people.
 - c. Ethiopians' in the diaspora. It is not possible to access these people hence their documents will be organized under the ministry of foreign affairs and get the service.
5. Public - Private Partnership Housing Development - These are houses developed by government and private investors engaged in real estate development. Here the government provides land and the investors provide their knowledge and other resources to develop dwelling houses.
6. Public - Institution Collaboration Housing Development- these includes:
- a. Houses constructed for employees in urban areas – Request coming from different organizations and enterprises to construct dwelling houses to their employees keeping the motivation of their employees in mind is considered as one of the alternatives of housing supply.
 - b. House for industrial development. These are the same as the one indicated at 1(d) above.

This articulates multi-stakeholder involvement in tackling the shortage of housing particularly in Addis Ababa. However, the sky rocketing urban land auction price severely limits the supply of housing. a plot of land fetched as high as Birr 300,000 per square meter of land lease price which makes the most expensive price in the world.⁷⁷

5.2.1.1. AA City Construction and Housing Development Bureau (AA Housing Construction Project Office)

A. Internal institutional resources Strength of the Office

While responding the questions related to the internal strength of the project Office, 50% of the participants responded that the Office has sufficient Human Resources, 87.5% of the participants responded that the Office has sufficient financial resources and 37.5% responded that the Office has efficient housing project administration capacity. 50% of them also responded positively that the project office's procedures and processes are efficiently supporting the project implementation; the remaining percentage of the research participants responded the contrary.

⁷⁷ <http://www.thereporterethiopia.com/index.php/news-headlines/item/3007-govt-downplays-urban-lease-price-concerns>
accessed on 13 December 2014

These data tells us that the Office has strong internal environment, but need to work more on its project administration capacity. UNHABITAT indicated on its study on condominium houses that the housing program has built the capacity of the construction sector.⁷⁸ Table 5.2 shows that there is inconsistent (not progressive) number of housing units supplied year after year, which may substantiate capacity limitation. In general the office has good internal strength.

B. The project Office's role in tackling housing shortage

The government's integrated Housing Development Program was implemented in 2005 to construct 400,000 condominium housing units among other program objectives. By January 2014, it has constructed 175,246 condominium houses and transferred 108,482 of them to urban citizens in nine rounds by lottery method. The number of house seekers (demand) in Addis Ababa who registered from March 1 to 18, 2005 G.C. was 453,287.^{79, 80} This means that within nine years (2005 – 2013) the government met 38.66% of the total housing demand of that time.

The demand for housing is dynamic due to the fact that Ethiopian cities including Addis Ababa are experiencing rapid population growth of 4.3% which is above other African cities growth rate of 3.3%.⁸¹ This growth calls for integrated action of all actors not only government but also others. Table 5.1 demonstrates the sluggish trend of housing supply in Addis Ababa in eight years time period. It further delineates that the informal sector was the major supplier of housing units, 34.1%, followed by cooperative, 28.2%. The government was supplying the smaller portion which was 8.4%, the private sector was at the embryonic stage of development which contributes the least supply that was 4%. The annual supply of housing was 12,568 houses out of which 4,286 of them are coming from the informal sector which was contributing to the stock of slum dwellings in the city. The annual share of housing supply from the public sector was 1,056 houses.

⁷⁸ http://www.mwud.gov.et/c/document_library/get_file?uuid=a27abebf-66ba-473c-a618-89d3c1a180ed&groupId=10136 access on 13 December 2014

⁷⁹ http://www.iut.nu/Facts%20and%20figures/Africa/Ethiopia_CondominiumHousingUN-Habitat2011.pdf accessed on 13 Dec 14

⁸⁰ Communication Affairs Support Work Process, AA Housing Construction project Office, Basic Facts, January 2014

⁸¹ Communication Affairs Support Work Process, AA Housing Construction project Office, Basic Facts, January 2014

Table 5.1: Houses constructed in Addis Ababa, 1996-2003

Housing supplier	No. of houses	%
Public	7,409	8.4
Cooperatives	24,820	28.2
Individuals (formal)	22,225	25.3
Real estate developers	3,520	4.0
Informal sector	30,000	34.1
Total	87,974	100

Source: Addis Ababa City Government, 2004, cited in haregewoin, Y. (2007) *Integrated housing Development programs for Urban Poverty Alleviation and Sustainable Development (The Case of Addis Ababa)*. Proceedings, European network for housing Research, 2007: Sustainable Urban Areas. Rotterdam, 25-28 June 2007. p.5., cited in⁸²

Table 5.2 delineates that the average annual supply of housing units from the public sector during the period from 2004 to 2013 was 10,848 housing units this means that there is an increase of 9,792 housing units, in terms of percentage 927.27% as compared to the period from 1996 to 2003. When we analyze the supply of housing units in the time series data, it is a sheer fact that there is significant increase in the supply of public housing; however the demand has been much faster than the supply. In the interview, the researcher had with the communication process leader of the project office, it was learnt that since the first registration of house seekers in Addis Ababa which was done in March 2005, (the re-registration took place after eight years of the first registration), during this time a lot of demographic and economic changes took place. Considering this changes another registration of housing seekers was carried out in different schemes i.e. 10/90, 20/80 and 40/60, from June 2013 to August 2013, in this registration more than 900,000 urban citizens have been registered.

Table 5.2: Gov't low cost houses transferred to urban dwellers

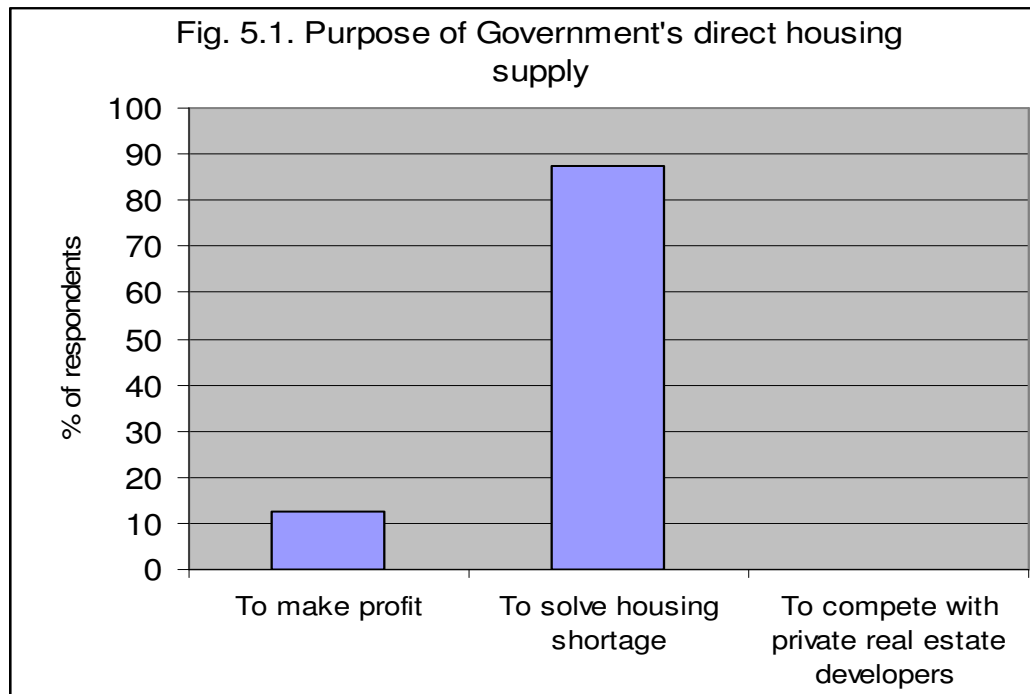
Years	No. of houses	%
2006	18,988	17.50
2007	15,031	13.86
2009	11,005	10.15
2010	25,801	23.78
2011	10,000	9.22
2012	7,300	6.73
2013	20,355	18.76
Total	108,482	100

Source: AA Housing Construction project Office and AA Construction and Housing Development Bureau, Communication Affairs Supportive Work Process, Jan 2014

⁸² http://www.iut.nu/Facts%20and%20figures/Africa/Ethiopia_CondominiumHousingUN-Habitat2011.pdf accessed on 13

The secondary data source used in table 5.2 indicated the existence of inconsistent number of housing units transferred to the urban dwellers. Part of the document reported that 108,210 housing units were transferred while in other parts, it indicated 108,482 housing units. For the purpose of this research the higher housing units transferred to urban dwellers were taken in the study of housing units transferred to urban citizens. Moreover it was noted that there were no housing units transferred in 2004, 2005 as well as in 2008.

The government's direct involvement in the housing supply rather than focusing on more important function of creating an enabling environment for other actors was assessed. 87.5% of the research participants considered that the government's involvement in the supply of housing units is to solve housing shortage by producing pro-poor houses while the remaining 12.5% said that its motive is to make profit. They further explained their answers that it is to address low and middle income group's housing demand as the private sector is motivated by maximized profit and hence they do not build low cost houses.



Source: Survey data, 2014

The data on fig. 5.1 explicitly indicates that the government's involvement in the housing construction is to solve housing problems/shortage for low income urban dwellers.

The data collected through questionnaire, reveals that the research participants unanimously agree that the government (the project office) alone can't solve the enormous gap between the supply and demand of housing units. The respondents recognized the good work the government is doing in supplying condominium houses and the new housing scheme of 10/90, 20/80 for low income families and 40/60 middle income families. They also proposed possible solutions for the government to get other helping hands to narrow the gap between supply and demand, these are:

- a. Negotiate with financially strong institutions to engage them in the construction of houses at least to their own employees;
- b. Cooperating with and empowering the private sector by way of providing enough land and loan facilities;
- c. Engage professionals at high level to look for potential areas of housing funds and viable solutions to the problem;
- d. Forming a joint company (private and public);
- e. Involve all stakeholders.

These alternative sources of supply are also indicated on the government's housing strategic framework.

According to the Center for Affordable Housing Finance in Africa 2014 yearbook, Ethiopia has a housing deficit of between 900,000 and one million housing units in urban areas.⁸³ Addis Ababa being the major city in the country, the majority of these deficits are in Addis Ababa, due to the fact that there were very limited or non existent supply of housing units during the period 1996 to 2003 (refer table 5.1 above) and unprecedented housing demand witnessed in the housing seekers registration. The government has a unique role in solving this problem. It has a policy instruments to guide and support other actors and it is also one of the suppliers of housing units. The data proves that the government can not solve the problem with its role of supplying. However the government policy reflects that it can't resolve it, but can significantly affect the market by increasing the supply of land and finance as well as encouraging other actors. The data proved that the supply of housing units is not going with the same pace as the demand for it. This necessitates the creation or strengthening of the partnership among the private real estate developers, between the government and private real estate developers and other potential actors in the sector.

⁸³ <http://www.housingfinanceafrica.org/wp-content/uploads/2014/11/CAHF-14.11.2014-small.pdf> accessed on 19 Feb 2015
Biruk Shiferaw – GSE/1362/05 ethio102@yahoo.co.uk

In general the role the government has been playing to address the problem is significant as compared to the last fifteen years; however it is still sluggish to catch up the ever growing demand that casts shadow on its effort. Hence looking around possible alternative that could increase housing supply is necessary.

C. The Office's coordination and cooperation with the private sectors and NGOs

The government housing supply strategic framework made it clear that the government's involvement in the housing supply is until the time when the free market political economy gets strength and start supplying affordable houses to all sections of the society. Unless conducive environment is created to strengthen the private sector, the transfer of role from the government to private institutions could not happen any time soon. The government is fully aware that due to the magnitude of the housing problem it won't solve it alone, hence needs to expand alternative sources of housing supply.⁸⁴ One of the possible alternatives to increase housing supply is negotiating with, encouraging and nourishing the private sector to take the lead; however based on the data collected through questionnaire 75% of the respondents said that the Government did not negotiate with the business community and NGOs to gear their resources towards increasing affordable housing supply. This was substantiated by the data collected through interview. While answering the interview question of "Does your Office cooperate with the private real estate developers or companies? If yes, Why and how?" the respondent said that "No; it doesn't." and raised a reciprocal question "What is the importance of cooperation?" the respondent further said that "The private sector is working to make money and the public ones are with a set of objectives i.e. Housing supply, Employment creation, Urban renewal and Construction industry development. Government provides loan and training to micro enterprises, then they became contractors; the private sector does not care about the knowledge/technology transfer; capacity development and creation of institutions of this sort." The respondent further said that "of course we (Government and Private) use the same input like metal, cement, grave and labor but there is no competition as such. For instance real estate developers pay more for grave but the government acquires the quarry, organize unemployed people provide loan, and buy them with mark up price. Not to disturb the market as it uses in bulk, the government imports metal while the private sector buys from the local market. In terms of labor government uses the

⁸⁴ Federal Democratic Republic of Ethiopia, Ministry of Urban Development Housing and Construction, Urban housing supply strategic framework, Addis Ababa, Yekatit 2005

small and micro enterprises keeping employment creation and distribution of wealth in mind while the private sector uses individual laborer, there are cases where the government pays more daily rates than the private sector.” For instance, the interviewee said, CCD real estate pays less but provides transportation service and food while the government does not.

This data implies that the private and the public sectors operate in parallel, there is no crossing point where one learns from the other, one supports the other, and cross pollinates to create the best practice in this interaction. The ultimate goal of the government’s housing policy is to leave the market for the private sector but where do the private sector come from if it is not nourished and there is no forum to exchange knowledge and experience.

For the probing question of integrating the private, public and self help housing programs to maximize the benefit of the poor from the investment of the rich on beautification of the environment he mentioned the example of Lideta urban renewal where there are real estate companies, private owners and the government condominium houses constructed together, having the green areas/parks in common. But, he said, there are problems/ gaps in managing and keeping those areas beauty.

The Growth and Transformation Plan (GTP) of the country has set the number of housing units to be constructed during the GTP period of 2010/11 to 2014/2015, to be 150, 000 housing units this means an average 30,000 housing units per year. The data collected to see if there is joint (private and public sector) housing supply plan and if there is expected output from the private sector to the realization of the GTP, indicated that 50% of the research participants responded that the private sector and NGOs are not involved in the housing construction plan of the city while 37.5% responded that they have involved, and the remaining 12.5% did not answer the question.

Question: is there a coordinated housing construction plan in the city?

Table 5.3 Frequency and percentage of respondents by type of response on coordinated housing supply planning

Response	Frequency	%
Yes	3	37.5
No	4	50
No Answer	1	12.5
Total	8	100

Source: Field Survey, 2014

Further to this there was another query that seeks answer about the existence of a government agency responsible for the coordination of all housing producers and other stakeholders in the city. The overwhelming majority of the research participants, 87.5% responded that there is a government agency coordinating all housing producers and other stakeholders in the city as indicated at table 5.4, while the remaining 12.5% did not answer the question. Those participants answered “yes” on table 5.4 were asked a follow up question to mention the name of the government agency responsible for the coordination of all housing producers and other stakeholders in the city, but only 42.83% of them answered the question and mentioned three different organizations as Addis Ababa City Government Administration, Ministry of Construction and Urban Development and Addis Ababa Housing construction and urban development Agency.

Table 5.4 Frequency and percentage of respondents about the existence of coordinating agency by type of response

Response	Frequency	%
Yes	7	87.5
No	0	0
No Answer	2	12.5
Total	8	100

Source: Field Survey, 2014

This implies that there is no clarity of which organization is responsible for the coordination of these pool of institutional resources together and benefit from the synergy created.

In the GTP there is no output mentioned and expected or set aside to be delivered by the private real estate companies, however 50% of the research participants responded that the government’s development plan considered the private real estate developers as partners and defined outputs expected from them while 37.5% of the research participants responded to the contrary and lastly 12.5% of the research participants did not answer this question.

This data tells us that the research participants believe that the government incorporated the potential of the real estate companies. However the data collected from ARED shows that in December 2014,

the Ethiopian Construction Project Management Institute has issued an invitation to prequalify foreign and local developers to supply a total of 250,000 residential units. About 30 local and foreign companies and Joint Ventures have offered their proposals for evaluation by the institution. The time frame of the project was not specified in the invitation for prequalification. Even this is done about the end of the GTP. But the data is not supported by the GTP which has set only for the government housing agency.

In summary we can deduce from these data that the benefit of communication and coordination among private real estate companies and between public and private real estate institutions is not well understood and implemented, hence it is possible to say that there is no joint planning which implies the potential that could have been exploited, and the synergies that could have been harnessed for the development of the housing sector has been lost. Given the fact that the government's engagement in directly supplying of housing units is until the time the market economy develops and the market functions well, the government has the duty to nourish and develop the private sector so that they can take-over the housing supply at least in the long run. Moreover the potential of the private sector and other actors could be harnessed through the active engagement of the government in coordination and collaboration in the spirit that all are working primarily to solve the common problem of housing shortage in the city.

D. The challenges of tackling housing shortage in AA

The magnitude of the problem calls for a solution at scale, a piece meal solution is not a solution as such. The data collected through interviews, to see the challenge the government is facing to solve the problem is presented here, while responding the question “Do you think that the project Office has solved or can solve the housing shortage in Addis Ababa?” He said that “the government at the outset of the project did not plan to solve the problem.” He further said that the housing problem could be solved through:

- Self-help housing – housing developed by individual citizens – Government provides land on lease;
- Housing construction cooperatives/associations – if individuals can not afford to construct individually, this is the other option – here government provides land for free. The challenge here is the absence of similar financial capacity and interest among members. Only limited cooperatives are successful;

- Real estate developers - these are private companies constructing houses for sale and rent. There is public dissatisfaction in most of these companies because they raise money from the public but they do not honor their promise. They also tend to sale land rather than developing it as agreed with the city government;
- Government low cost housing (Condominium) – citizens that could not afford to any of the above sources of housing supply, the government has the duty to provide low cost housing to citizens, given the fact that the right to housing is fundamental human right. 453,287 house seekers were registered in 2005 G.C., and the government plan was to construct 50,000 houses per annum; however due to limited plots of land available in the inner-city, few condominium houses were constructed in different locations in the inner-city. The options considered at this stage were urban renewal and using the available land at the outskirts of the city where not only houses but dwelling areas were created.

The interviewee also said that among the registered house seekers 108,482 of them received houses until end of 2013. The second house seekers registration in Addis Ababa was done after eight years of the first round registration which was in 2005 E.C., during this time there are demographic changes like people who were at the age of 16 in the first registration, are at the age of 26 by now and are potentially demanding houses, people are immigrating to Addis Ababa on the other hand there are people, who died, left the country, constructed their own houses and no more qualifies/needs this housing. Hence it was decided to have a new registration. The new house seekers are more than 900,000 in different housing schemes like 10/90 (saving 10% of the house's value and bank loan arranged for the remaining 90%), 20/80 (saving 20% of the house's value and bank loan arranged for the remaining 80%) and 40/60 (saving 40% of the house's value and bank loan arranged for the remaining 60%).

The interviewee further said that the government is looking for alternative supply of housing units and foreign companies are interested to work on this. In other African countries it is the foreign companies working in this sector.

The data presented above implies that there are a number of challenges the city government has faced one of them was availability of free land in the inner city to provide affordable housing units as it has initially planned to supply 50,000 housing units. This pushed it to look into alternatives on urban

renewal and using available lands at the outskirts of the city. The other challenge was the public dissatisfaction among the private housing developers because they raise money from the public but they do not honor their promises as they tend to sell land rather than developing it as agreed with the city government.

The data collected through questionnaire reveals while responding to the question “Kindly enumerate challenges faced by the private real estate developers in terms of input supply like land, finance etc in Addis Ababa city?”

62.5% of the research participants enumerated the following challenges the private real estate developers are facing:

- Lack of developed land in the city;
- Fierce competition among private real estate developers;
- Shortage of market;
- Long bureaucracy for supply of land;
- Corruption from civil servants in the area of land supply and there are also land administration department heads unable to treat real estate companies;
- Absence of enough land in the city administration;
- Real estate developers internal weakness and challenges like finance, absence of strong administration;
- Illegal land grab,
- Failure to finish the promised houses on timeetc,

Among the research participants, 37.5% of them did not respond to this question.

The data reveals that there are similar challenges both the government and the private sector share i.e. shortage of land, land grabbing, corruption etc. The other challenge mentioned is internal weakness of real estate companies to keep their promises to deliver houses to their customers. This challenge is attributed to the fluctuation of the construction materials in the country, absence of mortgage systems and weak financial backing of the real estate companies.⁸⁵

⁸⁵ <http://www.thereporterethiopia.com/index.php/interview/item/361-an-insider-view-of-the-inflamed-real-estate-sector> accessed on 28 January 2015

E. Government's role of managing and facilitating the operations of urban institutions

The Government has the responsibility of meeting its citizens' right for affordable housing through creating an enabling environment to the business community, individual citizens, and cooperatives working in the housing supply to solve this problem.⁸⁶ The areas that the government could discharge its role of managing urban institutions to housing problem are:

a. Housing Policy

While responding to the question related to the housing policy; 87.5% of the research participants responded that there is a housing policy in Addis Ababa while the rest 12.5% responded that there is no housing policy but they said we need a policy. Furthermore, among those respondents who said that we have housing policy, 71.43% of them said that it has attracted real estate developers to engage in housing units supply at scale and government ensured its adherence by all actors. While reviewing secondary sources it was found that the Ministry of Urban Development Housing and Construction has developed in 2005 E. C. "Urban Housing Supply Strategy Framework" which has put the government's direction and all options available to maximize the housing supply at all cities in the country.

This data implies that the housing policy of the country is attractive to the private sector and the government's system is functioning well to ensure conformity of the private sector to the government policy. However the data collected from the ARED goes to the opposite direction. When ARED head responded to policy challenges he mentioned that the most challenging things are: land management, especially the lack of regularization of irregular plots of prime lands which are staggered by kebele and rental agency houses and also the absence of an enforceable neighborhood design that should guide the building permits issued for each individual plots of land. Other problems mentioned are: the lack of a predictable land lease market that should respond to the acute and chronic demands of investors and home buyers; the near impossibility of getting a title deed issued or transferred for properties completed or purchased by real estate companies; poor civil service delivery caused by corruption and ignorance, especially in getting building permit for design and construction.

⁸⁶ <http://unhabitat.org/urban-themes/housing-slum-upgrading/> accessed on 12 Dec 2014

While responding to the question related to the Government's implementation of its policy instruments and incentives to bring different stakeholders on board in solving housing problem the research participants split into two parts 50% of them responded that the government is using the policy instrument and incentive to attract stakeholders in solving housing problem while the other 50% responded to the contrary. While responding to the follow up question of explaining about these conducive policy environments and incentives to the private real estate developers that help to increase the affordable housing supply in Addis Ababa, 50% of the respondents did not explain about this but the other 50% indicated the conducive environment to the private real estate developers like having access to land; there is a high demand for housing the government did not intervene but make the market free for the private sector to involve in real estate development and sale without pricing control. There is also a policy in which the government provides land to real estate developers with a lease system. Again other participants mentioned that the policy is fine but the problem is in the implementation as the government sector office did not consider the policy environment but concentrates on the construction works which ends up unaffordable private real estate houses as they did not get the chance to supply affordable houses. The private real estate developers lease the land for housing construction at the least price but they are reluctant to construct affordable house.

When we analyze these situations, it is possible to derive that the government policy is enabling to the private sector but the issue of conformity to this policy is a problem and a gap from the government's end in ensuring conformity to the policy and agreements made with the city government.

b. Incentives and empowerments to private sector

The data collected through questionnaires on the incentive the government provides to bring more stakeholders to the housing supply; 38.5% of the research participants responded that both private and public institutions should communicate on the issue; there are incentives given by the government like the privilege to import the construction materials without tax, provision of land with minimum lease price and so on. It was further said that The government has been doing all what it can to attract local real estate developers into the business; however, since the so called real estate investors are profit seekers, they are not interested in providing well constructed houses at affordable price, their aims and objectives are earning a great deal of profits since their market segment is diasporas. The majority of the research participants, 62.5%, did not respond to this question. On the

similar query on the empowerment of the private sector by the government to supply low income housing the majority of the research participants, 75%, said that the government did not empower the real estate developers to supply low cost housing while the remaining 25% of them responded that the government has empowered real estate developer. Among the 25% who said that the government has empowered real estate developers a follow up question was asked on how the government empowered the real estate developers to engage in the production of low income adequate housing, while responding to this they said that the government gave them the chance but they do not want to build low cost houses.

What we can say from these data is that the government is providing incentives to attract the private sector but as the data suggests it is not fruitful as the private real estate developers, not all of them, did not discharge their responsibility of honoring their promises made to their customers. The government did not empower the private real estate developers.

c. Input supply

In response to the question related to the enabling situations to private local real estate developers in terms of input supply like land, finance etc, 62.5% of the research participants mentioned there:- real estate developers get land in different parts of the city; the city government declared that there is sufficient supply of land and loan facilities for real estate developers but in reality the process is long and corruption is persistent; most real estate companies work only for profit so they don't like to participate in low cost housing development. The research participants further said that private companies build apartment buildings and price it without considering the low income societies situation so the government didn't invite them to participate in low cost housing development. Again they responded that there is a great deal of demand of housing, the government encourages real estate companies by providing land, and it does not put its hand on price determination of the houses they construct. The remaining 37.5% of the research participants did not respond to this question.

This data tells us that the private sector is motivated by profit and not interested to be involved in low cost housing, on the part of the government there is a conflicting data that one says the government encourages the private housing developers by supplying land on the other hand there is data saying the government's supply of land has problems of not sufficiently responding to the demand for it.

The other main input of housing construction is finance. In responding to the query on the availability of housing financial institutions in Addis Ababa, 62.5% of research participants responded that there is no specialized housing financing institutions; on the other hand 25% of them responded that there is specialized housing financial institution in Addis Ababa. The remaining 12.5% of the research participants refrain from answering this question. Among those research participants who said there is housing financial institution, all of them responded to the follow up question of naming the institution and said that it is Commercial Bank of Ethiopia. In response to other finance related question of the availability of mortgage loan providers; 25% of them responded that there is financial institution that provides mortgage loan. There was a follow up question of naming the institution that provides mortgage loan for those research participants who said there is mortgage loan provider; in response to this 12.5% responded that it is Commercial Bank of Ethiopia; while the other 12.5% did not answer the question. 37.5 % of the research participants responded that there is no financial institution that provides mortgage loan and the other 37.5% of the research participants did not answer this question.

The data collected through the interview reveals that the Project Office takes a bond loan from bank, construct the house, transfer the house to the beneficiaries on prepayment of 10%, 20% etc then the house be collateral to the consumer to take loan from the government bank i.e. Commercial Bank of Ethiopia, then the project office pays all the money back to the bank. It takes the money again so the fund the Project Office is using is a kind of revolving fund.

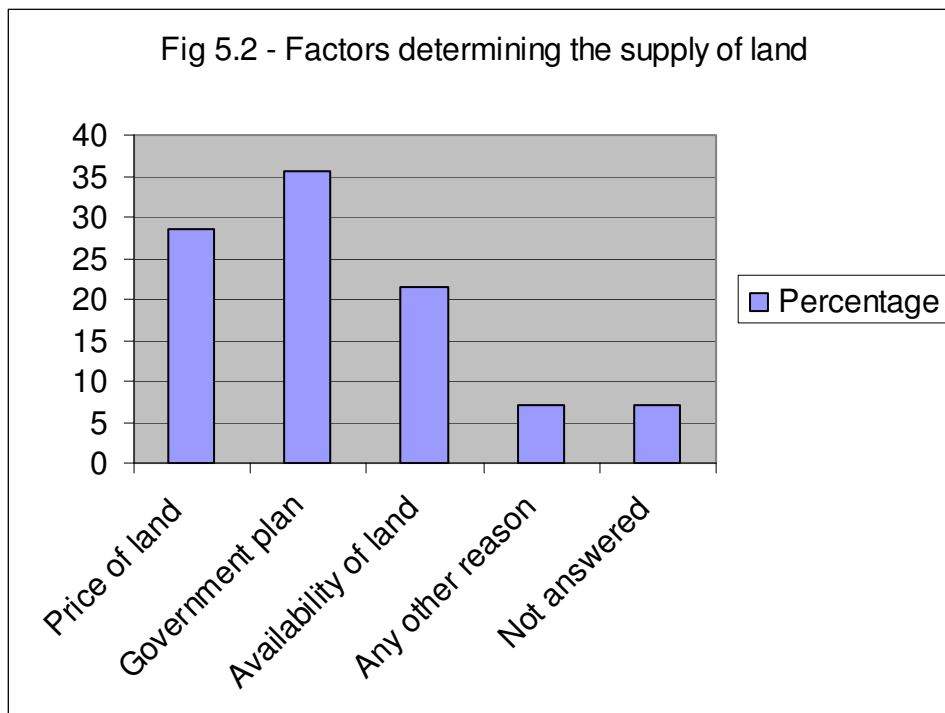
The majority of the research participants confirm that there is not specialized housing financial institution as well as mortgage loan provider in the country. However it was observed that based on the government's instruction, the government owned bank i.e. Commercial bank of Ethiopia provides mortgage loan to government constructed condominium houses beneficiaries. However it is not extended to individual self-help housing builders, housing cooperatives and real estate companies. The government (project Office) has secured revolving fund which gives relief to its financial burden.

Capital and land are critical inputs in the supply of housing, while responding to the query related to the adequacy of these inputs to motivate self-help housing, 50% of the research participants responded that the supply of land and capital is not sufficient to attract and encourage self-help housing supply whereas 12.5% said that the supply of land and finance is sufficient to attract and

motivate self-help housing. A considerable number of respondents (37.5%) did not answer the question.

One can conclude from this result that the supply of land and capital in the market is not sufficient to motivate self help housing construction.

Fig. 5:2 delineates that the majority of the research participants (36%) responded that the government plan is the factor which determines the supply of land to the private sector. 29% of them responded that the price of land is the factor. The third factor mentioned is availability of land in which 21% of the research participants responded that this is the determining factor. 7% related the factor with the cost of construction material and the other 7% of the research participant did not respond to this question.



Source: Survey data, 2014 Note: Multiple responses from a single participant

From these data we may conclude that the main factor that determines the supply of land is government's plan. The other way round the housing supply in the city is determined by the governments plan as land is the critical input in housing supply and mainly it is only on government's hand.

The other query related to land supply was how the government takes the low income urban citizens right to affordable housing while supplying serviced land which is the critical input to housing. Among the research participants 37.5% of them responded that the government supplies land taking the low income urban citizen's right to affordable housing into account while 50% of the research participants responded that the government does not take the low income urban citizen's right for affordable housing in supplying serviced land into account. The remaining 12.5% of the research participants did not respond to this question.

Among the research participants mentioned above (37.5%) who responded that the government took low income urban citizen's right to affordable housing into account were asked a follow up question of how the government supply land to low income urban citizens, in response to this 12.5% of them responded that the government is giving free land to build for condominium houses, and the other 12.5% responded that Addis Ababa housing projects planned to build the future registered dwellers of the city and also the government is subsidized on the construction project materials, while the other 12.5% did not respond to the follow up question.

Based on this data we can derive that the government does not consider the low income urban citizen's right to affordable housing when supplying serviced land; however it has provided land for communal use like for condominium buildings for free.

FINDINGS

- ◆ The historically massive engagement of the government in the supply of housing has been observed;
- ◆ Urban population growth due to natural growth coupled with rural to urban immigration fueled the housing shortage;
- ◆ Given the experience accumulated in the government housing sector, the trend of housing supply is not progressive and consistent year after year;
- ◆ Though the housing strategy framework recognizes wide varieties of actors that could positively influence the housing sector, the coordination and cooperation of these actors did not happen. Hence a lot of capacities and benefits had been lost due to the absence of synergy.
- ◆ The challenges of housing supply are the absence of coordination and not setting expected outputs from the private sector, absence of joint planning, absence of financial market and abnormally escalating land price in Addis Ababa due to infrequent land lease auction that is not in equal pace of the demand.

- ◆ The government doesn't play the role of managing and negotiating with other urban institutions like the business communities, NGOs that could affect the housing supply positively.
- ◆ It is possible to say that there is an all inclusive urban housing supply strategic framework but there is no functioning and coordinating organ to implement it in its entirety.

5.2.1.2. Sunshine Construction Private Limited Company

A. Internal institutional resources Strength of the Company

While responding the questions related to the internal strength of the company, all of the participants responded that the Office has sufficient Human Resources, financial resources; efficient housing project administration capacity and the company's procedures and processes are efficiently supporting the project.

These data tells us that the company has no financial and any other internal limitations. This implies that this company's capacity is strong that the government can work with in increasing the housing stock in the city.

B. Sunshine's role in tackling housing shortage

As indicated on table 5.1 under section 5.2.1.1. (b) above, the share of the private real estate companies in the supply of housing units during the period 1996 to 2003 was 3,520 in 8 years time and its share to the total supply within this period was 4%. Sunshine real estate has built more than 1,516 houses until June 2014.⁸⁷ The government recognizes that the houses constructed by the private companies are meant for high income section of the society.⁸⁸

Based on the data collected through interview, the company had been constructing houses targeting high and middle income societies with high quality and innovative methods some of the qualities mentioned in the interview are:

- a. The company installs electric, water and telephone lines underground;
- b. No ditches, the drainage system is also underground;
- c. Digs deep wells that could supply water whenever there is an interruption of water, the clients can pump from underground water and use. The line is connected with government

⁸⁷ The Ethiopian Herald newspaper, 15 June 2014, Vol.LXX, No.239,P.1

⁸⁸ Ministry of Urban Development Housing and Construction,2005,P.11

water lines so when the ground water is passing through the meter it counts to the government;

- d. It organizes the community, form committee and submit the by-law to handle common properties.

This implies that since the additional facilities are supplied it is really meant to the upper class, but with a benefit to the city in terms of beautification and introduction of new way of doing things in which other private and government real estate developers may follow suit. Moreover this increases the stock of high standard housing in the city and increasing the options for those who can afford.

The data collected through questionnaire reveals that equal percentage, 50% of research participants responded that the private real estate developers housing units are affordable to low and middle income groups. Those respondents who said it is not affordable were asked why they do not produce affordable housing units; they replied that it is because the material cost is very high and so also the cost of land, hence the house price is high. They further responded to similar query that if the government decreases the cost of land and facilitate infrastructure, they would engage in affordable housing supply.

This implies that the housing price depends upon the inputs particularly cost of material and land that prohibited real estate companies not to engage in the low cost housing supply.

C. Sunshine's capacity utilization

The data collected through interview on the capacity utilization reveals that the seasonal nature of the work, and factors like supply of inputs i.e. cement, metal, labor etc determines the level of operation. As the interviewee said there is competition for skilled labor and unskilled labor; particularly the skilled labor is much more mobile and affected by the number of projects being under taken, for instance the railway construction etc, affects the capacity utilization as the labor has the trend of moving to new projects going on in Addis Ababa. The interviewee further said that sometimes other competitors increase a few amount of money then all of the labor force working for Sunshine today will report to other competitors next day hence such competition for labor would affect planning, work schedule as well as capacity utilization.

Given the ideal internal strength and marketing opportunities this company has (refer the data above), one can infer that it could supply more houses, if the paradox of skilled labor shortage (competition for labor) in Addis Ababa amid 23.53% unemployment level is resolved.

D. Sunshine's cooperation with other real estate developers and NGOs in the housing sector

The data collected through the interview on the cooperation of the private section and coordination of them revealed that there is no coordination/ cooperation among the private real estate companies but the government came for inspection. When the government came for inspection, they are coming with upper hand and authority not keeping the partnership and common ends in mind. They need to have a team work, positive attitude to the private sector recognize that their salary comes from the tax payers so minimize the closure time of the office due to meetings. Classify tax payers in to groups based on the amount of money they pay in the form of tax for instance Green tax payers, Blue tax payers, red tax payers etc. the interviewee also said that in addition to the government's inspection, the company hired an independent external inspector i.e. MH Engineering, to inspect the quality of its work. This is, he said, modern way of doing business.

While responding to the question on the competition and cooperation of real estate companies, 50% of the respondents respond "yes, they compete and cooperate" while the rest did not respond to the question. In the same line they responded to the query related to the participation of real estate companies in the housing production plan in the city, 50% of them said they involve while the other 50% said they do not. Still in the coordination query about the existence of a government agency responsible for the coordination of all housing stakeholders, none of the respondents said there is a government agency. The other query was the consideration of the private real estate developer in the government plan, 100% of the research participants said that they are considered as partners and output is set aside for them. They also have responded in equal percentage of 50% on the government's negotiation with the private sector, half of them responded that it does negotiate and the other half it does not. They further said that the negotiation with the Government contributed to the construction of housing units by facilitating the title deed.

One can drive from this data that the government system does not change its mind set that it looks itself as the only development agent and did not develop trust on the other actors. So as to bring the desired development in housing supply and employment opportunities in particular and development

in general, the government has to recognize that the private sector creates jobs, pays tax and has equal authority like the government as far as development is concerned. Hence the government should train its human resources to downsize their role of supervisory spirit to cooperation and collaboration to avoid common risks and maximize benefits to urban dwellers.

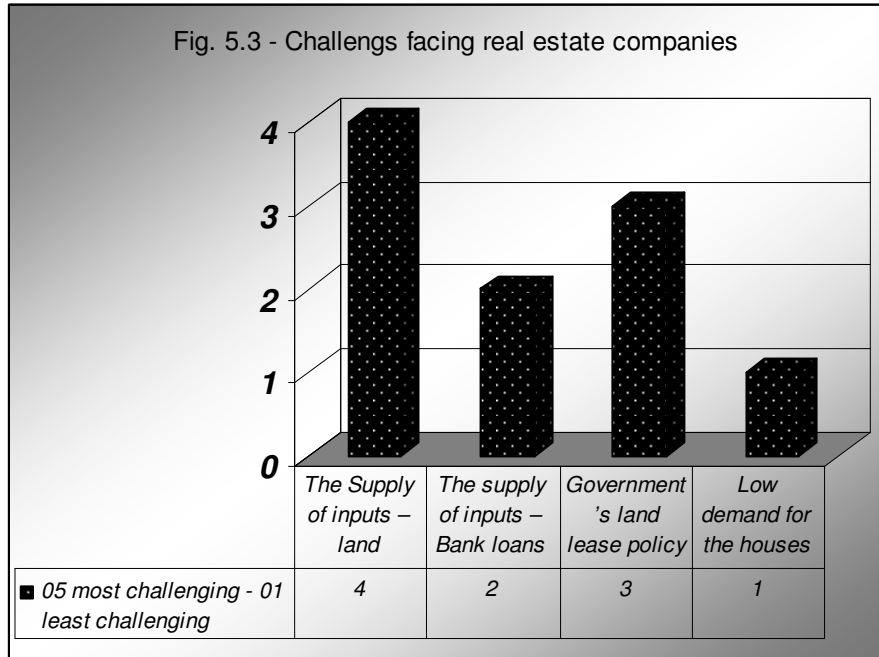
E. The challenges of tackling housing shortage in AA

The data collected through interviews about challenges the company faced, reveals that the company does not have marketing problem because it has built a good reputation and public trust. The company advertises one or two times a year to sell in discount during holiday seasons. The respondent further said that there was problem related to land, but now it is resolved so there is no problem. Even in the land problem the government should have been communicated well before taking action, and the media should not have been one sided, both should have been equally confronted to solve the problem.

There might be delays in completion of projects due to water and electricity interruptions.

While responding to the interview question of engaging in low cost housing the respondent said that the company is not ready to engage in the supply of low cost houses at the moment. Focused on Villas of 250m², 500m², 700 m² with lease payment and for apartments the government supply land for free and they are thankful for that.

The data collected through questionnaire on the challenges real estate companies are facing are indicated on fig 5.3, it is related to land i.e. supply of land is most difficult and the land lease policy being the second most difficult factor.



Source: Survey data, 2014

While responding to the follow up question of the role of government in addressing these challenges, 50% of the respondents said that the government should consult the private sector involved in the real estate development to solve the challenges mentioned above.

One can draw from this data that the government is providing land free of cost for apartment buildings. But the challenging factor to real estate developers is the supply of land for other types of housing supply compared to apartment types due to the fact that it is mainly in the hands of government. In addition to this we may derive from this data that the development actors that could have the potential to minimize the housing problem in Addis Ababa are not coming to the same table with equal footing. One actor is thinking that has the power and the other does not. It seems that it is a power game. There is gaps that needs to be filled with genuine nationalist sentiment. The challenge the society is facing is the challenge to the government, again the problem of the private sector is the problem to the government and society as well.

F. Government's role of managing and facilitating the operations of urban institutions

The data collected through the questionnaire reveals that all the research participants know that there is a housing policy in Addis Ababa but 50% of the research participants did not respond to the follow up question of the role played by the policy in terms of attracting real estate developers. The other

50% said that it attracted real estate developers. None of the research participants responded for the question related to the policy that has been a hurdle to their company's operation.

Based on the data collected through questionnaire, 100% of the research participants responded that the government alone can't solve the housing problem in Addis Ababa. While responding to the follow up question of what the government should do, they responded that the government is not the only actor to solve all problems; it should invite other stakeholders and discuss with them, consult with them, trust them and share the responsibility with sincere ground, the government should honestly motivate and help all private companies.

While responding to the interview question of cooperation, he said that they have heard that there are 450 to 470 real estate companies but the respondent could not name more than ten...Sunshine, Gift, Berta, Varnero etc.... most companies diverted due to lack of monitoring. For destruction it is fast but there is no early inspection. The good thing now is there are mini municipalities in all the sub-cities, they can monitor their jurisdiction.

We can conclude from this data that the government's role is bringing all stakeholders together using its policy instruments and monitor their adherence to it. Uncoordinated nature of real estate companies and the monitoring gap of the government gave way to some real estate companies to divert the public resource.

FINDINGS

- ◆ The individual stakeholder's action is negatively affected by the lessor supply of land and the paradox of labor shortage amid 23.53% unemployment.
- ◆ The synergetic result that could have been harvested from the central planning i.e. planning that takes place at the center taking inputs from the business community, NGOs and individual citizens are lost;
- ◆ The role of stakeholders that could positively impact on the supply of affordable housing are listed in the government urban housing supply strategic framework; however there is no government organ that coordinates and negotiates with these stakeholders to bring their resources to the picture;
- ◆ The interaction among the government and business community under consideration has not been in the same footing and keeping the common interest in mind. Which means the government tends to take the authoritative and controlling role of the past.

- ◆ Since government is the only supplier of land, getting this critical input is a bit of a challenge;

OVER ALL FINDINGS ON HOUSING IN ADDIS ABABA

- ◆ The historically massive engagement of the government in the supply of affordable housing has been over shadowed by the following factors:
 - Long awaited backlog of adequate housing shortage, stagnated housing supply for years and the enormous increase in urban population due to the natural growth coupled with rural to urban immigration.
 - The weakness of the government on its facilitation and enabling role, particularly in the supply of land, facilitation of the supply of finance and implementation of its strategic framework.
- ◆ Given the experience accumulated in the government housing sector, the trend of housing supply does not significantly impact on housing shortage and it does not consistently increase from year to year;
- ◆ Though the housing strategy framework recognizes wide varieties of actors that could positively influence the housing sector, the coordination and cooperation of these actors did not happen. Hence a lot of capacities and benefits had been lost due to the absence of synergy.
- ◆ The absence of coordination and not setting expected outputs from the private sector, absence of joint planning, absence of financial market and abnormally escalating land price in Addis Ababa has contributed to the challenges of housing supply.
- ◆ The government doesn't play the role of managing and negotiating with other urban institutions like the business communities, NGOs that could affect the housing supply positively.
- ◆ The synergetic result that could have been harvested from the central planning i.e. planning that takes place at the center taking inputs from the business community, NGOs and individual citizens are lost;
- ◆ The role of stakeholders that could positively impact on the supply of affordable housing are listed in the government urban housing supply strategic framework; however there is no government organ that coordinates and negotiates with these stakeholders to bring there resources to the picture;
- ◆ The interaction among the government and business community under consideration is not in the same footing and keeping the common interest in mind. Which means the government tends to take the authoritative and controlling role of the past.
- ◆ Since government is the only supplier of land, getting this critical input is a bit of a challenge.

5.2.2. Employment and development

The world of work report has presented a different finding that counter argues the thinking that trade and investment liberalization and investment on infra-structure should be the focus areas of developing countries' policies and practices, however the report revealed that such policies will not bring about development unless it is accompanied by strong commitment to boost employment and decent working opportunities and tackle working poverty. The report further mentioned indicators of good quality jobs as the share of working poor, proportion of vulnerable workers and labour productivity – improves with increasing income when developing countries climb higher up the income ladder. This correlation between employment and development reflects higher per capita income leading to better health and education, which in turn boost productivity as well as improving job quality, further raising per capita incomes.^{89, 90}

This confirms to one of the development theories indicated in this thesis which is dependency theory. The focus of dependency theory is on policies needed to eradicate poverty, offer diversified employment opportunities and reduce income inequalities. To bring about these desired egalitarian results, the economy needs to grow so also employment opportunities.

5.2.3. Data analysis and presentation on employment in Addis Ababa City

Based on CSA's 2014 urban employment unemployment survey data indicated on table 5.5 below, the total number of unemployed urban dwellers in Addis Ababa is 401,757, in terms of percentage 23.53% of economically active population. The level of unemployment in Addis Ababa is greater than the average rate of unemployment in all major towns in Ethiopia which is 20.67%. In terms of gender, out of the total 401,757 unemployed people, 260,816 of them are female which constitutes 31.81% of the total economically active female urban citizens in Addis Ababa.

⁸⁹ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_243961.pdf accessed on 20 Dec 2014.

⁹⁰ <http://data.worldbank.org/sites/default/files/wdi-2014-book.pdf> accessed on 20 Dec 2014.

Table 5.5 - Urban unemployment

Sex	Addis Ababa City			Major towns & city total		
	Economically active population	Unemployed Population	Rate of unemployed	Economically active population	Unemployed Population	Rate of unemployed
Male	887,508	140,941	15.88	1,568,907	216,115	13.77
Female	819,963	260,816	31.81	1,475,214	413,234	28.01
Total	1,707,471	401,757	23.53	3,044,121	629,349	20.67

Source: CSA Employment Unemployment survey, 2014

Table 5.5 tells us that the level of unemployment of male urban citizens in Addis Ababa is 15.88% which is less than those of female urban citizens by more than half. This gender disparity in the level of unemployment calls for more coordinated action in bringing female citizens to the workforce.

5.2.3.1. Addis Ababa City Social and Labor Affairs Bureau

A. Internal institutional resources Strength of the Bureau

While responding the questions related to the internal strength of the bureau, 66.67% of the participants responded that the bureau does not have sufficient human resources, budgetary resources and efficient processes and procedures while the remaining 33.33% responded on the contrary.

This implies that the bureau needs to engage with the city administration to get sufficient human and budgetary resources allocated to the bureau.

B. AA City Social and Labor Affairs' role in tackling urban unemployment

While responding to the question on how the bureau supports job seekers/unemployed, 33.33% of research participants responded that the bureau is conducting unemployment survey in collaboration with the Central Statistics Agency to determine the level of unemployment, and then by coordinating with technical schools, small scale enterprises and city government, has a plan to reduce unemployment this year. The other 33.33% of the participants responded that they register job seekers, vacancies, and play a placement role according to the rules and regulations. The remaining 33.33% of the research participants did not answer the question.

This data tells us that the bureau is actively engaged in determining the level of unemployment in the city and registering active job seekers to discharge its responsibilities entrusted on it by the government.

In addition to the questionnaire, the data was collected through interviews. While answering the interview question of “what the bureau does to address unemployment?”, the interviewee said that among the areas in which the bureau works in, the reduction of unemployment is one and it gives training in collaboration with government technical and vocational institutions. The interviewee further said that the bureau supervises local and foreign employment agencies, though the foreign employment is temporarily blocked at the moment. He further said that the bureau administers Legetafo and Bole bulbula coble stone sites in which street children in working age group are trained and working.

This data reveals that the bureau manages employment agencies and has coble stone locations under its control.

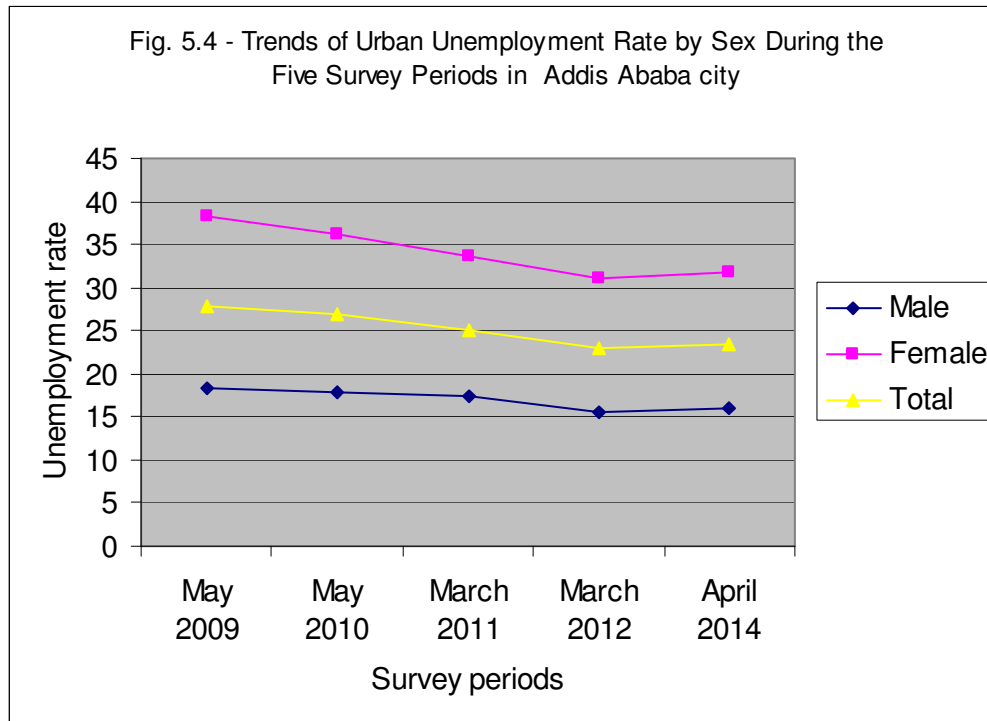
Based on the recent employment unemployment survey result depicted on table 5.6, the trend of unemployment rate in Addis Ababa has been declining from 2009 to 2012 but started to increase in 2014. The trend of female unemployment has reduced by 6.5% from the base year while male unemployment reduced by 2.5%. The reduction in female unemployment is faster but still the gender disparity is not changed; that means the rate of female unemployment was double that of male unemployment rate during the years from May 2009 to April 2014.

Table 5.6 Addis Ababa city unemployment rates (May 2009 – April 2014) by sex

Years Sex	Unemployment rates				
	May 2009	May 2010	March 2011	March 2012	April 2014
Male	18.4	17.9	17.3	15.6	15.9
Female	38.3	36.1	33.7	31.1	31.8
Total	27.9	26.9	25.1	23.0	23.5

Source: CSA employment unemployment survey, 2014

Fig. 5.4 depicts that female unemployment is oscillating between 30% and 40% while male unemployment is between 15% and 20% range for the last five years (May 2009 to April 2014).



Source: CSA employment unemployment survey, 2014

It is possible to derive from this data that the bureau has played a role in reducing unemployment by engaging employment agencies both local and foreign, and making use of cobble stone sites in coordination with NGOs. The gap here is expanding its collaboration with more NGOs including WISE and focus on reducing gender parity in unemployment.

C. AA City Social and Labor Affairs' bureau capacity utilization

The data collected through interview indicated that the bureau has been successful in meeting its planned objectives; however the interviewee did not provide the bureau's plan and achievement saying that it is not available at the time of the interview.

One can understand given the fact that it is a government agency; its operation is not influenced by policy changes and other political factors. But the resource limitation and setting objectives under the

available budget and human resources that could not impact the huge unemployment in the city needs to be worked on.

D. AA City Social and Labor Affairs' bureau cooperation with NGOs working in tackling unemployment

66.67% of the research participants responded that the government is not engaging stakeholders by way of facilitating and encouraging self-employment. The remaining 33.33% responded that the government does engage stakeholders by way of facilitating and encouraging self employment. This implies that there is a gap in engaging stakeholders by way of facilitating and encouraging them to contribute in the reduction of unemployment.

While responding to the question related to the methods the bureau uses to ensure engagement of stakeholders like Technical and Vocational Training Centers, Micro and Small Scale Enterprises, NGOs working in employment creation and others involved in tackling unemployment, equal percentages , 33.33%, of research participants responded that it ensures through joint planning, scheduled meetings and reporting but none of the respondents said there is no mechanism and the bureau is not responsible for ensuring engagement of stakeholders.

This data implies that mechanisms of joint planning to reduce unemployment is in place and follow up mechanisms of meetings and reports are in place.

The next question was about the list of stakeholders the bureau works with to alleviate unemployment in the city, all of the research participants mentioned these institutions: technical and vocational training centers, micro and small scale enterprises, Non-Governmental Organizations, employment agencies that work in connecting job seekers with employer. They further said that agencies are working with the bureau and the bureau supervises their work, give support on their weaknesses. While answering the follow up question to this which is the specific roles of each stakeholder involved in alleviating unemployment, all research participants responded that the role of technical and vocational training centers is capacitating unemployed urban dwellers by way of training them to fit to existing job in the market, small scale enterprises create job opportunities, organize unemployed urban citizens to work and have access to financial institutions, employment agencies connect job seekers with employers which serves as a labor broker.

It is possible to derive from this data that other actors/stakeholders are not listed exhaustively; we may infer the reason that may be because the bureau did not take proactive measure to engage with more stakeholders, NGOs and private sector at large.

The research participants unanimously responded “yes” for the question on the existence of an office coordinating efforts in the reduction of the current level of unemployment in Addis Ababa city. While responding to the follow up question of naming the institutions that coordinates this effort, all of the research participants said that it is the bureau of labor and social affairs plus Addis Ababa city government. The data collected through interview on cooperation and coordination of the bureau with other NGOs and business community reveals that the bureau has trained street children in collaboration with one local NGO called Elshadai Relief and Development Association and one company called MeDiTech (Ministry of Defense’s company) and organized them in micro enterprises and let them join the work force. The interviewee further said that the private employment agency called Agar security also collaborates with the bureau and hires unemployed urban dwellers as security guard. For the follow up question if they know about WISE, the interviewee said that he knows them but do not know much about their work and the bureau does not work with them.

It is possible to derive but can’t conclude from this data that the bureau is coordinating and collaborating with local NGOs and private companies in tackling unemployment. However, it needs to work more in terms of helping and collaborating with NGOs working in employment creation particularly with WISE and other similar NGOs working on female unemployed urban citizens. As indicated above female unemployment in the city is double when compared with their male counterparts.

The majority of the research participants, 66.67%, responded “yes” for the question if the development plan of the country put a planned output from NGOs in terms of employment creation while 33.33% did not answer the question.

E. Government’s role of managing and facilitating the operations of urban institutions

All research participants responded “yes” to the question related to the existence of an employment policy at national level as well as at Addis Ababa city level. While answering for the follow up

question related to the facilitation role of the policy in job creation and coordination of different stakeholders in job creation, 66.67% said that it does the remaining 33.33% responded to the contrary. While reviewing secondary data sources, it was uncovered that an employment policy was developed in 2009 but it is not yet approved by the government. Hence it is possible to say that there is no employment policy in the country.

66.67% of the research participants did not answer the question whether the government attracts more labor intensive investments into the city to create more jobs, the remaining 33.33% of the research participants responded “yes”. Among the research participants, those who answered “yes” were asked what the challenges the government is facing to scale the investment up and impact on the reduction of unemployment, they responded that the problem faced is most of unemployed people are unskilled, un educated, lack of huge labor intensive investment.

This data tells us that the non-existence of an employment policy that shapes the actions of stakeholders in unemployment reduction ,the low level of education and lack of skill among the unemployed urban dwellers, lack of labour intensive investments are challenges to the government.

All of the research participants responded “yes” for the question related to the existence of a coordinated employment creation plan in the city. While answering the follow up question of whether other public and private organizations as well as relevant NGOs involvement in the employment creation plan preparation and implementation, only 33.33% of them said “yes” while the rest 66.67% of the research participants did not answer the question.

66.67% of the research participants responded “yes” for the questionnaire on the city government’s awareness that employment opportunities come mainly from the private sector and attracting private investment involves competition with other cities and regions globally, the rest responded “no”. Those research participants who answered “yes” were asked a follow up question about the policies and actions taken to be more attractive than other cities in the region, they responded that the city government is working hard through announcing available resources, manpower, comfortable policy and work environment available in Addis Ababa.

This data neither supports the existence of coordinated employment plan nor its absence because the unanimity on its existence does not persist to mention the participation of stakeholders in planning and implementation. It is possible to drive from the data that the city government is aware of the competition for global investment funds to come to Ethiopia and particularly in Addis Ababa and it does promote its potential.

The research participants responded unanimously “yes” for the question on the government bureau’s negotiation with the private sector and NGOs to direct their investment in labor intensive projects and/or giving entrepreneurial trainings. Furthermore 66.67% of the research participants responded “yes” for the question related to the bureau’s facilitation of training to motivate self-employment.

This could be interpreted that the government bureau is fully engaged in negotiating and directing resources to labor intensive investments and training facilitation to motivate self-employment.

The research participants unanimously responded that the government has not done enough on creating employment opportunities. While responding the follow up question of why? They responded that what the government is doing towards reducing unemployment is visible but it is not in full capacity and budget towards alleviating unemployment because even labor market information system is not developed well technologically. On similar issue but from the private sector and NGOs perspective, 66.67% of the research participants responded that NGOs and business communities did not do all they could to alleviate unemployment. While the remaining 33.33% of the research participants believe that they do all what they could.

66.67% of the research participants responded that the government did not facilitate the level it should be while answering the question related to the government’s facilitation role for NGO’s to operate in their full capacity by way of revisiting policy obstacles that hinder their capacity utilization. While the remaining 33.33% said that it does the facilitation role at the required level.

This data tells us that the government’s effort in alleviate unemployment is visible but not in full capacity and budget so also the NGOs and the business communities contribution. The example of not having labor market info system could be considered as a gap. Furthermore government did not support NGO’s and other actors by facilitating/revisiting policy obstacles and providing support to exploit their capacity for the benefit of urban dwellers.

FINDINGS

- ◆ The bureau has human and budgetary resources limitation that hinder it from impact the huge unemployment in the city.
- ◆ The bureau has limitation in engaging with more NGOs and private companies in the employment creation.
- ◆ The decline in female unemployment rate in the city has been twice faster than male; but still female unemployment is twice higher than male unemployment.
- ◆ The government's effort in alleviate unemployment has been visible as it is the major player in creation of micro and small enterprises. But the effort has not been in full capacity and budget due to competing priority to other emphasis areas. Similar situation has been observed in the contribution of NGOs and business communities. This is mainly as a result of the less emphasis of government support to NGO's and other actors in facilitating/revisiting policy obstacles and providing support to exploit their capacity for the benefit of urban dwellers.
- ◆ The level of unemployment in Addis Ababa (23.53%) is higher when compared with other cities and towns in the country (20.67%).
- ◆ Gender disparity among female and male urban citizens is consistently significant during the period from May 2009 to April 2014 that calls for action.

5.2.3.2. The Organization of Women in self-employment (WISE)

The primary data was collected by having interviews with Income Generating Activities (IGA) Manager, and Monitoring and Evaluation Officer as well as through questionnaires collected from employees of the organization. Here below the data is analyzed and presented in line with the research question for which we are looking for answers.

A. Internal institutional resources Strength of the Organization

While responding the questionnaires related to the internal strength of WISE, the research participants unanimously responded that the Organization has sufficient human resources, financial resources and have developed efficient systems that capture success stories of self-employed female to scale it up. The response to the question related to whether the organization's process and procedures support its project implementations was unanimous that it efficiently supports programs and projects implementation.

The data collected through interviews reveal that WISE has financial limitations to expand its reach to more unemployed women and the government's NGOs regulation that requires 70% of funds to go directly to program and 30% to administrative costs is a challenge.

This implies that though WISE has internal financial and external policy challenges, it has strong other internal resources that could be capitalized and more female urban citizens could benefit from.

B. WISE's role in tackling unemployment

The current level of female unemployment in Addis Ababa, based on CSA's 2014 report is 31.8% out of the total economically active female urban dwellers. When we compare this rate with male unemployment rate of 15.9%, female unemployment is exactly double that of male unemployment rate.

The data collected through the interview reveals that 28,000 people benefited from WISE's intervention since 2010.

The researcher asked the interview participants on the way how WISE identifies the target beneficiaries and they said that since WISE operates in Addis Ababa only, its targets are locations with the highest level of poverty. To reach these target groups, they said that WISE approaches the sub-city with high level of poverty then the sub-city again selects the woreda with higher level of poverty. The selected woreda administration and Women & Children Affairs Office organize the target females into saving and credit cooperatives; in this process the individual females to be included in the association are selected by the help of Female Associations in the target woreda. The saving and credit cooperative gets legal personality/certificate, stamp and by-law at the sub-city level from Cooperatives Bureau.

The interviewees' further explained that WISE gives basic trading skills training then the members of the cooperative start or expand their business. When they save up to Birr 100, then they became eligible to take a loan of Birr 1,000 to be repaid back with small weekly repayments. Starting from 2014, WISE changed its strategy that first train them how to manage their business then the members look for the available financial sources and choose to be a member of WISE Saving and Credit

Cooperatives or take loan from other sources. If they choose to be WISE saving and credit cooperative they are supposed to save Birr 120 to get a loan of Birr 1,200. WISE provides life skills training (i.e. Health education), leadership training, health counseling, business counseling and business development service on demand. WISE Technical and Vocational Training center also provides basic housekeeping, IT and Embroidery (sewing) trainings. WISE operates in 7 sub-cities and 55 woredas in Addis Ababa which means it does not operate in 3 sub-cities i.e. Lideta, Bole and Arada sub-cities. In its 2015 strategic plan it has indicated that it will reach to these remaining sub-cities. WISE has established 59 cooperatives which means there are more than one cooperative in some of the woreda's.

The interviewees' further explained WISE's means and ways of experience sharing and competition among its members as follow:

- Experience sharing workshop – old and successful cooperatives share their experience to the new ones.
- Monthly newsletter entitled “Tariken Lawgachihu” literally translated to “Let me tell you my biography” - two real stories per month is published and shared. This helps one female to learn from another female about the challenges and successes. This newsletter is translated to English bi-annually and shared with donors.
- Competition – business idea and capital growth competition. Since 2008 G.C. this competition has been taking place every year. The winners of the business idea competition will get the prize, once she converted the idea into business and submit the business plan; then the prize money will be released for the purpose indicated on the business plan so also the capital growth competition winner.

It was further explained that WISE gives training to start/expand their business like trade, baking Injeral, clothing, small shops, taxi service etc...after taking the Basic Business Skills (BBS) training, they save money and then take loan without collateral and payback with a weekly repayment of 5 to 10 Birrs.

These data clearly shows that different governmental (Woreda level organizations and sub-city cooperative's bureau) and non-governmental organizations (Female associations) involvement in the selection of target group makes the screening process robust. Furthermore, the experience sharing and competition part is a glue that keeps the small business with WISE and educates new beneficiaries.

Given the considerable number of female unemployment, the data reveals that 260,816 women are unemployed in Addis Ababa, WISE has created employment opportunities to 28,000 women, this means it has served 10.74% unemployed women urban dwellers, the role of WISE is significant.

C. WISE's capacity utilization

While responding to the question if WISE expand its reach at full capacity to benefit women in destitute progressively year after year, the interviewees responded that it does expand its reach and has planned to reach all sub-cities in Addis Ababa by 2015 as now it operates only in 7 sub -cities.

This shows that WISE is planning to expand its operation to cover all parts of the city.

D. WISE's cooperation with other NGOs working in the employment creation

In response to the interview question related to the coordination of WISE with Addis Ababa city government organs and other organizations working in job creation, the interviewee responded "yes" and further explained that to replicate the work of WISE in other regions, WISE gives ToT training to other NGO's staff members and train their target groups directly. Though WISE works in Addis Ababa, it has reached all regions through partnership with other NGOs working in job creation. They further said that WISE works with Action Aid, SASAKAWA Global, Ghion Development, ILO etc. [see Annex VI] and get license for its Technical and Vocational Training Center from Education bureau, trainees sent to Cooperatives Bureaus for them to organize trainings in small & micro enterprises and get technical support like letting them know the principles, also gives auditing services to cooperatives.

80% of the research participants responded "yes" to the question related to the existence of financial and training institutions to support self-employment and work with WISE in Addis Ababa. 20% responded "No". Those research participants responded "yes" were asked to name the institution and they mentioned Danish Embassy, Union of WISE's SACCOs and TVTC.

The research participants unanimously responded "No" to the questionnaire related to the existence of a coordinated employment creation plan in the city.

60% of the research participants responded to the question related to naming the organization responsible for the coordination of efforts in the reduction of the current level of unemployment in

Addis Ababa city, saying that it is the responsibility of all stakeholders to ensure that entrepreneurs present in the level of Small Scale Enterprises (SSE). While the other 40% of the research participants did not answer the question

The response to the existence of favorable situation (legislative and supportive) to capacitate more urban citizens by way of increasing self-employment was unanimous. The research participants had also unanimity on their responses on WISE's plan and implementation of self-employment projects with other NGOs and government organs in Addis Ababa. While responding to the follow up question of naming the organizations WISE works with, they mentioned Tired community empowerment for change association, Good Samaritan, Meseret Humanitarian etc [see annex VI]; they further mentioned different government Offices like Cooperatives Bureaus, Sub-city and Woreda administrations, Women Children and Young Adolescent Offices etc.

40% of the research participants responded "yes" to the question related to the government's role of facilitation and coordination to avoid duplication of resources and effort in Addis Ababa. While the other 40% responded that the government did not do the facilitation and coordination role to avoid duplication of resources in an effort to create employment opportunities in Addis Ababa. The remaining 20% did not answer the question.

These data reveals that there is no coordinated employment creation plan and responsible organ for it in the city; however WISE coordinates its work with multiple NGOs and public organs. It is possible to conclude that there is gap in the coordination and facilitation of the actions of individual actors so as to avoid duplication of efforts and wastage of resources. Furthermore there needs to be a coordinated employment creation plan (central planning).

E. The challenges of tackling unemployment in AA

In response to the interview question on the existence of challenges WISE faced in expanding the employment creation effort, the interviewees responded saying that there are a number of challenges but the main ones are:

- a. Other NGOs give funds to the poor for free; this created dependency syndrome and changing this attitude needs hard work;

- b. The cooperatives are affected by the city's urban renewal and road construct resulted in displacement of members;
- c. Getting a market and production place is a real challenge;
- d. Funding problem – after training beneficiaries need money to engage in the self-employment but there is revolving fund shortage.

The research participants who completed the questionnaire responded to the question on the challenges NGOs are facing in dealing with employment creation by mentioning the following as main challenge:

- a. Shortage of finance, human resources etc;
- b. Dependence is the basic challenge for because some NGO's give free fund so this approach affects WISE to support unemployed women;
- c. Programme and admin cost which is proportion to 70% and 30%.

The data collected through interviews and questionnaires complement each other and indicated the policy issue of programme/admin cost proportion (70% and 30%), the negative effect of other NGOs intervention, funding and market.

F. Government's role of managing and facilitating the operations of urban institutions

80% of the research participants responded that there is an employment policy while the remaining 20% did not respond. While reviewing secondary sources, it was found that the National Employment Policy and Strategy of Ethiopia prepared in Nov 2009.⁹¹ The researcher explored to get the National Employment Council in which the policy requires it to be established and housed under the Ministry of Labor and Social Affairs; however, it was learnt that the Policy is not approved by the Government to date.

In response to the question to check if the city government engage all NGOs in the creation of employment by facilitating and creating enabling environment, 40% of the research participants responded "yes" and the other 40% responded "No"; the remaining 20% did not respond to the question. While answering the follow up question of what the government did in support of NGOs working in employment creation, 50% of the participants responded that the government provided enabling policy, provided land/market place, they indicated that some years back government was

91

<http://www.molsa.gov.et/English/EPro/Documents/National%20Employment%20Policy%20and%20Strategy%20of%20Ethiopia.pdf> accessed on 29 Dec 2014

providing market place to WISE target groups, and provision of trainings. The remaining 50% of the research participants did not answer the question.

In response to the question if the development plan of the country put a planned output from NGOs in terms of employment creation, 40% of the research participants responded “Yes” while 20% responded “No”. The remaining 40% did not respond the question.

The research participants responded to the question on “what policy should be formulated or, if it exists, revised to facilitate the intervention of NGOs in employment creation?” by saying a policy that guide the reduction of poverty, empowering women, policy that strengthen the government’s collaboration with NGOs working for employment creation and revise the new NGO law which requires 70% of their budget to go to their programme and the remaining 30% to administrative expenses.

This data reveals none existence of a national employment policy and the government’s role in facilitating employment creation by NGO’s is not significantly supported by the data so also the provision of contributions of NGOs to the GTP employment creation. It was also indicated that the government should strength its collaboration with NGOs and policies like NGO policy be revised.

FINDINGS

- ◆ WISE has internal financial and external policy challenges but is strong in terms of processes and procedures, human resources that could be capitalized and more female urban citizens could benefit from.
- ◆ WISE has robust screening mechanism of target groups as it involves different public institutions like Sub-city and Woreda level bureaus and non-governmental organizations like Female associations. Furthermore, the experience sharing and competition part is glue that keeps the small businesses with WISE and educates new target groups.
- ◆ Given the considerable number of female unemployment, the data reveals that 260,816 women are unemployed in Addis Ababa, WISE has created employment opportunities to 28,000 women, this means it has served 10.74% unemployed women urban dwellers, the role of WISE is significant.

- ◆ WISE coordinates its work with multiple NGOs and public organs. However the data reveals that there is no coordinated employment creation plan and responsible organ for the creation and implementation of coordinated employment plan in the city.
- ◆ WISE's Operation is challenged by:
 - Other NGOs give funds to the poor for free; this created dependency syndrome and changing this attitude has been a challenge to WISE's intervention;
 - The cooperatives are affected by the city's urban renewal and road construct resulted in displacement and scattering of members;
 - Getting a market and production place is a real challenge;
 - Funding problem – after training beneficiaries need money to engage in the self-employment but there is revolving fund shortage.
 - Government policy requiring Programme and admin cost to be in proportion of 70% and 30% respectively.
- ◆ There is no employment policy in Ethiopia and the government's role in facilitating employment creation by NGO's is not significant. The contributions of NGOs to the GTP employment creation are not articulated.

OVER ALL FINDINGS ON UNEMPLOYMENT IN ADDIS ABABA

- ◆ The organizations considered in this study i.e. WISE and SLAB, have budget constraints to operate to their full capacity. Especially, the NGO has policy challenges to operate to its full capacity and bring impact on unemployment of female urban dwellers;
- ◆ WISE has robust screening mechanism of target groups as it involves different public institutions and non-governmental organizations like Female Associations. Furthermore, the experience sharing and competition part is glue that keeps the small businesses with WISE and educates new target groups. The bureau has played a limited role in coordinating NGOs to tackle urban unemployment;
- ◆ Given the considerable number of female unemployment, the data reveals that 260,816 women are unemployed in Addis Ababa, WISE has created employment opportunities to 28,000 women, this means it has served 10.74% unemployed women urban dwellers, the role of WISE is significant.
- ◆ WISE is planning to expand its operation to cover all parts of Addis Ababa in 2015G.C.
- ◆ There is no coordinated employment creation plan and responsible organ for it in the city.

- ◆ WISE operations under multiple challenges of changing target groups attitude towards self-employment, displacement of members affects their sustainability, funding shortage, absence of market place and policy changes of program and Admin 70/30 budget proportion;
- ◆ There is no employment policy in Ethiopia and the government's role in facilitating employment creation by NGO's is not significant. The contributions of NGOs to the GTP employment creation are not articulated.
- ◆ The government's effort to alleviate unemployment is visible but not in full capacity and budget so also the NGOs and the business communities contribution. The example of not having labor market info system could be considered as a gap. Furthermore government did not support NGO's and other actors by facilitating/revisiting policy obstacles and providing support to exploit their capacity for the benefit of urban dwellers.
- ◆ The level of unemployment in Addis Ababa is significant as compared to other cities and towns in the country while the bureaus budgetary and human resources are limited to impact the huge unemployment.
- ◆ SLAB manages employment agencies (labor brokers).
- ◆ Gender disparity among female and male urban citizens is consistently significant during the period from May 2009 to April 2014 that calls for action.

Chapter Six

Conclusion and Recommendations

6.1. CONCLUSION

In recent years urban unemployment and shortage of affordable housing have been the chronic challenges of man kind all over the world. On one hand, employment opportunities go with the expansion of investment, which is mobile that seeks an environment with maximum security and return and on the other hand modern societies prefer to dwell in urban centers which make the supply of labor higher than the demand for it. Competing for the limited land, shelter, as well as limited employment opportunities at urban centers has been a challenge.

This global phenomenon is also a reality in Ethiopia and mainly in its capital, Addis Ababa. The built up area of the city is expanding rapidly without substantially impacting on the level of affordable housing shortage. Based on recent data, the level of unemployment is 23.53% of the economically active population of Addis Ababa. These problems have been keeping the urban citizens under clumsy improvement of their lives.

The action of individual institutions like government, private sector and CBOs are not in the same mindset and responsibilities. Recently the role of government has been redefined as an enabler, a coordinating agency able to work together with a variety of other institutions as oppose to its former role of pioneer of development, however the data reveals that there is no observable coordination role played by the government in both employment and housing. The research reveals that the government is considering the private real estates as institutions that chase money rather than a helping hand on the development of dwelling units.

The government has exhaustive urban housing supply strategic framework which decentralizes the housing production and empower different actors with different modalities of housing development. However, it is not implemented in its entirety and the implementing councils mentioned in it has not been put in place, owing to this its benefits are lost. Hence the government is doing very well in putting the policy in place but has limitations in its implementation that could increase the level of engagement of private sector and CSOs. It has also engaged in the supply of housing units which is

historically significant but does not impact the shortage substantially. The real estate companies also growing their share in the market but the limited and irregular supply of land and absence of finance has been a hurdle to their growth.

The faster growth of land lease price and the housing market is deterring the hope of low income society's and employed poors' access to affordable housing. Even the government's low cost housing is not accessible to this part of the society.

The potential to afford adequate housing could be generated through increasing incomes through more job opportunities and quality of jobs. The level of unemployment in Addis Ababa which is 23.53% is higher than other major cities and towns in the country which is 20.67%. To tackle this social evil in a meaning full way, calls for coordinated action of the private sector, NGOs and the government. The data reveals that the level of coordination and cooperation has not been at the required level given the size of the problem.

The NGO, WISE, has been contributing in the reduction of unemployment. 28,000 urban dwellers benefited from its intervention. However the coordination between the public institutions primarily responsible for the reduction of unemployment and WISE doesn't existent. The government's role in creating an enabling policy and regulatory environment has been weak.

Sunshine construction PLC has been supplying apartments and villas while the government housing project office provides low cost condominiums. Though both works in the supply of housing whichever class they serve, there is no coordination and cooperation among themselves. Moreover, there is no joint planning and monitoring the work.

All in all the absence of cooperation, joint planning and monitoring, resulted in loss of synergy that would have created more employment opportunities and housing.

6.2. RECOMMENDATION

There is no single panacea for all problems but a combination of elements may reduce the severity of the problem. The following are the bullet point recommendations to act upon the problems identified.

- ◆ Since there are financial or human resources in the private company and NGO that could be exploited, the government should take the lead in the coordination and encouraging the private sector to increase their engage in housing production and employment creation by way of putting mechanisms of joint planning and monitoring.
- ◆ The government should identify those real estate companies that have built confidence among their customers, and encourage them to increase there level of engagement;
- ◆ The government should evaluate the implementation of its housing supply strategic framework;
- ◆ The potential that could have been exploited and the synergies that could have been harnessed for the development of the housing sector have been lost. Given the fact that the government's engagement in directly supplying of housing units is until the time the market economy develops and the market functions well, the government has the duty to nourish and develop the private sector so that they can take over the housing supply at least in the long run. Moreover the potential of the private sector and other actors could be harnessed through the active engagement of the government in coordination and collaboration in the spirit that all are working primarily to solve the common problem of housing shortage in the city.
- ◆ The bureau has coordinated and collaborated with local NGO and private company in tackling unemployment. However, it needs to work more in terms of facilitating the work of NGOs and collaborating with them in employment creation particularly with WISE and other similar NGOs working with urban unemployed female.
- ◆ There is a gap in the coordination and facilitation effort of the actions of individual actors in employment creation. To avoid duplication of efforts and wastage of resources. It is recommended that the government should take the lead and coordinate individual actions.
- ◆ The organizations have specific processes and procedures and human resources that could be capitalized and more female urban citizens could benefit from. The bureau needs to engage with the city administration to get sufficient human and budgetary resources allocated to the bureau.
- ◆ The gap here is expanding its collaboration with more NGOs including WISE and focus on reducing gender parity in unemployment.
- ◆ The resource limitation and setting objectives under the available budget and human resources that could not impact the huge unemployment in the city needs to be worked on.

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Annex – I

Time frame

The research is planned to be carried out in the last quarters of the year 2014 and the basic steps of the study i.e. identification of the research problem, definition of the research problem, establishment of the research objectives, determination of the research design and identification of the information types and sources are taken care of in this proposal. Hence the Gantt chart reflects the weekly activities timeframe of the research to be conducted in the coming quarters of 2015.

S. No.	Activities to be performed	Weekly Schedule								
		1	2	3	4	5	6	7	8	9
1.	Problem identification	Done								
2.	Preparing research proposal	Done								
4.	In depth Literature review									
5.	Develop data collection instruments									
6.	Data collection									
7.	Data analysis									
8.	Research report writing									
9.	Submission									
10.	Presentation									

Annex - II

Project Cost

The total cost involved to conduct this research requires internet surfing, photocopying documents, secretarial services, telephone expenses, and also frequent travel to the respective data collection sites.

No.	Budget type	Measurement	Price/unit	Total
1	Stationery materials and secretarial service	Lump sum		500
2	Researchers' transport cost	Frequency of travel		500
3	Internet and printing			
	- Internet	30 hour	18 birr	540
	- Printing	250 pages	1 birr/ page	250
4	Telephone cost	Hour	Lump sum	200
5	Binding and putting in its final form	6 hard cover bindings	60birr/binding	360
	Total expense			2,350.00

Interview questions

Addis Ababa city housing construction project Office

- Do you think that the project Office has solved or can solve the housing shortage in Addis Ababa? If No, who do you think should solve it and how?
- Does the Project Office managed to complete projects in time or as it has planned? If No, what are the challenges faced your Office?
- Does the project office have sustainable source of finance? Does it equipped with the required HR and technology?
- Is there sufficient supply of land that could match with the housing demand in Addis Ababa city?
- Does your Office cooperate with the private real estate developers or companies? If yes, Why and how?
- What lessons have you learnt from your interaction with the private real estate developers?
- What does the policy environment, i.e. land lease policy, land use policy, property transfer policy, and taxes policy etc, looks like? Does it facilitate in the increasing of housing supply?
- What are the gaps, if any, that should be filled in your Office's relation with the Addis Ababa City Government and the Ministry of Construction and Urban Development?
- Does the city Government managed/supervised urban institutions working in the supply of housing in a way that exploits their potential to increase the supply of housing units?

Sunshine construction

- How do you see the housing shortage in Addis Ababa and your contribution to solve it?
- Does your company produce houses up to its full capacity? If No, why
- Does your company coordinate/cooperate with other private real estate companies & government agencies working in the real estate development sector? If yes, why and how?
- What lessons have you learnt from the interaction with other real estate developer both private and government?
- What are the challenges you are facing in the housing market, supply of housing production inputs and your relation with the City Government?
- Are there government regulations that facilitate or hinder your operations? If yes, could you mention them and indicate your proposal to change it.
- What does the policy environment, i.e. land lease policy, land use policy, property transfer policy, tax policy etc, look like? Does it facilitate in the increasing of housing supply?
- Does your company construct low cost housing units? If No, why, if yes is there capacity of urbanities to buy these low cost housing units?
- Does the city Government managed/supervised urban institutions working in the supply of housing in a way that exploits their potential to increase the supply of housing units?
- In line with the mission of Sunshine how do you improve the life of the destitute in terms of improving shanti/ghetto areas?

Addis Ababa city Social and Labour Affairs Office

- What is the current level of unemployment in Addis Ababa? Is it increasing or decreasing for the last five years?
- What does your bureau do to address this problem?
- Does your bureau coordinate with stakeholders (NGOs, the private sector, and academia) to increase the number of jobs to be created or self-employment opportunities created? If yes, how do you engage them
- How many jobs/self-employment Opportunities were planned to be created in Addis Ababa last year? Was that plan achieved? If No, What are the limiting factors that prevent you from achieving your target?
- What are the challenges you faced in tackling unemployment?
- Does the city Government managed/supervised urban institutions working in job creation/promoting self-employment in a way that exploits their potential to decrease the level of unemployment?

Women in self-employment

- What is the current level of female unemployment in Addis Ababa? Is it increasing or decreasing for the last five years?
- What does your Organization do to address this problem?
- Does your Office coordinate its function with the Addis Ababa city government and other organizations working in the same job creation? If yes, how does it coordinate?
- What are the challenges your Office faced in expanding the employment creation effort?
- Are there government regulations, policies and procedures that facilitated or hindered your operation? If yes, what are they and how they facilitate or hinder?
- What are the challenges you are facing in your organization to achieve your target?
- Does the city Government managed/supervised urban institutions working in job creation/promoting self-employment in a way that exploits their potential to decrease the level of unemployment?
- Does WISE expand its reach at full capacity? If yes, has it reached women in destitute progressively year after year.

Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management
Masters Program in Development Management

Research Topic: Managing Urban Institutions for Development

Specific objectives:

The specific objectives of this study are:

- To identify the individual actions of urban institutions with particular focus on the policy, plan, programme and practice of urban Government to ensure access to adequate housing and employment.
- To identify the level of engagement of all stakeholders in the reduction of unemployment and provision of housing;
- To look into the interaction among institutions operating for the same purpose in the two sectors i.e. housing and employment creation;
- To look into the challenges of unemployment and supply of affordable housing.
- To look into how government manages urban institutions through its policies and regulations and its level of enabling role.

Confidentiality:

Please be informed that data you furnish with will be safeguarded with strict confidentiality and you do not need to mention your name.

- What is the total number of real estate companies in Addis Ababa? out of which, how many of them are members of the association?
- What is the number of houses constructed by real estate companies since 2004 G.C.?
- As per the government's Urban Housing Supply Strategic Framework, the following councils should exist:
 - Federal housing development Council – it evaluate and directs housing development actors and it serves as learning forum for best practices and

challenges of housing development actors and among its responsibilities.
(refer page 167 & 168 (2) & (4))

- Stakeholders Council (this council takes the private sector as member of the council) (refer page 162 (6))
 - Are these councils exist? If yes, is the real estate association a member?
 - Are member companies benefited from these councils?
 - Kindly mention the main benefits gained from these councils.

- Which government policies do you think have been a hurdle to operate to the maximum capacity possible in housing production?

- What are the challenges the real estate developers are facing in dealing with housing shortage?

- What is the role of government in solving the most challenging factor and what it does so far to solve it?

- Do all real estate companies compete and cooperate in increasing the supply of housing units in Addis Ababa city?

- Do public and private real estate developers as well as relevant NGOs involve in the Addis Ababa city's housing construction planning?

- Is there coordination, among the private, NGOs and government agencies working on housing construction? _____
- Is there a government agency responsible for the coordination of all housing stakeholders? If yes could you please mention the name of the government agency?

- Does the government's development plan consider the private real estate developers as partners and defined outputs expected from them? If yes, could you please mention the number of houses expected from the private sector in each year.

- Given the fact that the deficit of housing units in Addis Ababa is 300,000 (according to Ministry of Works and Urban Development) in 2004 G.C. and the government constructed and transferred 108,482 housing units from 2005 G.C. to 2013 G.C., do you think that the government alone can solve this problem?

if No, what do you think the government should
do?_____

Addis Ababa University
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Greetings to all whom this questionnaire would appear! I would like to express my heartfelt appreciation in advance for the cooperation you have shown in completing this questionnaire sparing from your precious time.

Research Topic: Managing Urban Institutions for Development

General Objective:

The objective of this research is primarily the fulfillment of the Masters degree in Development Management. The other equally important objective is assessing the level of affordable housing and unemployment challenges facing urban dwellers and recommend possible ways of alleviating these social evils. To this effect the three indispensable and inter-linked institutions that impact on these problems, i.e. Relevant Government agencies, one of the business community organizations, and Local NGOs, will participate in this research.

Specific objectives:

The specific objectives of this study are:

1. To identify the individual actions of urban institutions with particular focus on the policy, plan, programme and practice of urban Government to ensure access to adequate housing and employment.
2. To identify the level of engagement of all stakeholders in the reduction of unemployment and provision of housing;
3. To look into the interaction among institutions operating for the same purpose in the two sectors i.e. housing and employment creation;
4. To look into the challenges of unemployment and supply of affordable housing.
5. To look into how government manages urban institutions through its policies and regulations and its level of enabling role.

General instruction

Please feel free to write your answers/feelings in Amharic if necessary. Tick (✓) in the appropriate space provided. Should the spaces are inadequate to accommodate your answers; you may use extra paper indicating the serial number of the question.

Confidentiality:

Please be informed that data you furnish with will be safeguarded with strict confidentiality and you do not need to mention your name.

I. General information

a. Your Name(Optional)_____

b. Educational level:

☐ Read and write but no formal education

☐ 12th grade not completed

☐ 12th grade completed

☐ Diploma

☐ Degree

☐ Masters

☐ Ph.D.

☐ Other, please specify_____

c. Age category

☐ 18 – 25 years old

☐ 25 – 35 years old

☐ 35 – 40 years old

☐ 40 – 45 years old

☐ Above 45 years old

d. Sex:

☐ Male

☐ Female

e. In which organization are you working?

☐ Sunshine Construction PLC

☐ WISE

☐ Housing Development Project Office

☐ Labor and Social affairs Bureau

f. Years of service in your current organization:

☐ Less than 3 years

☐ 3- 8 years

☐ 8-13 years

☐ 13- 18 years

☐ Above 18 years

Category of respondents					
1	Addis Ababa housing construction project Office	Go to page 2	3	Addis Ababa Labor and Social Affairs Bureau	Go to page 7
2	Sunshine Construction PLC	Go to page 5	4	WISE	Go to page 9

II. Housing related questionnaires

A. Addis Ababa Housing Construction Project Office

1. Does your Office have sufficient Human Resources to implement your plan? ☐ Yes ☐ No
2. Does your Office have sufficient Financial Resources to implement your plan? ☐ Yes ☐ No
3. Does your Office developed efficient housing project administration capacity? ☐ Yes ☐ No
4. Do you think that your organization's process and procedures are efficiently supporting your programmes and projects? ☐ Yes ☐ No
5. Is there a housing policy in Addis Ababa City?

☐ Yes ☐ No

If No, do you think we need one? ☐ Yes ☐ No

If yes, does you think it attract real estate developers to engage in low cost housing units supply at scale and government ensures its adherence by all concerned?

☐ Yes ☐ No

6. Do you think that the Government is using its policy instruments and incentives to bring different stakeholders on board in solving housing problem in Addis Ababa City?

☐ Yes ☐ No If No, go to question 9

7. Could you please explain about these conducive policy environments and incentives to the private real estate developers that help to increase the affordable housing supply_____

8. Could you please explain about the incentives the government should have been provided to bring all stakeholders (particularly existing local real estate developers and potential developers) together and direct their resources to low cost housing supply_____

9. Is there a coordinated housing construction plan in the city? ☐ Yes ☐ No

if No, go to question 12

10. Do public and private local real estate developers as well as relevant NGOs involve in the planning of housing production? ☐ Yes ☐ No
11. Is there a government agency responsible for the coordination of all housing producers and other stakeholders? ☐ Yes ☐ No
- If yes, could you please mention the name of the government agency _____
12. Why do you think the city government is engaged in the supply of housing rather than enabling the private sector (local real estate developers), relevant NGOs and the community at large to supply adequate housing?
- ☐ To make profit
- ☐ To solve housing shortage
- ☐ To compete with private real estate developers
- ☐ Any other reason, please specify _____
13. Given the fact that the deficit of housing units in Addis Ababa is 300,000 (according to Ministry of Works and Urban Development) in 2004 G.C. and the government constructed and transferred 108,482 housing units from 2005 G.C. to 2013 G.C., do you think that the government alone can solve this problem? ☐ Yes ☐ No if No, what do you think the government should do? _____
- _____
- _____
14. Do you think the government has empowered real estate developers to supply low cost housing? ☐ Yes ☐ No if No, go to questions 16
- If yes, how the government does empowered the real estate developers to engage in the production of low cost adequate housing? _____
- _____
- _____
15. Do you think that the government played the enabling role (coordinate and facilitate the efforts of different actors) at the expected level? ☐ Yes ☐ No
16. Kindly enumerate enabling situations to private local real estate developers in terms of input supply like land, finance etc in Addis Ababa city?
- _____
- _____
- _____
17. Kindly enumerate challenges faced by the private real estate developers in terms of input supply like land, finance etc in Addis Ababa city?
- _____

18. In addition to formulating and enforcing policies that facilitate development, does the Government negotiate with private real estate developers and concerned NGOs to harness their contribution to the country's development plan in increasing the supply of affordable housing units? ☐ Yes ☐ No if No, go to Q.20

19. Could you please enumerate the specific results achieved through negotiation and collaboration? _____

20. Are there specialized housing financing institutions in Addis Ababa? ☐ Yes ☐ No if, yes, please specify _____

21. Do existing financial institutions provide mortgage loans other than their own employees? ☐ Yes ☐ No if yes, please specify the institutions _____

22. Is the supply of land and capital adequate to encourage self-help housing? ☐ Yes ☐ No

23. Is the supply of housing inputs like land and capital determined by the market?

☐ Yes ☐ No if yes, go to question 29

24. What are the factors that determine the supply of land to the private sector?

- ☐ Price of land
 - ☐ Government plan
 - ☐ Availability of land
 - ☐ Any other reason, please specify _____
-

25. Does the government supply serviced land which is the critical input to housing, taking the low income society's right to affordable housing? ☐ Yes ☐ No

If yes, how does the government supply land to low income Addis Ababa city residents?

26. Does the government's development plan consider the private real estate developers as partners and defined outputs expected from them? ☐ Yes ☐ No

B. Sunshine Construction PLC

1. Does your Office have sufficient Human Resources to implement your plan? ☐ Yes ☐ No
2. Does your Office have sufficient Financial Resources to implement your plan? ☐ Yes ☐ No
3. Does your Office developed efficient housing project administration capacity? ☐ Yes ☐ No
4. Do you think that your organization's process and procedures are efficiently supporting your programmes and projects? ☐ Yes ☐ No
5. Is there a housing policy in Addis Ababa City?
☐ Yes ☐ No
If No, do you think we need one? ☐ Yes ☐ No

If yes, does it attract real estate developers to engage in low cost affordable housing units supply at scale and government ensures its adherence by all concerned? ☐ Yes ☐

6. Which government policies do you think have been a hurdle to operate to the maximum capacity possible in housing production in general and affordable housing in particular? _____

7. What are the challenges the real estate developers facing in dealing with housing shortage?
(please rate 01 to 05 as 01 – most challenging to 05 least challenging)

- ☐ The Supply of inputs – land
- ☐ The supply of inputs – Bank loans
- ☐ Government's land lease policy
- ☐ Low demand for the houses Constructed
- ☐ Any other reason, please specify _____

8. What is the role of government in solving the most challenging factor and what it does so far to solve it? _____

9. Are the private local real estate developers housing units affordable to low and middle income groups? ☐ Yes ☐ No if yes go to question 12

If No, why don't you produce affordable houses to low and middle income groups?

10. What incentives should be introduced to attract private real estate developers to the production of low cost affordable housing units at scale? _____

11. Do all real estate companies compete and cooperate in increasing the supply of housing units in Addis Ababa city?

☐ Yes ☐ No

12. Is there a coordination, among the private, NGO and government, housing construction plan in the city? ☐ Yes ☐ No if No, go to question 14

13. Do public and private real estate developers as well as relevant NGOs involve in the housing production planning? ☐ Yes ☐ No

14. Is there a government agency responsible for the coordination of all housing stakeholders?

☐ Yes ☐ No

If yes could you please mention the name of the government agency _____

15. Does the government's development plan consider the private real estate developers as partners and defined outputs expected from them? ☐ Yes ☐ No if No go to question 17

16. Does the government negotiate with private real estate companies to harness their contribution to the country's development plan in supplying low cost affordable housing units?

☐ Yes ☐ No

If yes, how did the negotiation with the Government contributed to the construction of housing units? _____

17. Given the fact that the deficit of housing units in Addis Ababa is 300,000 (according to Ministry of Works and Urban Development) in 2004 G.C. and the government constructed and transferred 108,482 housing units from 2005 G.C. to 2013 G.C., do you think that the government alone can solve this problem? ☐ Yes ☐ No if No, what do you think the government should do? _____

III. Employment related questionnaires

A. Addis Ababa Social and Labor Affairs Bureau

1. Does your Office have sufficient Human Resources to implement the bureau's plan?
☐ Yes ☐ No
2. Does your Office have sufficient budgetary resources to implement the bureau's plan?
☐ Yes ☐ No
3. Does your Office developed efficient system that captures the number of employment opportunities created and provided info for unemployed urbanites?
☐ Yes ☐ No
4. Do you think that your organization's process and procedures are efficiently supporting your programmes and projects implementation? ☐ Yes ☐ No
5. Is there an employment policy at national level as well as at Addis Ababa city level?
☐ Yes ☐ No if No, do you think we need one _____
6. Does the policy facilitate the creation of jobs and coordinate the actions of different stakeholders in job creation? ☐ Yes ☐ No
If yes, how does it facilitate and coordinate _____

7. Does the city government engage all stakeholders, like WISE, in reducing the level of unemployment by encouraging and facilitating self-employment? ☐ Yes ☐ No
8. How does the bureau ensure that all stakeholders like Technical and Vocational Training Centers, Micro and Small Scale enterprises, NGOs working in employment creation and others involved in tackling unemployment?
☐ Through joint planning
☐ Through scheduled meetings
☐ Through reporting
☐ There is no mechanism
☐ This Office is not responsible for this
☐ Other, please specify _____

9. Who are the stakeholders your organization is engaged with to alleviate unemployment in the City? Please list them
 - a. _____
 - b. _____
 - c. _____

- d. _____
- e. _____
- f. _____

10. What are the specific roles of each stakeholders involved in alleviating unemployment?

Kindly list

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____
- f. _____

11. Is there an Office coordinating efforts in the reduction of the current level of unemployment in Addis Ababa city? ☐ Yes ☐ No If yes, please specify the organization coordinating these efforts in the city _____

If No, Do you think we need one? ☐ Yes ☐ No

12. Does the development plan of the country put a planned output from NGOs in terms of employment creation? ☐ Yes ☐ No

13. Does the city government attract more labor intensive investments into the city to create more jobs? ☐ Yes ☐ No

If yes, what are the challenges the government is facing to scale the investment up and impact on the reduction of unemployment. _____

14. Is there a coordinated employment creation plan in the city? ☐ Yes ☐ No

if No, go to question 16

15. Do public and private organizations as well as relevant NGOs involve in the employment creation plan preparation and implementation? ☐ Yes ☐ No

16. Do you think the processes and procedures in your organization are supportive of private and NGO sectors to actively engage in employment creation? ☐ Yes ☐ No

17. Do you facilitate training to motivate self-employment? ☐ Yes ☐ No

18. Do you think the city government is aware that employment opportunities come mainly from the private sector and attracting foreign private investment involves competition with other cities and regions globally? ☐ Yes ☐ No if yes, what policies and actions taken to be more attractive than other cities in the region? _____

19. Does the government negotiated with the private sector and NGOs to direct their investment in labor intensive projects and/or give entrepreneurial trainings? ☐ Yes ☐ No

20. Do you think that the government has done enough on creating employment opportunities?

☐ Yes ☐ No if No, why? _____

21. Do you think that NGOs and business communities did all it could to alleviate unemployment? ☐ Yes ☐ No

22. Do you think that the government did facilitating role the level it should be?

. ☐ Yes ☐ No

23. How does your Bureau support job seekers/unemployed? _____

C. Women in self-employment (WiSE)

1. Does your Office have sufficient Human Resources to implement your plan? ☐ Yes ☐ No

2. Does your Office have sufficient Financial Resources to implement your plan? ☐ Yes ☐ No

3. Does your Office developed efficient system that captures success stories of self-employed female to scale it up? ☐ Yes ☐ No

4. Do you think that your organization's process and procedures are efficiently supporting your programmes and projects? ☐ Yes ☐ No

5. Is there an employment policy at national level as well as at Addis Ababa city level?

☐ Yes ☐ No If no, do you think we need one _____

6. Does the policy facilitate the creation of jobs and coordinate the actions of stakeholders?

. ☐ Yes ☐ No If yes, how does it facilitate and coordinate _____

7. Which government policies do you think have been a hurdle to operate to the maximum capacity possible and benefit more unemployed urbanites?

☐ Employment policy

☐ Housing policy

☐ Land use policy

☐ Education policy

☐

NGO's Policy

☐ Other, please specify

8. Does the city government engage all NGOs in the creation of employment by facilitating and creating enabling environment? ☐ Yes ☐ No if No go to question 10

9. What did the government do in support of NGOs working in employment creation in Addis Ababa City?

☐ Provision of enabling NGO policy

☐ Provision of land/market place

☐ Provision of trainings

☐ Another please specify _____

10. What are the challenges facing NGOs in dealing with employment creation? Kindly mention the main challenges _____

11. Is there a coordinated employment creation plan in the city? ☐ Yes ☐ No

If yes, did your organization involved in the planning process? ☐ Yes ☐ No

12. Which organization is responsible for coordinating efforts of different organizations/individuals in the reduction of the current level of unemployment in Addis Ababa city? _____

13. Is there favorable situation (legislative and supportive) to capacitate more urban citizens by way of increasing self-employment? ☐ Yes ☐ No

14. Is WISE plan and implement self-employment projects with other NGOs and government organs in Addis Ababa? ☐ Yes ☐ No if yes, please mention the organizations

15. Did the government do the facilitating and coordinating role to avoid duplication of resources in an effort to create employment opportunities in Addis Ababa? ☐ Yes ☐ No

16. Does the development plan of the country put a planned output from NGOs in terms of employment creation? ☐ Yes ☐ No

17. Is there particular problem being faced by WISE and other NGOs working in employment creation that hinder their capacity to reach to more beneficiaries? ☐ Yes ☐ No

18. Are there financial and training institutions to support self-employment and work with WISE in Addis Ababa? ☐ Yes ☐ No if yes, kindly mention these institutions_____

19. What policy do you think should be formulated or, if it exists, revised to facilitate the intervention of NGOs in employment creation? Please specify_____

Thank you!

-----END-----

Statement of Authentication

This thesis is the original work of mine and has not been accepted for the award of any other degree or diploma in any institutions and to the best of my knowledge and belief, this research contains no material previously published or written by another person, except where due reference has been made in the footnote of the thesis.

Declared by:

Name: Biruk Shiferaw

Signature: _____

Date: February 2015

Confirmed by Advisor:

Name: Jemal Abagissa (PhD)

Signature: _____

Date: February 2015

Place and date of submission: Department of Public Administration and Development Management, Master of Arts in Public Management and Policy (Development Stream).