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SCHOOL OF GRADUATE STUDIES
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DEVELOPMENT STUDIES (RLDS)**

**DECENTRALIZED GOVERNANCE AND SERVICE DELIVERY:
A CASE STUDY OF DIGELU AND TIJO WOREDA OF ARSI ZONE
IN OROMIA REGION**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE
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CHAPTER ONE

I. INTRODUCTION

1.1 Background

Currently there is a global trend towards entrenching decentralized governance systems. Since the late 1980s, decentralized form of governance is gaining currency as a strategy for political and economic development in developing countries. With changes in development theories and policy prescriptions, there has been a significant shift from mechanistic and top-down models towards more dynamic, bottom-up and participatory approaches through different reform measures including decentralization.

One of the factors that led to adopting decentralization has been the realization of the difficulty to manage a country's political, social and economic activities only from the center. The center has increasingly proved to possess neither the capacity nor the time to deal with all issues surrounding services and local development, which could be better handled at the local level. Therefore, most countries are experiencing some form of decentralization characterized by both differing and similar objectives. Among these objectives, delivery of basic services at the local level is one of the motives that propel the drive towards a decentralized governance system.

The system has been designed as a development strategy in a manner that development services are provided at local levels and instituted by transferring authority and responsibility as opposed to the conventional approaches of centralized service delivery (Abdul Aziz, 1996:13-16). In the processes of reforming the system, the transfer of some form of political power to local units of government was also accompanied by allocation of more substantial portions of the national budget to local authorities.

According to Bahatta (1998:3-4), the reform measures were also redefined by inspiring a reassessment of the meaning of governance in a society and were broadened in away that enhances positive interaction among different development actors from the 1990s. In this regard, donor agencies, NGOs, other sections of the civil society, and the private sector were considered as the main forces for facilitating local and grass root service delivery.

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Abstract

This study describes the performances and constraints of public service delivery in Digelu & Tijo woreda of Arsi Zone in Oromia Region. It assesses the performance in education, health, water supply, and rural roads sectors of the woreda, and compares the performances of these sectors between the periods before and after woreda decentralization. The study argues that properly institutionalized and functioning institution is decisive for efficient and responsive decentralized public service delivery. Qualitative and quantitative data that informed the study were collected from primary and secondary sources. Planning and performance reports, financial reports and manpower reports from secondary sources and interviews with representatives of selected public service institutions and community members were among the major sources of data. The findings of the study indicated the existence of better performance in education and rural roads sectors under the decentralization scheme. Minor differences have been observed in the health sector while there was no change in the performance of the water supply. Overall performance was found to be low, which makes it difficult to conclude that there is significant change contrary to the expectations hoped to be realized after decentralization. This is because of constraints in financial and human resources and weaknesses in coordination and participation characterizing different actors in the woreda. Low revenue generating capacity increased dependence on regional block grants thereby limiting financial resources available for public service delivery. Scarcity of manpower inhibited delivery of public services particularly in the front line offices. Lack of proper coordination and participation hindered proper identification of local needs and resulted in lack of fairness in budget allocation for providing different public services. Priority setting has been dominated by sector offices and cabinet decisions, which restricted utilization of local potentials in terms of participation and affected the efficiency and responsiveness of the study woreda. This confirms that availability of financial and human resources and smooth relations among different actors in terms of coordination and participation are crucial in public service delivery. The study also indicated that the decentralization scheme is not yet adequately supported by necessary institutional prerequisites. Decentralization increases the efficiency and responsiveness of public service providing agencies under properly institutionalized and functioning system.

At the same time, it was argued that the system would enhance the role of these actors in service delivery. By doing so, the system is believed to enlarge the scope for overcoming some of the major problems that undermined earlier development efforts by improving the prospects for sustaining development initiatives once they have been established. This belief is one of the motives that led to adopting decentralization as a strategy for political and economic development at the local level.

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

The foundation for decentralized form of governance in the country has been laid down by the 1995 Ethiopian Federal Constitution, which established national regional states and defined the powers of the federal and regional governments. It also made clear references and justification in favor of the decentralization process, pledging to grant adequate power to the lowest units of government. This is to enable the people to participate directly in the administration of their own affairs. The Constitution also gives power to the regions to promulgate their own constitution that have legal force in their respective areas of jurisdiction and empowers them to provide social and economic infrastructures in their respective constituencies. Accordingly, the prime responsibility for the delivery of basic services falls within the regional governments (Federal Democratic Republic of Ethiopia, Constitution 1995, Art. 50 & 52).

However, throughout the 1990s the initiative for decentralization has been limited to the regional level without any clear definition of the role of the lower tiers of government. It

is only from 2001 onwards that Ethiopia began to adopt a decentralized form of local governance characterized by devolution. Woreda/district decentralization has been initiated as one of the reform measures in the country underlining on poverty reduction. In the Ethiopian Sustainable Development and Poverty Reduction Program (MoFED, 2002b: 39), decentralization has been defined as one of the pillars of the Ethiopian poverty reduction strategy. It is stressed that the system of decentralization offers a framework for action and improved service delivery. In charging the regions with the responsibility of providing social services and carrying out poverty reduction programs, it is believed that decentralization brings about higher efficiency and better accountability in service delivery. It is also viewed as an effective way of bringing the decision-making process closer to the people, which enable the people to directly participate in their own development.

With this and other motives, decentralization has been instituted at *woreda* level in different regions of the country since 2001. The Oromia National Regional State, which is one of the major regions of the country, defined the duties and responsibilities of the *woredas* in the region in its revised regional constitution of 2001. In the constitution, the *woreda* administration has been given autonomy in expenditure prioritization when planning basic services. The *woredas* are empowered to deliver basic services such as agricultural extension, education, health, water supply, rural roads etc. within their respective jurisdictions (Oromia National Regional State Revised Constitution, 2001:Art.35-42). In accordance with this provision, different offices responsible for providing a range of services, including administrative and infrastructure services, were also deployed at local levels.

1.2 Problem Statement

Over the last few years, the debate on local governance has focused on how to increase the effectiveness of public policies in service delivery in general. This is because of the weak performance of past development approaches. Concentration of decision-making powers at central level resulted in delays in implementation of activities at local level. This is compounded by ineffective local institutions and lack of participation on the part

of beneficiaries. Such institutional problems together with other factors led to economic crisis and the taking shape of conflicts in different countries, which in turn, led to the necessity of decentralized approaches.

Ethiopia has been characterized by a centralized administration until 1991. Since 1991, a series of reform measures were introduced in the country to effectively institute a multi-faceted decentralized system. With the adoption of a decentralized approach, it was expected that the system would create local governments, which are more accountable to their constituencies aimed at enhancing self-reliance, democratic decision-making, and citizen participation. Provision of public services through decentralized institutions and participation of the population has also the advantage of matching local needs and priorities with required resources. With this and other objectives in mind, various reforms were introduced for promoting effective governance both at central and local levels. Ethiopia's Sustainable Development and Poverty Reduction Program (SDPRP) also has components of governance and decentralization as its building blocks. One key area of focus and attention of the Program is service delivery, which is one of the major objectives of *woreda* decentralization. In line with this, different public sector offices have also been instituted at *woreda* level with the objective of making *woredas* the center of socio-economic development. It was also to provide a basis for meaningful participation by the people in local development programs. This was mainly designed to be implemented through provision of primary education, primary health care, rural water supply, rural roads and agricultural extension. The focus given to these sectors and their delivery at local level is due to their main role in realizing national development objectives.

However, delivering basic services is still posing significant challenges. Basic service provision is at very low stage of development. The coverage of education, health, water supply, roads and other facilities is very low and the majority of the population face difficulties in having access to such services. Though gross enrollment increased in education sector, there are still challenges in addressing the problem. The Welfare Monitoring Survey Report (CSA,2004) shows that gross enrollment ratio at primary level

3. to examine the main constraints in service delivery in terms of coordination and participation among different actors
4. to examine financial and human resources made available in the *woreda* for public services and its constraints
5. to forward some recommendations, which policy makers and local development practitioners could make use of and contribute to improved decentralization policies and capacity building in meeting local development objectives.

1.4 Research Questions

The study seeks to pose and address the following research questions:

1. How and under what conditions does a decentralized governance system enhance service delivery?
2. Do the institutional arrangements that are put in place in terms of coordination and participation among different actors and, financial and human resources are functioning towards the provision of improved services?
3. What are the major capacity constraints affecting the performance of decentralized governance for effective service delivery?
4. To what extent the *woreda* is adjusting public services to local needs and priorities?
5. What are the opportunities and challenges emanating from the deepening of decentralization drive in view of service delivery?

1.5 Research Hypothesis

There are a number of prerequisites to be fulfilled to provide services with increased efficiency and responsiveness. It requires adequate financial and human resources, a well-coordinated, participatory and accountable decentralized institutional structure to provide services according to local preferences. The study hypothesizes that

1. Provision of services in the *woreda* is inefficient due to inadequate financial, human and logistical resources
2. Lack of effective coordination, accountability and participation among different actors is responsible for inefficient service delivery in the *woreda*

1.6 Methodology

According to Dawson (2002:211) and Kasley & Kumar (1988) methodology is a philosophy or general principle, which guides a study. Research methodology generally relies on qualitative and quantitative research. Qualitative research helps to undertake in-depth study through exploring attitudes, behaviors and experiences by using such methods or data collection instruments as key informant and focus group interviews through unstructured and semi-structured questionnaires. This provides information, which can best be described in words in describing situations, events, people, interactions and observed behaviors and etc. On the other hand quantitative research generates statistics and produces numerical data. It also involves large-scale survey research.

Qualitative research is a flexible approach and iterative that allows the widest possible exploration of views and behavior patterns. Therefore, it can be tailored to the needs of an issue under consideration by revising the interview as the study progresses and as new facts are brought to light to better understand the perceptions, priorities and the conditions and the process that affect stakeholders. In this way, it provides insights into the ways in which local institutions and communities perceive an intervention and how they are affected by it. Since it deals with subjective study, which deals with psychological aspects of human life, the use of the approach is essential to solve social problems (Kasley & Kumar, 1988:9-10).

Qualitative research is synonymous with a case study approach that views any social unit as a whole and has a lot of similar advantages. A case study mostly studies the subject matter qualitatively and covers all aspects of a single unit. It is an approach, which helps to conduct a study at personal, family, institutional or community levels. The approach enables to know how a unit of study is affected by the item being studied through observations of the unit in its setting, and through field interaction and information or data gathered about the unit.

The approach is both intensive and comprehensive in nature and allows deep and thorough study in exploring and analyzing the unit. Since it deals with various aspects of

the unit of study thoroughly, the subject matter or a problem is studied in all its dimensions and ramifications. It has the strength of dealing with a full variety of evidence from documents, interviews, and observations about the institutions, processes, programs, and decisions. This helps to know precisely the factors and causes of a particular phenomenon from the past to the present in which the researcher gains thorough knowledge about the subject of the study. It also explains and describes the unit, and tries to find the changes of actions and reactions or the range of deviations in the unit of study (Goode & Hatt, 1981:330-331; Ghosh, 2004:224-227). Decentralization is an approach, which is characterized by multifaceted purposes involving all actors at public institutions and community level. Public service delivery also involves all these actors. In view of this, the study has been guided by qualitative and case study approach.

1.6.1 Selection and Sampling Technique

The selection of the specific *woreda* as a case study is justified on the basis of the above arguments. A survey of more *woredas* limits making thorough study and analysis of the subject. Furthermore, as there are a lot of *woredas* in the country, there are also a lot of variations between them both in terms of opportunities and constraints. The process and pace of decentralization in the country also varies among regions and *woredas*, which will make the study more complex and intricate. Conducting a study that represents more *woredas* also requires more time and resource. The researcher has also been informed through preliminary assessments that the *woreda* has better performance that will be a valuable experience if supported by this study.

The study population includes public institutions at the *woreda* level that include different public sector offices and the *woreda* Council along with their respective employees, and the *woreda* community that inhabits the 26 *kebeles*/lower administrative units. From the point of view of the subject under study, the whole group is the target of the study because decentralization is both a policy and development issue, which in one way or the other affects the whole sections of the *woreda* population. However, given the large broad category of population that the study comprises, it is ideal to find a complete list or sample frame in one and it is also impractical and time-consuming to compile an

exhaustive list of elements comprising the target population. It is also impossible to include all elements of the groups in the study.

Therefore, the study was based on purposive sampling technique. Four public institutions that have more relevance to the study due to their nature in providing public services have been selected purposively. These include education, health, water supply and rural roads. Related institutions whose working relations and position is vital to the performances of the selected public services were also contacted for the purpose of collecting related data. These are *woreda* Administration Office, Finance and Economic Development Office, Community organization office, Capacity Building office and Agriculture Office. At *kebele* level, *kebeles* were used as a cluster and among these 15 *kebeles* were selected purposively due to their proximity and accessibility and consideration for the existence of the selected public service branches (schools and health units).

On the basis of this selection key informants were approached from each institutions. Officials and experts at *woreda* offices, employees of selected public sectors at *kebele* level, *kebele* administrators, and community members whose experience in the *woreda* and recent position is pertinent to the study were selected. Efforts were made to include village elders and knowledgeable individuals and members of water supply committee among community members. On the basis of this selection, the sample size was 76 and this was taken as sufficient for the study.

1.6.2 Methods of Data Collection and Nature of Data

The methods or tools employed in collecting data were both qualitative and quantitative from both primary and secondary sources. Primary data was collected through key informant interviews and focus group discussions. Secondary data was collected from both published and unpublished sources.

1.6.2.1 Primary Data

In collecting primary data interview guide was administered on key informants and focus groups by using semi-structured questionnaires. Two focus group discussions were held one with community members and the other with concerned public service experts. Focus group discussions help in clarifying the information or data collected during key informant interviews. Accordingly focus group discussion was conducted towards the end of the fieldwork to clarify the data collected and to get the general perception of the respondents at institutions and community level.

1.6.2.2 Secondary Data

Secondary data was collected from published and unpublished materials, which are available in the form of books, journal articles, proclamations, policy briefs, federal and regional constitutions, laws, regulations, organizational structures, performance reports and pertinent academic theses. Particularly data pertaining to fiscal and budget reports, manpower reports as well public service planning and implementation reports, periodic and statistical reports which have been crucial for analyzing and presenting of the findings were collected from federal, regional and the study *woreda* institutions. Indicators used at national level were employed particularly in collecting performance data.

1.6.3 Data Analysis

The analysis of the study is descriptive that combines both qualitative and quantitative data. Data collected in qualitative and quantitative forms were first organized in view of the problems identified by the respondents and the performances of the selected public services and analyzed by using simple averages and percentages.

Data generated in the form of planning and performance, and revenue were categorized into the periods before decentralization and after decentralization to allow comparison of the two periods. For education four years data before decentralization and four years data after decentralization was compared. For health three years data before decentralization and three years data after decentralization was compared. For water supply the trend in

coverage before and after was compared. For rural roads due to limitations of data before decentralization the analysis was based on data generated after decentralization.

1.7 Significance of the Study

Decentralized governance is now recognized as a key pre-requisite for facilitating sustainable development and promoting good governance. It is therefore crucial that policy-makers, scholars and practitioners and other stakeholders in Ethiopia should advance their understanding/appreciation of issues relating to local government and decentralization. The study could also help in forging consensus on how these concepts and principles might be best applied in the country. Few studies have been conducted in changes or improvements in public service delivery with regard to the performance of decentralization. In this case also it is hoped that the study will contribute to the existing body of knowledge relating to decentralization in general and decentralization in Ethiopia in particular.

According to the recent arrangement, *woredas* are given fiscal and administrative powers to manage development activities in areas under their jurisdiction. However, to date there are very limited studies conducted in a comprehensive manner on the extent of performance of public service delivery at local levels. This study is an attempt to fill such gap in its area of focus.

1.8 Limitations of the Study

The concept of decentralization is multifaceted and some-times vague. Therefore, it is difficult to grasp the real meaning of the concept in its entirety. Measuring the performance of decentralization is difficult since there is no universally agreed upon measurement criteria. There are no clearly defined indicators against which its performance could be measured. The performance of decentralization can also be influenced by different factors, which makes it difficult to conclude that decentralization is the only factor responsible for all performances. For example population growth affects the performance of education sector in terms of gross enrollment. In health sector also prevalence of disease or epidemic can affect the level of performance. There are also

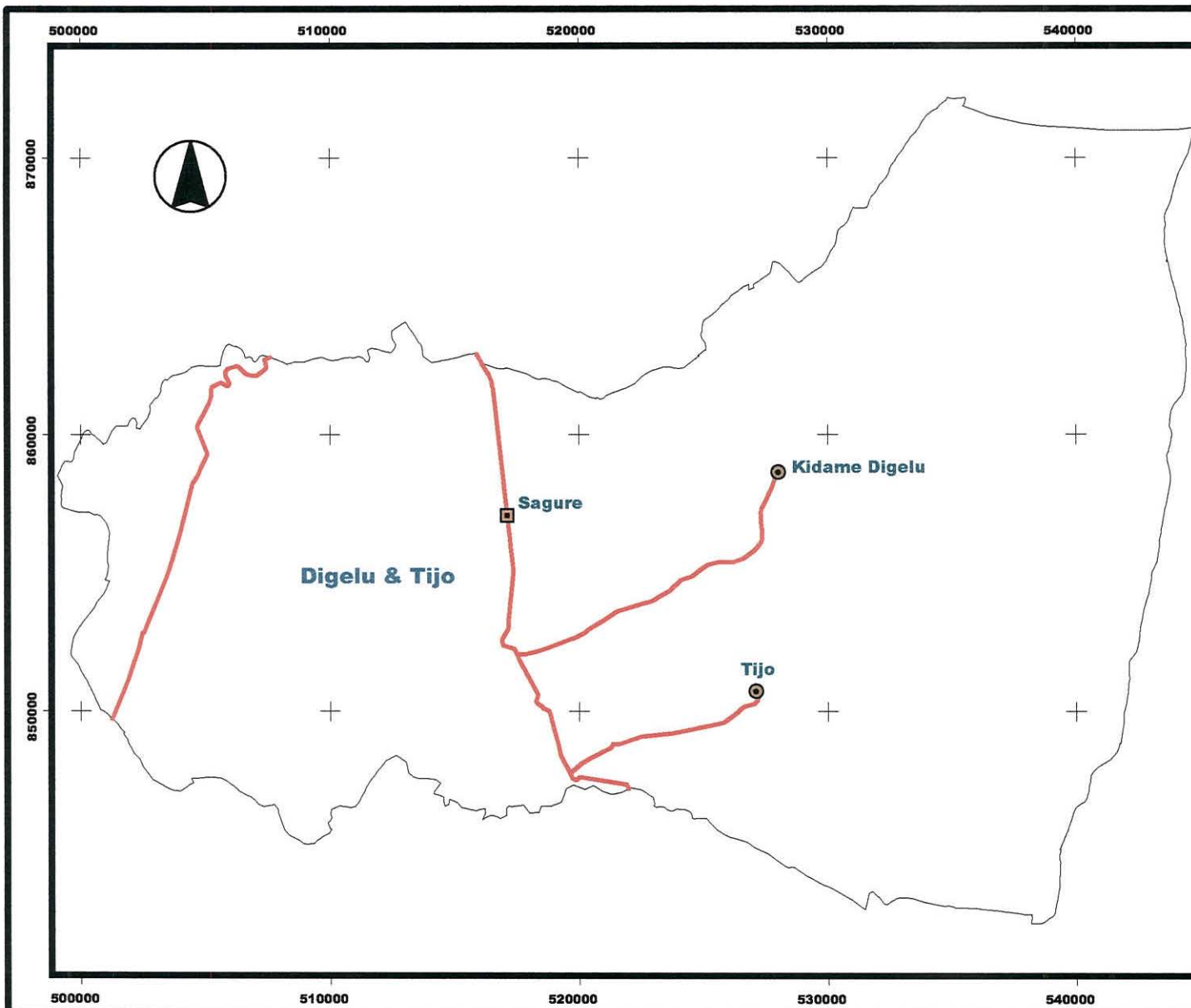
information constraints to fully assess the performance of decentralization as data collection and analysis are poorly developed not only at *woreda* level but also both at regional and federal levels. At the same time decentralization is an ongoing process and it is difficult to get or collect all sorts of information and make an all-embracing and conclusive generalization.

1.9 Study Location

The area selected for this study is Digelu & Tijo *Woreda*. The *woreda* is one of the *woredas* of Arsi zone in Oromia region. It is found in the southwestern part of the zone and shared boundary line with 6 *woreds* in the Zone. The total area of the *woreda* is 927km² and it has 26 *kebeles* from which 4 administrative units are urban towns. The capital of the *woreda* is Sagure Town, which is located at 194 km from Addis Ababa and 24 km from the zonal capital Asella.

High mountains and vast plains characterize the topography of the *woreda* with altitude ranging from 2500masl to 3560masl. Agro-climatically it is divided into two zones namely highlands (78%) and mid-altitude (22%). There are perennial rivers some of which are in use for traditional and modern irrigation. The annual rainfall ranges from 800mm- 1200mm and the annual temperature is from 10⁰c to 20⁰c.





According to the 1994 Population and Housing Census by the Central Statistical Authority, the *woreda* population is estimated to be 125,956 among which about 91.6% live in rural areas. Agriculture is the major source of livelihood and cash income for the rural population and the dominant sector to generate employment opportunity in the *woreda* (Arsi Zone FEDD, 2004). During the period of this study, there were: 5 kindergartens, 13 first cycle, 20 second cycle and 1 secondary schools, 1 health center, 3 health stations and 3 health posts, 4 animal clinics, and about 10 Farmers Training Centers. There are 11 water supply schemes. The *woreda* has a total of 230 km all-weather road and one postal service, and electricity supply in the *woreda* capital. Telephone service is available in most of the *kebeles* with 1 line mostly at *kebele* administration offices.



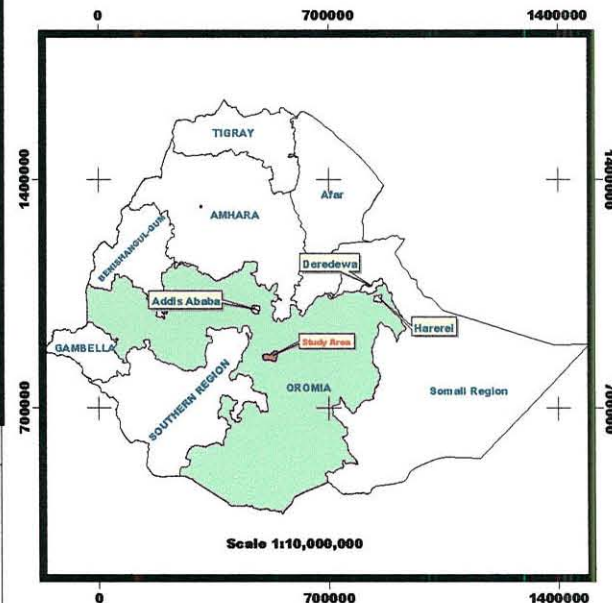
Location Map of the Study Area

Legend

Town

-  Wereda Capital
-  Other Towns
-  Road
-  Boundary

Scale 1:250,000



Scale 1:10,000,000

1.10 Organization of the Study

With the above introduction as the first part, the organization of the remaining parts of the study is as follows. Chapter two deals with literature review in which some of the major concepts in the study such as service delivery, governance and decentralization are clarified and service delivery arrangements or models and benefits of decentralization are assessed in view of public service delivery at local level. The third chapter gives an overview of the processes of decentralization and service delivery in Ethiopia with focus on legal frameworks and institutional arrangements. The fourth chapter is the main body of the study in which the functioning of the decentralized governance system has been assessed and the major findings are discussed and analyzed. The final chapter is the conclusion part, which summarizes the findings of the study from the observation of the researcher in view of improved institutionalization and entrenchment of effective form of governance for providing better services on the part of local governments.

has shown improvement. The ratio increased from 37.4 percent in 1996 to 74.2 percent in 2004. The number of dropouts has declined from 18.5 to 13.6 percent during the same period but the report indicates that there are still challenges in meeting the required number of classrooms, teachers and textbooks. According to the report the major problem in the health sector is supply of health personnel and drugs. It is also indicated that vaccination coverage for children under five years is below 60 percent. In terms of water supply also 64 percent of the population are reported as using unclean drinking water. This problem is more severe in rural areas in the sense that 74.5 percent of the rural population has no access to clean water. The report of the Ministry of Water Resources (June 2005) also shows that only 35 percent of the rural population has access to clean drinking water while the coverage in urban areas is 82 percent. In terms of access to road the Welfare Monitoring Survey indicates that around 58 percent of rural households travel five or more kilometers to reach the nearest all weather road. These are reflections of the problem in public service delivery at local levels.

Poverty in Ethiopia is still among the highest and the country is one of the poorest in the world. According to Human Development Report (2005) Ethiopia ranks 170th from 177 countries surveyed. On the other hand, population growth is expanding at an alarming rate thereby making the challenges faced in service delivery more complex. The report shows that from the total population of 73.8 million 44.2 percent live below the poverty line. Most of the rural population in Ethiopia lives in extreme poverty though the poverty situation in urban areas is also growing over time. According to MoFED (2002a), the number of people living below poverty line in the rural areas is 45% while in urban areas it is 37%. Owing to this, the situation in rural Ethiopia merits focus and attention as regards service delivery in the drive towards poverty reduction.

Despite government efforts to improve service delivery through decentralized approach, there are still different challenges standing as inhibiting factors to the performance of *woreda* administrations. Several reasons could account for the ineffectiveness and inefficiency of local governments in general. Different writers have discussed these problems at different times. Among these Abdul Aziz (1996: 146) argues that

the extent to which the fruits of decentralized governance in service delivery are realized depends upon the nature of the politico-administrative institutions created, the extent of functional and financial autonomy enjoyed by local governments, the pattern of power distribution among different interest groups in rural society, and people's perception about decentralized governance.

Golola, (2003:254) also argues that an important impediment to decentralization is lack of financial and human resources. Local governments find it difficult to raise enough revenue and therefore are unable to hire able administrative and other officials to manage performances. Meheret, (1998:7) also states that the problem of decentralized government is exacerbated by limited financial resources and inadequate manpower capacity. Tegegne and Kassahun (2004:45), when referring to the performances of decentralization in Tigray, Amhara, Oromia and Southern Nations and Nationalities mentioned that financial problems, lack of skilled manpower, lack of participation, and absence of locally adopted system for planning and budgeting are among the constraints challenging the performances of *woreda* decentralization in these regions. These and related views are raised on the performance of *woreda* decentralization in Ethiopia. Therefore, as regards efforts aimed at improving local service delivery at *woreda* level, different and similar reasons could be mentioned as inhibiting factors.

Inadequate financial and other resources at local levels, problem of coordination and accountability, and inadequate participation of the majority of the population in the making of decisions that concern their livelihood are some of the manifestations of prevalent problems. These problems predominantly stand as inhibiting factors in service delivery and constrained *woreda* administrations to respond to local needs and priorities within their constituencies. Some lack capacity for implementation and sustaining the program. Others may not be sure of the role of decentralized governance in service delivery and may be still following the traditional way of delivering services. Therefore, a review and analysis of the trend whether the institutional environment in which service delivery takes place is changing depends on the interplay of the various forces of change

that are at work. In view of this the study assess the performance of public service delivery and the major constraints inhibiting delivery of public services in relation to local preferences and priorities in the study *woreda*.

1.3 Objectives of the Study

This study is concerned with public sector service delivery through decentralized governance at *woreda* level. The study attempts to look at the performance of the Digelu & Tijo *woreda* in terms of service delivery whether the existing decentralized governance system is enhancing the state of service delivery at local level. Since local authorities are neither authorized to provide all services nor have the capacity to provide all services, the focus of the study will be on those basic public services delivered by public sector offices within the scope of the authority and responsibilities of *woreda* administrations. This includes selected public sector services (education, health, water supply and rural roads) among others.

1.3.1 General Objectives

The general objective of the study is to examine the performance of decentralized governance on local service delivery as regards local needs and priorities and its constraints. This is undertaken by assessing the performances of selected public services and the institutional arrangements thereof. Hence, the study will examine the effectiveness of decentralized service delivery by assessing the practice of decentralization in terms of the performances of selected public services. This will provide an opportunity to review selected aspects of decentralization process in the country especially its effects on delivery of key social services

1.3.2 Specific Objectives

The specific objectives of the study are

1. to assess the performance of service delivery in terms of the outcomes of selected public services
2. to assess the performance of service delivery in terms of its responsiveness to local needs and priorities

CHAPTER TWO

II. LITERATURE REVIEW

The review of literature will try to assess pertinent conceptual issues and theories that are relevant to the major theme of the study.

2.1 Conceptual Issues

Definition of the main terms and concepts, which are used in the study, is useful in ensuring clarity. This section attempts to provide such definitions. Special attention is given to explaining the relationship of the pertinent concepts mainly the correlation among service delivery, governance and decentralization.

2.1.1 Service Delivery

It is difficult to give a precise definition of services. Services are extraordinary heterogeneous and there is no clear boundary to demarcate goods from services. Some times both terms are also used interchangeably. In most of the literature goods or services are divided into public goods and private goods and defined accordingly. Private goods or services are goods or services if consumed by an individual are not available for other individual. In this case goods and services are provided through market and access to them is determined by individual dispositions and market conditions. Most services also combine the features of public and private goods because its production, provision and financing may be undertaken jointly. Such goods are either financed by the state and provided privately or financed privately through user charges and provided by state (Streeten, 1995:247-8).

Public goods are goods whose possession by one member of the public does not prevent its possession by others. According to Barlow (1981:81-2), public goods are goods which are if available to one, should be equally available to all and when consumed by one, are still available in the same amount to others. Therefore, the consumption of public goods or services is open to all people and difficult to prohibit an individual from consuming it. Particularly in developing countries where the provision of goods and services is mainly

based on public provision, it is difficult to divide and price public goods (Bailey, 1999:48).

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

In general, services are acknowledged as constituting a category of public goods used for human consumption. The category broadly includes business or manufacturing business and public sectors, which again could be categorized into physical infrastructure, social infrastructure and entrepreneurial infrastructure. In the case of developing countries physical and social infrastructures like education, health, water supply, roads etc. are mostly provided by government agencies while entrepreneurial infrastructure is provided by the private sector. The government also plays the role of creating suitable environment for the private sector. Therefore, by and large, services are related with sectoral development issues, which are provided by different agencies and defined as access to basic developmental goods or services available to citizens and contributes to human needs or development. In varying degrees, basic public sector services like water supply and sanitation, housing or shelter, primary healthcare, education and roads are largely

provided at local level. In this study, service refers to public goods or basic public sector services such as education, health water supply, rural road and etc the provision of which are under the jurisdiction of the Woreda administration.

2.1.2 Governance

Governance is an emerging field in development discourse that is gaining significance since the 1980s. It is a broad and an elusive concept. According to Doornbos (2000:70) the concept has its roots to the early democratic political theory concerned with state-society relations. In that context, governance denotes how people are ruled, and how the affairs of a state are administered and regulated. This refers to a nation's political system and how it functions in relation to public administration and law. Though the concept was originally used as a legalistic concept it has acquired a political dimension and oriented towards the way political system is organized and how it is handled. However the concept has not been extensively used, as is the case at present. The governance issue has evolved from the 1990s following the first and second generations of reforms that emphasized stabilization and structural adjustments respectively in the 1980s(Rasheed and Luke, 1995:203;Kayizzi-Mugerwa, 2003:15).

Recently, the concept of governance included a new set of institutional arrangements and new sets of practices challenging the traditional understanding of government). It includes social, political and economic dimensions operating at the level of village, municipality, nation, region or the world at large (Miller, 2000:18). This is clearly indicated in Kayizzi-Mugerwa, (2003:16), who defined governance as "the science of government behavior and performance, including the exercise of economic, political and administrative authority to manage a country's affairs at all levels." Hyden, (1992:25) also gives emphasis to the role of governance in relation to politics and the conditions for its improvement. Therefore, generally the concept of governance could be expressed as a manner in which authority is organized and exercised in the management of a country's or society's affairs and resources.

With this view a detail definition of the concept is given by the United Nations Development Program (UNDP, 2000:26) as

the set of values, policies and institutions by which a society manages its economic, political and social affairs through interactions among the government, civil society and the private sector. It is the way a society makes and implements decisions achieving mutual understanding, agreement and action. It comprises the mechanisms and processes for citizens and groups to articulate their interest, mediate their differences and exercise their legal rights and obligations. It is rules, institutions and practices that set limits and provide incentives for individuals, organizations, and firms.

Similarly, Bahatta, (1998:186) and Olowu, (2000:5-6) define governance as comprising the institutions, actors, processes and traditions, regulations and laws which determine how power is exercised, how decisions are taken and how citizens have their say on matters affecting them and in ensuring effective delivery of public services. Thus, governance is not the sole concern of state and society alone but it also includes the mode and manner of instituting a government, how all stakeholders participate in decision-making including decision on service delivery and the level of participation, and the legitimacy of officials and institutions. It is the way a society organizes itself to make and implement decisions through mutual understanding, agreement and action (Goss, 2001:11;Tegegne & Kassahun, 2004:37).

Hence, governance encompasses the functioning of organizational structures and activities of central government and local authorities as well as the institutions, organizations, and individuals that comprise civil society and the private sector, which in one way or the other participate and influence local service delivery. It involves the broad representation of beneficiaries/stakeholders to ensure holistic consideration to the economic, social, political and cultural factors affecting the life of the people (Abdul Aziz, 1996:14;Kayizzi-Mugerwa, 2003:16).

Currently, the major international donors and the World Bank argue that the persistence of poverty in most developing countries has its origins in problems of governance rather than in an inadequacy of resources (Bhatta, 1998:3-6;Doornbos, 2000:70-71;Kayizzi-Mugerwa, 2003:19-25). The argument associates weak governance in states with lack of developmental vision and commitment to put visions into policies and programs. It is further argued that such states also lack administrative, technical and political capacity, to mobilize support within civil society. On the other hand, good governance presupposes the existence of effective domestic institutions marked by efficiency, participation, accountability, transparency, the rule of law, and political pluralism and where service delivery is enhanced by increased public sector efficiency. The nature of institutions and the existence of such features depend on the existence of the governance realm and the nature of the political system. Recently these features, or attributes of governance are considered to prevail under decentralized governance systems (Doornbos, 2000:189-191;Kayizzi-Mugerwa, 2003:17). In this study, therefore, decentralized governance is understood as a mode of governance and as a system characterized by efficient, effective and responsive institutions in the performance of public service delivery

2.1.3 Decentralization

The concept of decentralization is not easily defined. It is a very complex phenomenon, which takes many forms and has several dimensions. There could be one or more variants of decentralization in different countries and even within one country and within a sector. It means different things to different people. Various writers including political scientists and economists have defined it in different ways. Furthermore, the motives for which it is sought and the way it is designed and implemented in different countries also determines its meaning since it is defined in that context. This added to the complexity of the concept and surrounded it by ambiguity. Though it is difficult to give definite meaning of the concept (Walsh, 1969:157; Turner & Hulme, 1997:152) it is possible to refer to the following definition, which is widely accepted.

In general, decentralization refers to the transfer of authority and responsibility for public functions from the central to subordinate or quasi-independent government organizations

and the private sector. Tegegne & Kassahun (2004:36) defined decentralization as the transfer of legal and political authority from a central government and its affiliates to sub-national units of government in the process of making decisions and managing public functions. In view of service delivery, Turner & Hulme (1997:152) defines decentralization as a transfer of authority to provide some services to the public from an individual or agency in central government to some other individual or agency, which is closer to the public to be served. These two definitions show that decentralization refers to the transfer of authority for decision-making, managing and provisioning of services to lower unit of government or agency. The most comprehensive definition of decentralization is given by Rondinelli, (1989:137) who defines decentralization as:

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

This definition encompasses the concept of transfer and delegation, which characterize the different forms of decentralization. Therefore, the concept is more specifically defined in the context of its different dimensions and forms within the level of authority exercised and responsibilities given to agency in charge of some kind of decentralized function or service (Barlow, 1981:84-91; Turner & Hulme, 1997:152-155).

2.1.3.1 Types/Dimensions of Decentralization

Functionally, decentralization is divided into different dimensions, which are often included in the discussions on decentralization (Turner & Hulme, 1997:158). These include: administrative, political, fiscal and Divestment or market decentralization. Political decentralization refers to the decentralization of political power and authority to sub-national or local levels where elected and empowered sub-national government units exist (Martinussen, 1997:210). Fiscal decentralization involves the reallocation of resources or transfer of resource decisions to local governments to allow them to

undertake their function properly. The allocation or transfer of resource decision usually depends on factors such as interregional equity, availability of central and local resources and local fiscal management capacity. The purpose of administrative decentralization is to transfer decision-making authority and responsibilities for delivery of services by lower level government agencies, field offices, or line agencies. Divestment or market decentralization refers to decentralization of government services to private organizations or firms (Matinussen, 1997:210-211; Turner & Hulme, 1997:152-154; Walsh, 1969:154-158; Meheret, 1998:2).

Since recently, institutional decentralization has been added to these dimensions owing to the gaining importance by institutions. Institutional decentralization refers to the creation of politico-administrative organizations, especially at the sub-national level. It is concerned with how decentralized institutions are constituted with development of appropriate legal frameworks that define the relationship between different decentralized agencies and other organizations. The objective of institutional decentralization is to clarify responsibilities of decentralized institutions so that accountability is fixed and political interference from the center is minimized. It is also aimed at promoting vertical decentralization of power and local governance by expanding the autonomy of key institutions involved in socio-economic processes at local level (Chikulo, 1998:95-97).

2.1.3.2 Forms of Decentralization

There are different forms of decentralization, which appear commonly in most of the literature on the subject. These forms include deconcentration, delegation and devolution, which differ in their implications for distribution of authority and entail different formal lines of accountability and control. With varying degrees, decentralized service is provided under these different forms of decentralization. The variations in the form and content of decentralization have an important bearing on service delivery and attendant outcomes. This also applies to processes of coordination, participation, accountability and responsiveness ((Chikulo, 1998:95-97). .

2.1.3.2.1 Deconcentration

Deconcentration is an administrative type of decentralization whereby central government, undertake some of its responsibilities through regional or local offices, This form of decentralization occurs when central government disperses or transfers responsibilities for certain services to its regional or local branch offices or local governments. Administrative and management responsibility is handed over to sub-national units or branch offices from the sector ministries or agencies at central level. The transfer of responsibility here does not involve the transfer of authority, which is retained at central level. Almost full authority and responsibility is with the central office or government with the same level of accountability (Turner & Hulme, 1997:153-154).

In a deconcentrated form of decentralization, the authority and responsibility to decide on what and how services are provided is decided by the center while only administrative functions are assigned to local units. This form of decentralization is commonly exercised under unitary form of government or centralized mode of governance. Consequently, it is associated with problems of reallocation of qualified personnel to remote areas, delays in service delivery due to lengthy approval procedures that need to be done centrally, and monopoly of service provision by the center, which neither empower local level institutions nor involve private contractors. In this case, local governments do not exist as discrete entities and there is no mechanism for horizontal co-ordination and integration at the local level. Besides the role of local authorities is limited to participation in implementation of centrally determined activities. Therefore, it is the weakest form of decentralization and it is unlikely to lead to the potential benefits accruing from decentralization. However, it can be considered as the first step towards improving service delivery particularly in countries where there is no experience with the other forms of decentralization (*ibid*).

2.1.3.2.2 Delegation

Delegation is the other type of administrative decentralization in which authority and responsibility is redistributed from the center to its local government or agencies or organizations or to semi-autonomous agencies (Matinussen, 1997:211). The delegated

agency is responsible for undertaking the decision-making and administration of public functions on behalf of the delegating authority with proportional accountability relationship.

This form of decentralization is characterized by principal-agent relationship in which local governments act as closely as possible in accordance with the needs of central or regional governments. Under deconcentration and delegation, the over all control of policy and resources is retained by the central government (ibid: 154).

2.1.3.2.3 Devolution

Devolution is the form of political decentralization, which got emphasis as a result of a new thinking in political and economic development since the 1980s. As defined by Martinussen, (1997:211) and Chikulo, (1998:93) devolution is the most extensive form of decentralization that involves far more radical approach that confers full authority and responsibility to discharge specified functions upon formally constituted autonomous local agencies that can operate independently in their own areas of jurisdiction. Devolution is characterized by statutory that enables sub-national units to raise revenue and make independent investment decision in providing public services

Devolution is the creation or strengthening of sub-national levels of government that are substantially independent of national governments with respect to defined functions. These may be called local governments, or municipalities. Since authority is vested in representatives elected by the local population, the formal line of accountability is to the electorate within their jurisdiction. Contrary to the practice under other forms of decentralization, devolved local governments have clear and legally recognized geographic boundaries over which they exercise authority and within which they perform public functions (Turner & Hulme, 1997:154). Theoretically, devolved political subdivisions such as regional authorities or local authorities are politically responsible to the local population for their decisions and their activities are substantially outside the direct control of central government

Hence, devolved form of governance is seen as a more effective, efficient and responsive form of decentralization since it confers authority and responsibility in resource mobilization and investment decision and increases popular participation that creates or opens more political space to pertinent actors. This study also examines the performance of decentralization in accordance with the devolved functions to the *woreda* in view of public service delivery.

2.2. Service Delivery Arrangements

Traditionally, service delivery is based on either public or private provision depending on a variety of factors like political and economic structures, interest and capability of private providers, local finances, consumer/societal preferences, geographic dispersal of service beneficiaries, equity and properties of the service itself (Barlow, 1981:84-91). Hence, a country may organize service delivery in a variety of ways and levels ranging from private to public and from highly centralized level to highly decentralized level. Services could be centralized by assigning the function to a regional or state government, creation of an area wide special-purpose government, and shared service agreements between two or more government agencies.

Although some services are provided by private agencies, the need for public control over certain services has increased to safeguard the provision of some basic services to enable equitable and uniform service provision irrespective of socio-economic category of customers or consumers. In the case of developing countries problem of affordability is also an issue. Hence, provision of basic services such as: health, education, water and sanitation, and energy have remained public responsibility for a long time.

However, the public sector is incapable of providing services according to the needs of users. Nor the centralized form of service delivery arrangement has been capable of discharging its responsibilities to fulfill these needs (Hailu, 2003). According to Elcak (1994:109-111) this is because of the limitation of the state, the inefficiency and ineffectiveness of state services to meet public needs and the evolution of new approaches for service delivery like privatization and expansion of other local actors in

providing services. This situation has also changed the functions and issues of local government by bringing local governments in a competitive situation by either competing among themselves or outsourcing services to competitive tendering. However, there are services, which are better delivered under centralized system or decentralized system or both depending on the scope of their benefits. As it is argued by Kibre (1994:4) services such as defense, foreign policy, and services whose benefits and costs spillovers from one jurisdiction to another, services which will be cost effective if provided beyond one or more jurisdiction (transportation, electricity, communications etc) and issues of stabilization (monetary and fiscal functions) are undertaken at central level.

Therefore, service delivery arrangements or models vary between the continuums of purely private to purely public, with numerous hybrid cases in between involving different agencies. These include: contract services out to the private sector, NGOs and others, transferring responsibilities to lower tiers of government and transferring responsibilities to communities or to households or to the clients themselves. All these methods are either operating one after the other or side-by-side in the area of providing any given service (World Development Report, 2004). With demands for resources and the need for more economical management and better services, it also required changes in the relationship both at central and local levels by altering the dual relationship between the politicians and service providers to expansion of interactions among different actors. Consequently, most basic services are becoming under the responsibility of local governments under a decentralized governance system with a devolved system at the local level (Elcak, 1994:111). With this general outline review of the major service delivery arrangements or models are discussed in the following section.

2.2.1 Centralized Model

Centralization refers to the concentration of authority or decision-making powers on a wide range of issues in a central body/entity. This entails the holding of power at the central level. Until the end of the 1960s, the centralized state used to have an expanding role in the operation of the economy and governments assumed dominant or monopolistic roles in providing public services. This role has been expanded from provision of certain

basic services like maintenance of law and order to provision of expansive activities like education, health, social security and macroeconomic management (Munday, 1996:97; Dunleavy & O'leary, 1981; World Development Report, 1997:100-105). With such expansive role, the centralized state has been labeled as a developmental state that optimizes the welfare of the people as a whole. On this ground, the state was viewed as the best political and economic institution that can do no wrong, which is based on views expounded by the old romantic theory.

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

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

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

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

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

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

2.2.2 Market Model

According to the argument of neoclassical political economists the forces of the free market are the only option capable of advancing the good of society and the private sector is the source of wealth creation. Under the free market, resource allocation will be optimal marked by both technical and allocative efficiency while taking individual preferences and costs of services. For this reason the theory recommends the policies of liberalization, deregulation and privatization (Bailey, 1999)

The big international financial institutions, the World Bank and the IMF, also revised their earlier assistance strategy from project support to Structural Adjustment Loans, as a condition to push the recipients to come to terms with market-oriented minimalist state. With this motive, the IMF and World Bank sponsored the first and the second generations of economic reforms pursued under the Stabilization and Structural Adjustment Programs, which were aimed at allowing the market to play a dominant role in the economies. According to the World Bank cited in Rondinelli (1993:174-178), public sector particularly in Africa is considered to be over-extended, bloated inefficient, unproductive and incapable of delivering efficient services. Initially, SAPs focused on the need for privatizing public sector services while neutralizing the role of government in the economy. Consequently, restructuring and transferring of the responsibility from public services including local services such as local roads, water supply, sanitation and other infrastructures to the private sector has been considered as a cure to the ills of government intervention (Streeten, 1995:231-232; Senboja & Therkildsen, 1995:1; Martinussen, 1997:257-259;). But critics argue that the package of reforms prescribed by the IMF and World Bank have not worked wherever they have been vigorously pursued. In the program countries, cuts in public expenditure in education, health, infrastructure, and capital and operating budgets entailed collapse of public services and the withdrawal of the state (Chikulo, 1998:87). Hence the reforms viewed as not being feasible in the context of program countries and the move to change the provision of public services from government to market forces suffered serious setbacks.

Given the very nature of the market, which is profit-oriented and is based on material incentives, market forces are not capable of providing public goods and services. This is because the existence of non-competitive markets and externalities have made it difficult for the market to deliver all required public services. As opposed to private goods, public goods are non-rivalry and non-excludable to which the market could not easily respond. Public goods are more expensive and require huge investment and pricing is difficult. Similarly, the provision of some public goods that are unattractive to market forces may be unattended if left to the market forces alone. Market is unable to enhance positive externalities like expansion of human capital and does not deter negative externalities like

environmental damages, which are essential for a society. Therefore the market is not capable of providing all services (Self, 1993:98-100; Senboja & Therkildsen, 1995: 3; Streeten, 1995: 220-222; Mulhearn, and R.Vane, 1999:110-117).

Furthermore, the private sector in developing countries is at its infant stage and its capacity to provide the wide range of public services will remain very low contrary to the aspirations of the proponents of the market. Hence neither the market nor privatization has reduced the role of the state. As Chikulo, 1998 argues it, unlike in the west, changes in ownership, franchising, contracting-out or leasing out of public services is rarely practiced in developing countries and consequently the role of the state is not that much influenced. By providing public goods, taxing negative externalities and allocating resources to positive externalities, government intervention plays significant role in the areas where the market fails to respond. Government intervention also safeguards the interest of the poor through equitable distribution of resources for providing public services and in availing services that are not made available by the private sector. Government also creates a conducive environment through legal frameworks, maintaining law and order including the enforcement of contracts and property rights, pursuing macroeconomic policies, expansion of research and development, etc (Streeten, 1995: 200-203).

2.2.3 Decentralized Model

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

This has inspired the need for changes in relations and handling of complex interactions among state, firms and markets. This is not only a question of state or market preference

but also a governance issue that brings all central and local actors together towards the goal of providing improved services. Creation of such a relationship requires some kind of reform measures or restructuring of state institutions, which will lead to new links for collective action among the state, NGOs and peoples organizations (Self, 1993: 121) The orientation of this undertaking has been geared towards who can do best in providing public services by maintaining some sort of government control especially with regulatory role and create a conducive environment for the smooth delivery of both public and private services. One of such measures includes restructuring of the economy through institutional reforms under governance realm that has been considered as a missing link in the first and second-generation of the stabilization and structural adjustment reforms (UNDP, 1996; World Development Report, 1997; Kayizzi-Mugerwa, 2003).

Many reasons could be attributed to the need for a reform agenda aimed at decentralized governance. Among these, the unrealized hopes of the developmental state, fiscal crises and economic decline, war and the wave of democratic reforms, the unrealizable prescriptions of SAPs, and conditions put by donors, that required reduction of domestic corruption and the need for increased political participation are the main reasons for the reform. The pressure exerted by globalization has also pushed the governments of developing countries to improve their governance image particularly in attracting foreign direct investments (World Development Report, 1997:120; Chikulo, 1998:81; UN-HABITAT 2002:20; Hamdok, 2003:20-21).

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

increased public sector efficiency and reduced poverty, which are the two main ingredients of good governance. According to Hamdok, (2003:15), good governance prevails under decentralized governance system characterized by norms of efficiency, participation, accountability, transparency, rule of law, and political pluralism.

The decentralized governance model has also been encouraged owing to its perceived conceptual compatibility with the free market thinking of enhancing individual freedoms. The system has been portrayed as a model that empowers the people and favors individual freedom as opposed to centralized state control of activities through dispersal of authority (Chikulo, 1998:98). Thus decentralized governance is a means of overcoming the limitations of centrally initiated development programs and providing local services by local authorities and the beneficiaries themselves.

As clearly stated by (Streeten, 1995:212) decentralized governance authorities

...can enhance participation...be more responsive to needs, gather more information, be more transparent and accountable and improve the quality of government activities. They can also raise more resources because the benefits are more visible....

On the basis of these claims, reform in decentralization has been undertaken as an initiative in which people are empowered and government could provide public services through decentralized structures with a lot of benefits (Kayizzi-Mugerwa, 2003: 1)

2.3 Benefits of Decentralization

Decentralization is a mode of governance and a development strategy, which is characterized by a bottom-up approach. From the 1950s on, the concept of decentralization has been used as a means of reaching the population scattered in the rural areas by establishing center-periphery linkages. Since the 1960s, the concept has been lent more focus in facilitating participation of people at grassroots level in development. Though the concept has been around for long, it has reemerged as a condition for achieving sustainable socio-economic development and as fundamental goal in

democratic governance since the 1980s(Chikulo, 1998: 84-85). In this context, the concept has been regarded as a governance issue and a mechanism of fostering public service delivery associated with lots of benefits.

Generally, decentralization has political, economic, and administrative advantages. However, the degrees of the benefits vary from one form to the other that also depends on a variety of factors. The motives behind initiating decentralization schemes also vary from country to country, including within a single country itself. In general, the motives include economic transformation, the quest for reinforcing transition to democracy and self-rule in response to ethnic conflicts, and the need to improve delivery of basic services. This makes decentralization a multi-purpose initiative for furthering administrative, and political and economic goals.

Traditionally development has been emphasized at macro level and the state was considered as the most important actor in development. Provision of services, even the basic ones, has been the responsibility of the state (Goss, 2001). However, services are failing because governments are failing to discharge their responsibility in ensuring delivery of adequate services owing to lack of resources and other capacities. Secondly, most basic services are provided and consumed locally but resource allocation decisions and provision of required services is decided at the center with less attention to local priorities and preferences (Senboja & Therkildsen, 1995:1-3).

On the contrary, decentralization enhances effective performance and realization of local preferences. In this regard, Turner &Hulme (1997: 151-152) argues that a remedy to the problems associated in a centralized system is decentralization. This is due to the fact that decentralization is characterized by proximity, relevance, autonomy, participation, accountability, and even democracy. Accordingly, decentralization places authority and responsibility for decision-making outside the political and administrative center and generally enhances resource mobilization and utilization, accountability, participation, and efficiency and responsiveness in service delivery. The aforementioned theoretical

background and the benefits of decentralization as explained below will be used as a theoretical framework for this study.

2.3.1 Resource Mobilization and Management

By devolving resources and decision-making powers to local governments, decentralization can generate financial capacities, efficiency and quality gains that promote effective delivery of services. In terms of financial resources, it is argued that decentralization is attractive to national governments because part of the burden of financing services can be shifted to sub-national units and private providers. It entails shifting of responsibilities with corresponding fiscal resources to sub-national levels and allows not only increased resource mobilization but also maximizes the provision of services like health, education and others by allowing local governments to take decisions on the allocation of scarce resources, according to local needs and priorities (World Bank, 1999/2000:108; Martinussen, 1997:213).

The rationale for fiscal decentralization as argued by Kibre (1994:3) is due to the fact that decentralization ensures consistency between the level and mix of public service preferences, tastes and needs; and enhances decision making by local bodies. It also induces more responsiveness to local needs; eliminates multiple layers of jurisdiction and enhances competition and innovation in service delivery among different localities or regions. When resources are scarce and less cost effective, priorities will be better adopted to local conditions and locally perceived needs and priorities

This is due to the fact that local governments have informational advantages over the central government. Local governments are closer to the people and they can address local needs and preferences better than the central government. Decentralization also approaches a competitive market in that local governments supply services on the basis of people's preferences and people are made to pay a tax based on the benefit they receive (Van der Loop, ed, 2002:46)

Though, fiscal independence with more resource control is the true measure of autonomy of decentralized units, Befekadu (1994:1) & Bulti (1994:146), argue that experiences of fiscal decentralization in developing countries shows that inadequacy of financial resources is the most important factor that undermines the sustainability of many decentralization initiatives. The shift of responsibilities to decentralized local public sectors does not correspond to the revenues generated or existing capacities at sub-national level. In developing countries the capacity of local governments to raise revenue is also limited and the share of locally generated revenue in their total expenditure is very low. Turner & Hulme, (1997,169) & UN-HABITAT, (2002:6) also argue that the greater part of local government expenditure goes for staff costs and that much of this is unrelated to the provision of public services.

2.3.2 Accountability

Decentralization is argued as a mechanism to enhance accountability for service delivery. Accountability is a broad and complex concept involving two or more actors in view of service delivery (Turner & Hulme, 1997:122-126). It can be characterized by several factors. It is one of the features of governance used as an instrument for improving service delivery. Successes or failures in service delivery are related to the issue of accountability.

Accountability is both personal and institutional. Accountability becomes personal when authority and responsibility is delegated vertically from top to bottom, from supervisor to subordinate, in which the supervisor holds the subordinate personally accountable. It is also institutional. From governance point of view, accountability is about being able to hold public officials responsible for their actions. From such relationship, excellent results are obtained and failure may involve sanctions, including the withdrawal or modifications of working systems (Bahatta, 1998:232;Kammeier & Demaine, 2000:139-140).

In the case of a competitive-market, accountability is between service providers and clients. In this case, the relationship is simple involving only the two actors (service

provider/the seller and the client/the buyer) in which the former is accountable to the latter in terms of the service it provides in the market. Unlike the service delivery system in the competitive market, public service involves two or more actors, which makes it more complex. The World Bank, (2000) in its World Development Report has established accountability framework in service delivery, which shows the accountability relationship in the chain of service delivery. According to the Report, the chain involves the relationship between politicians/policy makers and citizens, organizational providers and citizens, and front-line providers and citizens.

Individuals and households are direct clients who at least need basic services for themselves and their families. As citizens, they also participate in political and societal activities to influence politicians and policy makers in the definition of objectives and achievement of those objectives in terms of service delivery. Politicians have the power to regulate, legislate, tax and enforce the rules of the game in service delivery. As politicians set the general direction, policy makers set the fundamental rules in terms of operation, standards, funds, etc.

Organizational providers are public line organizations, responsible for service delivery like a ministry or agency. Front line providers are those who are at the end point of service delivery and who have direct contact with clients like teachers and medical doctors. These actors are attached vertically and horizontally in the process of service provision. The engagement of citizens with the politicians/policy makers is expressed in the form of resource allocation, election, political party, advocacy and exchange of information. The relationship creates an opportunity for the public, mainly the poor, to interact with the politicians or policy makers in deciding on resource allocation and the type of services needed by the citizens.

Decentralization is favored to enforce such relationship and encourage greater accountability at the local level by increasing the responsiveness of local institutions. Decentralized units of government can become more accountable in decisions related to resource allocation, and increase the accountability of government to the people.

Meheret, (1998:5) & Turner & Hulme, (1997:157) also argue that accountability is enhanced because local representatives are more accessible to the populace and can thus be held more closely accountable for their policies and outcomes than distant authorities at central level. Physical proximity also makes it easy to make local officials accountable for their performances.

Although decentralization is advocated as a means of strengthening accountability relationship for improved governance and service delivery by enhancing democratization, the system is not well institutionalized in developing countries. Effective monitoring is lacking among the actors concerned with service delivery. Lack of information, unwillingness of civil servants to be posted at local level, weak capacity of civil servants and elected councilors, skill differentials, lack of trust between different actors and problem of proper staffing are among the factors which make accountability weak. Therefore, the monitoring of government performance and level of response to public interest is still deemed critical to effective local governance and service delivery. In this regard, World Bank (2000:47) argues that in the absence of clear delegation, specified objectives and adequate resources, it is impossible to enforce responsibility and accountability for poor outcomes. Therefore, local authorities must have sufficient power and freedom to formulate policies and raise revenue to deliver services and be answerable in the first instance to the local electorate for their action.

2.3.3 Popular Participation

In recent years, people's participation has become a central issue in development discourse. Local or grassroots participation has been the focus of donor agencies and NGOs since the 1970s. Under decentralized governance system also the most widely posed argument is related with the issue of participation, which involves both political and economic participation. The concept of participation is very broad and both its content and application has been a contentious issue among scholars and development practitioners. It is considered as a multipurpose instrument as a development concept, human rights and political issues. It is also employed as a means and an end. In general

popular participation is the process by which the efforts of the masses are combined by other institutions to achieve socio-economic development (Hampton, 1991:251-252).

During the 1950s and 1960s lack of development was thought to be technological and attempts were made through technology transfer. Lately also the problem was conceived as lack of capital and resource gap, and efforts were made in capital formation through large investment. In this effort development was assumed to trickle down through socio-economic groups and spreading effects through centralized system of macro and regional planning models. Accordingly, development programs have been centrally designed, reflecting national rather than local interests and often using standards and principles not suited for implementation at the local level. However, from the end of the 1960s, development has failed to come under these strategies. Development programs have often failed to meet the basic needs of the people, particularly disadvantaged groups such as the poor and women. Consequently, a conclusion was drawn that there was organizational gap in developing countries due to reliance on top-down approach, which has failed to create cooperative relations between the center and the rural communities. Hence, a move began towards bottom-up development approach in which decentralization became one of the strategies in attaining the objective of increasing popular participation and management of economic and social development. Changes in global trends from command economy to market economy also aroused people's aspirations in defining their needs (Bulti, 1994:141; Helmsing, 1999).

The attempt at decentralized governance is, therefore, to reverse the shortcomings of the top-down approach through initiating, facilitating, and ultimately institutionalizing participation and empowering local governance processes. In countries where a decentralized governance system has been adopted, participation is becoming a component of political decentralization and democratic governance. It became a way of mobilizing support for policies, promoting national unity and bringing equity through resource allocation (Kibre, 1994:1). It is, therefore, viewed as conducive to local democracy by bringing government closer to the people, which enable the public to participate effectively in the management of public affairs. It is also related to the issue of

responsiveness and accountability, because local authorities are closer to the public and they are assumed as being in a better position to respond to the needs and priorities of the local public. It is also argued that in developing countries the bureaucracy alone cannot achieve development unless popular participation is enhanced (Streeten, 1995:257-259;Turner & Hulme, 1997:113-114;Chikulo, 1998: 97).

Furthermore, decentralization is considered as a means of empowering people so that they are able to initiate actions on their own and thus influence the processes and outcomes of development. It is viewed as a development strategy with a bottom-up approach that induces development institutions towards bringing about genuine development through involving different development actors. It is the process of shifting the focus of development from central planning and bureaucratic government agencies to community-based participatory systems that use the full range of local, public and private institutions (Turner & Hulme, 1997:113-114).

Under a devolved system, decentralization empowers and allows local people to participate in decisions affecting their life thereby facilitating good governance that benefits local institutions in terms of service delivery. By enhancing opportunities for participation, it places more power and resources at a closer, more familiar, and more easily influenced level of government. It creates opportunities for citizen-state interaction. As people gain voice in critical decisions, they will increasingly apply pressure from below for power and resources to ensure improvements in their access to resources and services (Streeten, 1995: 256;Tegegne & Kassahun, 2004:35).

Since decentralization is believed to enhance popular participation and brings decision-making closer to communities, public service delivery systems will be flexible and suited to local needs. Decentralization also allows different actors to participate equally in allocation and utilization of resources and achieving the objective of public service delivery. Generally, decentralization provides space for people to participate in the formulation of policies that affect them directly including the setting of local taxes, and provision of social services. Therefore, under the framework of decentralization, it is

believed that participation is effective and enables local communities or people at grass roots to influence policies that affect their daily lives and ensures genuine appreciation of local needs. In doing so, decentralization raises the quality of governance and leads to efficient, effective and responsive public service delivery (Kibre, 1994;Bulti, 1994:144;Tegegne & Kassahun 2004).

✓ 2.3.4 Efficiency and Responsiveness

Provision of services requires an adequate, efficient, effective and responsive system, which could provide required quantity and quality service to meet basic human needs. According to Barlow (1981:84-91) and Martinussen (1997:214) efficiency refers to the quantity of resources expended in the effort of achieving stated objectives and focuses mainly on the avoidance of unnecessary and wasteful use of public resources in cost minimization and better allocation system. For services to be efficient, it requires the fulfillment of two basic criteria: first that it be provided in the quantity and quality that people want; and second, that it be produced at the lowest possible cost. Efficiency is thus more than a simple measure of cost or consumer preferences. Hence, efficiency takes into account service quality, quantity, and cost

One of the basic arguments posed in favor of decentralization is its merits in increasing efficiency and responsiveness of government. Public choice theory of economics views the benefits of decentralization in terms of allocative efficiency and public preferences. This theory associates the involvement of large groups of local organizations through decentralization with options offered to citizens through lower transaction costs (particularly information costs) and better services (Turner & Hulme, 1997)

Contrary to reliance on central governments, which is characterized by longer delays and greater costs of administration, decentralization divides and disperses services that are provided from the center to local levels. It reduces workload and congestion in the channels of administration and communication and offers the chance of providing efficient public services at local levels with fulfillment of public preferences (Osborne & Gaebler, 1992:168-169; World Development Report, 1997:122; Chukilo, 1998: 91).

This has also the advantage of making the central government efficient by removing the burden of service delivery from the center and allowing central authorities to concentrate on strategic issues at national and international levels (Walsh, 1969:159;Kibre, 1994:1;Hailu, 2003). At sub-national or local level, also decentralization enhances better coordination of functions much more quickly than it happens at the central bureaucracies and offers the chance for flexible and responsive services and creates accountable institutions.

Responsiveness is also used to measure the system of service provision in addition to efficiency. Responsiveness is defined as the degree to which an institution or organization responds to citizen needs and demands and adapts to changing conditions (Senboja and Therkildsen, 1995:19). Locally elected leaders and local institutions know the situation in their locality than authorities at national level and are in a better position to provide services needed by local people. They are in a better position than the central and regional governments to secure the public participation in identification, prioritization, approval and implementation of public services (World Development Report, 1999/2000:108; Tegegne and Asfaw, 2002).

Local communities also have a better experience and knowledge about their environment and can therefore better identify their development needs and potential, and initiate development activities that address their needs. This permits and enables decisions to be made locally and closer to the communities with better information and local knowledge, and better coordination. Therefore, being aware of local conditions and needs, local politicians and civil servants will be more responsive to citizens preferences than the central government which tends to provide the same level of public services throughout the country regardless of differences in tastes from one locality to the other (Gant, 1979:169; Turner & Hulme, 1997:157;Bulti, 1994:150)

The quantity and quality of service provision can also be enhanced since local governments will be more sensitive to variations in local requirements or local preferences. They also have better knowledge of local costs and are open to feedback

from users of services for better coordination and provision. It fosters synergy and partnership among local government, civil society and the private sector to tackle problems that adversely affect local communities. It links local institutions and individuals and provides an opportunity to establish government services, mobilize communities, and demonstrate the responsiveness of public institutions. Compared to centralized forms of governance, it has the advantage of empowering and providing communities with the power to control resources thereby encouraging accountability and increasing responsiveness. By doing so, decentralization is believed to allow local governments to respond to local needs, be more efficient and effective, and ensure greater local development, including the reduction of poverty.

However, the concepts of efficiency and responsiveness are replete with considerable confusion in terms of measurement to achieve the goals of service delivery. Measurements of performances on this basis require detailed information on consumer preferences, production processes, and service output, both in qualitative and quantitative terms. Therefore determination of the efficiency and responsiveness of service delivery requires collection of all sorts of data and measurement of the indicators used. This is sometimes difficult due to non-availability of data and lack of proper indicators. In terms of decentralization, access to and quality of public services depend on the way decentralization is designed and implemented in a particular country and locality. What is achieved also depends on the resources, responsibilities and capacities of the decentralized unit. Decentralization may also involve one or more objectives which could be political and economic or both and complicates identification of the objectives. Government also intervenes through different means and performs a variety of functions, which complicates comparisons of performance before and after decentralization (Turner & Hulme, 1997; Bulti, 1994:148-149; World Development Report, 1999/2000:109). The arrangement of services or elements governing its provision, which involves decisions on regulation, financing, production, and distribution, affects its effectiveness, efficiency and responsiveness. The perception of effectiveness, efficiency and responsiveness also vary among different people or the public varying from politicians, professionals, taxpayers and consumers (Senboja & Therkildsen, 1995:19; Boyne, 1998: 148-149).

Decentralization has also its own pitfall, with implications for resource allocation and service delivery at central and local levels. At central level, decentralization has a consequence of creating macroeconomic instability if borrowing by sub-national unit is left unchecked. It also brings disparity among different regions and localities within a country due to variations in capacity and resource endowment. At local level, lack of effective institutional arrangements, lack of proper resource allocation, mismatch between authority and responsibility for planning and resource mobilization and decision on allocation and scarcity of manpower can hinder the benefits to be gained from decentralization (World Development Report, 1997:120-124).

World development report, (1999/2000:107-109) argues that successful decentralization improves the efficiency and responsiveness of the public sector while unsuccessful decentralization disrupts the delivery of public services. Success in decentralization of decision-making powers and functions to local level requires strong political commitment and leadership. The performance of decentralization depend on the existence of enabling institutions, motivation for reforms, and the smooth interaction of various stakeholders that forge partnership for realizing improved service delivery. It also depends on how decentralization is designed and implemented. The way it is designed determines the objectives and what could be achieved depends on the resources and responsibilities granted to local authorities and the supports from central and regional bodies.

Even though specific reasons for decentralization vary from one country to the other, and different problems could emerge in its implementation, a devolved form of governance is generally argued as a more accountable, participatory, effective, efficient and responsive form of decentralization since it confers authority and responsibility in resource mobilization and investment decision and increases popular participation that creates or opens more political space to pertinent actors. It has been viewed as a means of improving efficiency and effectiveness of service delivery by reducing delays in decision-making, and enhancing coordination among different actors. It also improves responsiveness to local needs by bringing government closer to the people and makes

local governments accountable to citizens. It also enhances local revenue generation and better allocation for public service delivery at local level.

CHAPTER III
THE PROCESSES OF DECENTRALIZATION AND SERVICE DELIVERY IN
ETHIOPIA

3.1 Overview of Decentralization and Service Delivery until 1991

Until 1991, Ethiopia has been a unitary state and deconcentrated and delegated forms of decentralization have characterized public service delivery. A devolved form of governance is a recent phenomenon, which is significantly a departure from the history of the country in general.

Despite the existence of *woredas* as the lower tiers of government since the 1940s, the role of *woredas* in providing public services at the local level remained highly limited. Attempts at decentralization under the Imperial government and military rule popularly known as the *Derg*, remained insignificant owing to strict control of public services in a centralized manner. The experience under the Imperial government has been limited as stipulated in decree No 1 enacted in 1942 that established provincial governments to act on behalf of the Emperor who had a final say on overall aspects of administration (Imperial Government of Ethiopia, Negarit Gazeta No 6.1942 article 1 part 7 & 31). At the beginning, provincial governors were assigned and acted under the supervision of the center. Later, they were brought under the Ministry of Interior as salaried civil servants and became agents of the central government (*ibid*). In an attempt to respond to the pressure of modernization, the Emperor also enacted a decree in 1962 to allow for the establishment of pilot Sub-Provinces ('*awrajas*') for self-administration. This attempt has also failed without any significant change due to lack of commitment by the Emperor to defend the policy and the reluctance and fear of the then parliament on the pretext that the decree could encourage political instability and secession (Meheret, 1998:8; van-der Loop, 2002:13).

The main purpose of *woreda* administration at the time was enforcement of law and order and collection of taxes and only few agencies like police, finance and justice were fielded at *woreda* level. These services were centrally budgeted and controlled (Imperial

Government, Negarit Gazeta No 6.1942 article 1 part 31). All locally generated revenue was remitted to the central treasury. Under the military rule also this limited role was maintained, until *woredas* were dissolved in 1987. Some additional role were also assigned to *woredas* as a result of the Land Reform and Urban Land Proclamation, which established Peasant and Urban Dwellers Association following the Ethiopian Revolution of 1974. With these changes, *woredas* were given responsibility for implementing decisions related to the land reform, transmitting and enforcing rules and directives flowing from higher levels of administration, adjudicating minor litigations among community members and undertaking matters related to local development and service delivery (Tegegne and Kassahun, 2004: 40-42).

Furthermore, both the jurisdictions and competence of local administrations have kept on changing from time to time particularly following regime changes. As indicated above, Decree No 1. of 1942 created 12 *awrajas* and 60 *woredas*. But Decree No.6, of 1946 changed sub-provinces *awrajas* to Provinces and *woredas* to sub-provinces *awrajas* and created *woreda* structure from below in place of the earlier *kebeles* by dividing the administration into three tiers (Imperial Government, Decree No.6 1946). These tiers (province, *awrajas* and *woredas*) have served until *woredas* were abolished under *Derg* regime in 1987.

In 1987 the *Derg* established the Institute of Nationalities, which drafted a constitution that established five autonomous regions and 25 administrative regions with 354 sub-provinces *awrajas* thereby abolishing *woredas* as administrative tiers. Though the objective of granting autonomy under the *Derg* for the 5 regions (Tigray, Afar, Somali, Aseb and Gambella) was to respond to the demands of opposition groups through granting self-rule, no significant progress has been made in allowing the participation of the regions in the administration. Since the head of administration and some of the ranks and files were assigned by the central government, the regions concerned were rather reduced to the strict control and supervision of the center. On matters of socio-economic development also central planning has been a guiding principle in which local services were decided centrally. Local units are obliged to unconditionally comply with laws,

directives and regulations and decisions of the center. Both physical and financial plans were approved from the center and required to follow standard reporting formats. Like the situation under the Imperial government, locally generated revenue should either be remitted to central treasury or be endorsed by the council of state to be utilized locally. The minor changes made under military rule in regional and local administration is only change in names of provinces, and designation of local and regional officials.

Under both the Imperial government and military rule, decentralization efforts that aim to ensure empowerment and participation of citizens never existed. Neither officials were elected nor were they accountable to local people. Hence attempts at decentralization under both the Imperial and the Derg rules were made with the intention of only responding to the pressures from modernization and opposition groups with strict control of the center. The country remained under a centralized system of government with the objective of building strong centralist state in all aspects. Therefore, *woredas* have served as deconcentrated agents or field units of the central government and at times they functioned in the form of controlled delegation for convenience of centralized administration contrary to principles governing existence of local governments and adequate authority ((Meheret, 1998:8-9; Tegegne and Kassahun, 2004:42). Furthermore, since the main structures for public service delivery were transferred from *woredas* to *awrajas* from 1987, only peasant and urban dwellers associations were remained who are neither mandated to play the role of *woredas* nor have the capacity to render required services to the local population.

3.2 Current Institutional Frameworks for Decentralized Service Delivery

Since 1991, the country followed a new socio-economic and political direction with a policy that potentially allowed self-determination for the various nations, nationalities and peoples. This became a framework for instituting a decentralized approach in governance. At the same time, the country embarked on the task of economic adjustment and reconstruction through economic reforms (Hamdok, 2003:25). According to Befekadu (1994:6), the reform was aimed at limiting the role of the state in the economy through privatization and focus on strategic and regulatory functions and to reduce the

role of central government by shifting responsibilities to regional governments in particular.

The 1995 Constitution (article 50 (2)) states that the country is organized into federal and regional states. In the same article, it was stated that both the federal and regional governments have legislative, executive and judicial functions. Each of the different government levels has a similar structure: legislative body, a court system and a number of sector specific administrations. The constitution also defined the respective functions of the federal and regional governments. Accordingly, except for activities related to national defense, foreign policy and macroeconomic matters fiscal and monetary policy, regional states are empowered to decide and undertake economic, social and development plans as well as maintenance of law and order within their respective jurisdictions.

The Constitution granted regional states self-rule within their own defined territory and empowered them to participate effectively in the affairs of the central government through their representatives who are elected periodically. Regional states are given power and authority including the right to enact regional constitutions, establish elected regional assembly/councils, use their own national languages in schools and work places etc. They are also empowered to prepare their own socio-economic development plans, mobilize resources for local and regional development, and prepare and implement the regional budget (Federal democratic Republic of Ethiopia, Constitution 1995, article 50(3)).

Article 50(4) of the constitution states that each regional state can devolve adequate decision making authority and control over resources to lower levels of government in order to promote decentralization and bring government closer to the people. Accordingly, the regional governments are structured into *woredas and Kebeles*. The executive organs at each level are responsible to plan and implement development programs.

Since the adoption of the federal constitution in 1995, series of proclamations were also issued to effectively devolve political, fiscal and administrative powers and functions. The proclamations mainly dealt with the establishment of national/regional governments, fiscal decentralization, and defining the duties and responsibilities of the federal and regional governments. On the bases of articles 96-98 of the Constitution, regional governments are empowered to mobilize and utilize own revenues. Regions are also entitled to federal government transfers to support their development needs. Different sector programs like education; health, water and road were adopted with focus on poverty reduction and sustainable development, deepening democratization, and good governance and empowerment. All sector programs and the poverty reduction program have also adopted a system of decentralized service delivery through popular participation to facilitate access of public services to the population (MoFED, 2002b). With focus on the poverty reduction program and to facilitate the delivery of public services different institutional reform measures were taken through adoption of A National Capacity Building Program (NCBP). The program has been designed to build capacity at all levels of government. At federal and regional level capacity building offices were opened with the objective of building capacity at all levels. In the program, particular emphasis has been given to *woreda* decentralization as a means of empowering local communities, developing democratization and improving delivery of public services (Ministry of Capacity Building, 2003).

3.3 Institutional Arrangements for Decentralized Service Delivery at Woreda Level

The process of decentralization of power to lower levels of government so far has passed through two stages; first under the framework of federal constitution and second through regional constitutions. The first stage was the devolution of power to the regional states with substantial legislative, executive and judicial powers while the second stage is the decentralization of substantial authority to *woreda* administration, which is the lower level of government. In line with the federal constitution the second generation of decentralization started in four regional states (Oromia, Tigray, Amhara and South Nations and Nationalities) through legal and administrative measures undertaken in their respective revised constitutions since 2001.

The 1995 federal constitution article 50(4) provided legal bases for *woreda* administration as important local government unit. The constitution also required regional states to grant adequate power to the lowest units of government so that the latter serve as democratic organs of the government. This was aimed through empowerment of the communities at grass root level and by creating close interaction between the local administrative units and the people through direct participation of people in the administrative affairs of local governments. Empowerment at the grassroots is seen as a key to the improvement of service delivery.

To implement these provisions at first stage, *woreda* administrations, which have been served as a deconcentrated unit of administration during the periods of the Imperial and Derg rules and also abolished from 1987, were reemerged from 1991 with representative institutions. At second stage regional states have recognized *woredas* and *kebeles* as legitimate units of local government administration with legally defined authority and functions and re-instituted *woredas* with a substantial devolved authority. Following the regional revised constitution preliminary studies were conducted on institutional, administrative, personnel, fiscal and capacity building aspects of decentralization. Functional assignments were reorganized by transferring financial and administrative powers to *woredas* over revenue and expenditure authorities and personnel administration. Accordingly, *woredas* were restructured and reorganized with their own organizational structures and manpower and deployment of manpower took place from regions and zones since 2001. By 2002 also a regional block grant has been introduced so that *woredas* can finance their expenditure needs. Different capacity building efforts were also made in view of the weak implementation capacities observed in the processes of *woreda* decentralization (Worku, 2005:29-35).

With the above-mentioned institutional arrangements at federal, regional and *woreda* level, the current administrative system in Ethiopia comprises five levels of governance institutions. These are federal, regional, zonal, *woreda* and *kebele* administrations. Therefore, politically decentralization in Ethiopia is based on a federal form of state

organization and administration. Administratively, it is based on regionalized functions with sectoral division of activities among regions, and *woredas*. In fiscal matters, it is based on division of revenue authority between federal and regional states with federal transfer to regions. *Woredas* are also made eligible for regional block grants and to utilize own revenue.

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

Devolution of power to the lower units of government (*woreda*) is also a recent phenomenon after almost 10 years of devolving authorities to regions. During the period between 1991-2001, power of planning and implementing local services were based at regional and zonal levels while *woredas* were considered as field administrative agents or subordinate units of zonal administrations with no authority to act as local autonomous entities. Under Zonal administration, *woredas* were given too much responsibility and functions but they lacked the necessary financial and resource capacity to undertake development at the local level (Befekadu, 1994:63). Thus, *woredas* could not exercise sufficient local autonomy and the performance of the *woredas* as effective units of government has been constrained by a number of inter-related factors. These include a number of factors such as tight control of *woreda* administrations and constant interference by zonal authorities, limited institutional and management capacity of *woreda* councils, inadequate administrative and personnel capacity, poor revenue base to carry out socioeconomic functions, and a high degree of dependence on regional states

for financial allocation as well as limited space for political competition and participation of civil society at the *woreda* level (Meheret 1998 & 2001). While regions are endowed with substantial amount of resources to match at least part of the devolved responsibilities, the process of decentralization at *woreda* level did not make much headway prior to 2001. This necessitated changes through devolution of power in financial and human resources that took place since 2001.

With this changes, *woredas* are considered as the basic unit and important lower level local institution and centers of development because of their key role in prioritizing the provision of public services at the local level. They are also considered as a strategic unit of government for the implementation of the country's development strategies such as rural development, expansion of educational and health services, and sustainable development and poverty reduction.

CHAPTER IV
STRUCTURES, DUTIES AND RESPONSIBILITIES AND PERFORMANCES
OF PUBLIC SERVICE DELIVERY IN THE WOREDA

Structures, duties and responsibilities of *woredas* have been changing since their emergence as lower tiers of government in the country. During the imperial and *Derg* periods, *woredas* were merely responsible for maintenance of law and order and collection of taxes at local level. Because of their limited responsibilities, a few number of government agencies existed at *woreda* level and many of them were concentrated at the provincial and, to a lesser extent at sub-province *awraja* level. The abolition of *woredas* between 1987 and 1991 also placed the provision of public services under the responsibility of the government structures above *woreda* level. Furthermore, due to the commencement of *woreda* administration from the scratch in 1991 and lack of meaningful power by *woredas* due to concentration of public service structures with significant decision making powers at regional and zonal levels until 2001, the role of *woreda* authorities have been significantly limited in providing public services.

Even though, Digelu and Tijo Woreda is one of the oldest *woredas* that existed since the emergence of *woreda* administration in the country, it has been affected by series of changes that took place at different times. Until the decentralization of power to the *woreda*, there were offices like agriculture, education and finance serving as deconcentrated agents of zonal administration. As power was devolved to the *woreda*, these and other new offices were opened on the basis of new institutional arrangements with devolved functions. To undertake the devolved functions or services, the *woreda* has been structured into different offices in accordance with the provision of the revised regional/state constitution, which laid down the legal basis for decentralized service delivery.

4.1 Duties and Responsibilities of the Woreda in Public Service Delivery

The Oromia National Regional State Revised Constitution of 2001 established *woreda* administrations with necessary legal, institutional and financial powers. This was aimed

at making them effective and efficient institutions of local government for democratic governance and economic development. The constitution also provides for direct election of *woreda* and *kebeles* administrations (the council) by local people and also recognizes *woreda* and *kebeles* institutions as institutions closer to the people.

Article 79-89 of the federal constitution defined the power, duties and responsibilities of *woreda* administrations and empowered them to approve *woreda* social service delivery, economic development, and administrative plans and programs. Accordingly, like any other *woredas* in the country in general and the *woredas* in the region in particular, the *woreda* is empowered to undertake the following duties and responsibilities. These includes, among others:

- Preparation and approval of annual *woreda* development plans and budgets,
- Collecting local taxes and levies, administering fiscal resources available to the *woreda*,
- Constructing and monitoring low-grade rural tracks, water points and *woreda* level infrastructure (offices, houses), managing agricultural development activities and protecting natural resources from irrational use and depletion, and
- Administering primary schools and health institutions.

Hence the *woreda* enjoys substantial authority of decision-making on social and economic development plans, local revenue generation and expenditure. Accordingly, the *woreda* council approves plans and programs with regard to economic development and social and administrative services in the *woreda*. It also oversees the activities of different sector offices and creates a conducive environment for mobilizing and activating the populace for development activities, and plays the role of coordination among different stakeholders.

The *woreda* is responsible for supervision, coordination and implementation of education services, health services, agricultural services, rural roads, water supply and sanitation, rural transport services, justice, information etc within its jurisdiction. The current educational system consists of first cycle (1-4) and second cycle (5-8) and secondary or

high school, and tertiary education. The *woreda* is responsible for education services currently provided in the *woreda* from 1st to 10th grades. Health service in the *woreda* is related with primary health care activities provided at health centers, and health stations and health posts. Regarding water supply service, the mandate of the *woreda* is to develop springs on spot, to construct shallow and hand dug wells and perform minor maintenances through technical support and training of personnel through assistance from regional and zonal water offices. In terms of rural roads, the role of the *woreda* is construction and maintenance of rural transport through labor-based technology and community mobilization.

To effectively discharge its responsibilities and promote service delivery and enhance local development, the council of the *woreda*, like other *woredas* in the region and the country, has been empowered to ensure the proper collection of taxes from land use, agricultural products, and levy and collect sales taxes and other taxes as determined by law as own revenue and utilize the same on the basis of approved plans and budget lines. (Oromia National Regional State, 2001, Revised Constitution article 79(g & h); Worku, 2005:47). For narrowing any expenditure gap that may surface due to low revenue capacity the *woreda* is also entitled to receive regional transfers in the form of block grants since 2002. The grant is aimed at offsetting the budgetary constraints in financing *woreda* expenditure needs. Therefore, the *woreda* council makes budgetary decisions on the block grant it receives from the regional government and on *woreda* own revenue.

The *woreda* also exercise authority to hire and fire its employees. All public offices in the region were given equal responsibility and accountability in personnel administration through proclamation No.61/94. According to this Proclamation public offices in the region including *woreda* public offices are empowered in this regard except in the case of studying and approving of organizational structures. The Regional Civil Service Bureau conducts inspection activities on the exercise of the powers given to them (Oromia National Regional State Proclamation No.61/94, 1994).

4.2 General Overview of the Woreda Public Service Delivery Structures

In discharging its duties and responsibilities in public service delivery in an efficient, effective and responsive manner, the *woreda* is structured and organized with its own manpower since 2001. The *woreda's* public service delivery involves different public sectors and community structures in the *woreda*, and other actors outside the *woreda*. The main stakeholders in the delivery of public services at the *woreda* are the community at large. Other stakeholders include regional and zonal bodies, private organizations, and sectoral offices at the *woreda* level. Regional and zonal authorities involve in the *woreda* public service delivery through providing different guidelines and supports. Concerned regional and zonal sector offices provide general guidelines and technical support to *woreda* sector offices. Particularly zonal bodies have direct contacts with *woreda* sector offices and the *woreda* administration through provision of general guidelines and technical supports and reporting.

Public service delivery in the *woreda* has been structured at two levels like in any other *woreda* in the country. The first level, which is structured at the *woreda* capital, includes higher administrative bodies of the *woreda* and public service institutions that include different sector offices. At the lower level, there are *kebele* administrations and *woreda* public sector office branches.

The governance structure in the country recognizes five tiers comprising federal, regional, zonal, *woreda* and *kebeles*. The lowest tier is the *kebele* administration. At each tier of governance in the region there are three organs namely the council, the executive committee and the judicial branch. The council, which is constituted by members of elected representatives from each *woreda*, is the highest organ of the regional government. The executive organ includes some sector Bureau heads and is led by the regional president.

In a similar fashion *woreda* structures also include these three organs. The highest administrative organ of the *woreda* is the *woreda* council that is directly elected by the *woreda* community through periodic elections and constitutionally accountable to the

electorate. The *woreda* executive organ is composed of *woreda* administrator, *woreda* deputy administrator and key public service offices. It is formed with functional representation from key public sector offices. The *woreda* court is under the regional judicial apparatus and is not directly responsible to the *woreda* administration.

At lower level, there is the *kebeles* administration. In the *woreda* under study there are 26 *kebeles* (22 rural *kebeles* and 4 urban *kebeles*). The respective community in each *kebele* elects *kebele* council and the chairman and his deputy. There are also social courts and security organs. Though *kebele* administration does not enjoy a wide range of constitutional power as the regions and *woredas* they undertake day-to-day administration activities in their respective areas. The main duties of the *kebele* include ensuring collection of taxes, mobilizing communities for development activities in terms of labor and material contributions, and resolving conflicts through social courts and maintaining security through *kebele* security organs.

Under *kebele* level people are grouped into *gares* (teams). and *gotes* (sub-kebeles) these are not legally instituted structures and are not recognized officially. *Gare* is a group comprising households or a task force (team) while *gote* is comprised of representatives of each *gare* designated as a *sub-kebele*. At present, there are 627 teams and 161 *gotes* in the *woreda*. One Team is composed of up to 30 people while each *gote* includes 6-7 people represented from each team. Team discusses the issue presented to *gotes* and the later communicates the same to the *kebele*. Therefore, at team level community issues are discussed while at *gotes* level issues presented by different teams are discussed and finally communicated to *kebele* administrations. The total number of teams and *gotes* vary from *kebele* to *kebele* depending on the size of population in each *kebele*.

To undertake wider economic and political responsibilities and to provide public services on locally identified and determined priorities, different public sector offices are organized under the *woreda* council. Public service delivery organizations in the *woreda* include different sector offices: Finance and Economic Development, Agriculture, Education, Health, Community Organization, Security & Justice, Water Supply, Rural

Road, and branches at *kebele* level. Sector offices such as education, health, water supply and rural roads have direct contacts with the community and have downward accountability to the community and upward accountability through regular reporting to the *woreda* administration and respective offices found at the zonal level. These sector offices also have downward contacts with their branches at *kebele* level and play significant role in coordinating and eliciting the participation of grassroots communities. Some sectors use their branches or make direct contacts with the community in public service delivery.

The education office coordinates and implements educational services at school levels located in different *kebele*. The health office also coordinates and implements health care activities through health centers and health posts. Water supply and rural road offices also coordinate the services they provide mainly through direct contacts with *kebele* administrations and the community. Agriculture office coordinates and delivers mainly extension services and makes contacts with communities at grassroots level through its development agents. Currently, 18 development agents are providing services in the *woreda*.

The structure of different sector offices has followed similar arrangements at regional and zonal levels with the exception of some modifications in restructuring or reorganizing the service of support staff in a pool system. To reduce the problem created due to scarcity of manpower and to reduce the amount of expenditure for salaries and to create better coordination for public service delivery, offices in the *woreda* were structured in a way that administrative and financial services are provided under a pool system so that few employees will provide required services. The pool system is as explained by concerned officials is a locally designed system or arrangement introduced to deploy staff at *woreda* level and to reduce the cost of decentralization and improve efficiency. Accordingly, administrative service is provided in two pools and one single system while financial and audit and inspection service is provided only under one pool system. The first pool for administrative service is located under the *woreda* administration office while the second is located under the capacity building office. All administrative matters related with

personnel administration is handled by these offices and all the *woreda* offices get services from the two offices and they do not have their own administrative section except the office for finance and economic development, which has its own administrative section. All of the offices in the *woreda* also get financial, audit and inspection and procurement services under Finance and Economic Development Office. The office deals with day-to-day activities of financial expenditure and manages this activity for each public office in the *woreda* and each office makes only payment requests as per its approved budget and settles its accounts with the office. Therefore both personnel administration and financial activities are not dealt by all offices contrary to the structures before decentralization. Though there are lots of complaints as to the efficiency and convenience of the pool system for the activities of different offices in the *woreda*, the system has to some extent minimized the problem of coordination and manpower particularly in the area of administrative and financial staff.

The *Woreda* Administration Office and the Office of Finance and Economic Development are the main institutions that play coordination role. The *woreda* administration has overall responsibility for coordination while coordination of specific sector activities lie under the responsibility of each sector office. The *Woreda* Finance and Economic Development office has the responsibility to coordinate public services through planning and budgeting mechanism. The office is established to play an important role with a responsibility for coordination and integration of various office plans and matching these plans with the available budget. Its main role includes collection of revenue, planning and budgeting, financing, and inspection and auditing. With the involvement of different sector offices and community structures, this office is responsible for coordination and participation of stakeholders in planning and budgeting processes. The office is also the main link between regional and zonal institutions on one hand and among the *woreda* institutions on the other through reporting mechanism.

Among public service organizations in the *woreda* this study focuses on the offices dealing with education, health, water supply, and rural road services. These services play significant role in human development and are also considered as basic services at local

level. In view of this, the offices were structured in line with their respective duties and responsibilities at *woreda* level. Since education is an indispensable social service that enhances integrated social and economic development, it is one of the oldest public services existed at *woreda* level before decentralization while health, water supply, and rural road offices are among the newly established ones after decentralization. Before decentralization, health and water supply services have been provided under the zonal health and water departments respectively. At *woreda* level, health service delivery was through health centers and health stations while water supply service was through the water supply schemes in the *woreda* before decentralization.

After decentralization, education, primary health care, water supply, and rural road services came under the responsibility of the *woreda*. All education service in the *woreda* is run by the *woreda* education office and there is no education provision above 10th grade. All schools in the *woreda* are under government ownership, except 1 school with 1 to 2 grades established by NGO in 2005. Currently there are a total of 34 schools in the *woreda* at first cycle, second cycle and secondary levels. At primary level (from 1st to 8th grades) there are 33 schools while at secondary level there is only one school. Except some *kebeles* where there are a maximum of two schools all *kebeles* have one school each.

In Ethiopia, health service is provided in a tiered package of facilities. From top to bottom the tiers include referral hospitals, *woreda* hospitals, health centers, health stations, and health posts. Compared to other health facilities, which are predominately located in the main towns in the country, health posts are village level facilities. Though they are rarely found in some *woredas*, health centers and health posts are common facilities for health services at *woreda* levels. Health posts are typically staffed by a junior or assistant health worker with the most basic amenities while health centers are relatively larger facilities with more staff and amenities. Health centers serve as mini hospitals and referral centers for health posts. Health service in the *woreda* is provided by one health center and three health stations and 3 health posts. The *woreda* health office also coordinates and implements health programs together with these health institutions.

The health center is located in the *woreda* capital while all of the health stations and health posts are located in rural *kebele*. Water service in the *woreda* varies from piped water to utilization of unprotected springs and rivers. Source of potable water supply in the *woreda* is from 11 schemes, which includes schemes providing services on spot and those with distribution line with the help of pump and gravity. Most of the *woreda*, particularly the most highland areas are rich in spring water while the other parts are with scarce water resources. People in this scarce areas travel long distance to fetch water. In terms of road access only 62km all-weather road and 160km dry-weather road are in use in the *woreda*. Most of the *kebeles* in the *woreda* are not easily accessible due to lack of road. Only those *kebeles* located on the main road from Arsi to Bale and those located on the road that connects this main road with Addis Ababa- Shashemene highway are easily accessible.

4.3 Findings

4.3.1 Evaluation of Selected Public Service Delivery Systems

This section evaluates the performance of education, health, water supply and rural road services as a measure for the performance of decentralization by comparing the periods before and after decentralization.

4.3.1.1 Education

With the establishment of new structures at regional and zonal levels following the change of government in 1991, education service delivery coordination and implementation has been brought under the coordination of zonal education department and *woreda* education offices were used to serve as branches of the zonal department. Digelu & Tijo Woreda administration is one of the oldest offices that supervised the delivery of education service at the *woreda* under the direct coordination of Arsi zone education department. During the period when the office was under such structural arrangement particularly in June 2001, there were 21 primary schools with 171 sections. There were a total of 313 teachers among which 301 were graduates from teacher training institutes (TTI) while 12 were diploma graduates from various colleges. Gross enrollment at this level during the period between September 1996 and June 2001 as indicated in

table 1 below, was on average 9459 for girls and 11814 for boys. In the same period average number of non-dropouts for girls was 8466 and 10561 for boys and number of non-repeaters for girls was 8232 and 10295 for boys. Average dropout rate and average rate of repeaters was also 10.8% and 3.4% respectively (for detail see appendix 1). After decentralization as seen in table 1 below and annex1 &3 there is general improvement in education service in the woreda.

Table 1 Woreda Education Sector Average performance Before Decentralization (1998/99-2001/02) and After Decentralization (2002/03-2005/06)

Items	Before	After		Difference	Difference in
	Decentralization	decentralization		in Numbers	percentage
	1-8	1-8	9-10	1-8	1-8
Total number of schools	20	28	1	8	40
No. of sections	154	254	20	100	65
No of Teachers	299	381	41	82	27
Gross Enrollment (Girls)	9459	15542	652	6083	64.3
Gross Enrollment (Boys)	11814	16733	1550	4918.9	41.6
Non-Dropouts (Girls)	8466.3	14581	728	6114.3	72.2
Non-Dropouts (Boys)	10561	15518	638	4957.8	46.9
Non-Repeaters (Girls)	8232	12712	243	4480	54.4
Non-Repeaters (Boys)	10295	13342	727	3047.8	29.6

Source: Computed from data provided from Digelu & Tijo Woreda Education Office

(see also appendices 1 & 3)

Compared to the period before decentralization, with additional construction of 12 primary schools and 1 secondary school the number of schools reached 34 with a total of 390 sections at primary level and 20 sections in secondary school in 2005/06. During the same year, the number of teachers at primary and secondary levels was 426 and 41 respectively. Among these, 310 are TTI graduates, 182 are diploma holders and 16 are first-degree holders. When average performance of the two periods is compared, gross enrollment at primary level has increased by a difference of 6083(64.3%) for girls and 4918.8(41.6%) for boys than prior to decentralization. The number of teachers also increased by 21 additional TTI graduates and 60 additional diploma holders. Average

number of non-dropouts at primary level was 14581 for girls and 15518 for boys showing a difference of 6114 (72.2%) and 4958 (46.9%) respectively than before decentralization. With increases in gross enrollment and non-dropouts, the number of non-repeaters also increased by a difference of 4480(54.4%) for girls and 3048(29.6%) for boys than before decentralization. At secondary level, which has been established after decentralization, also gross enrollment has shown an increasing trend from 772 in 2002/03 to 3791 in 2005/06. The number of non-dropouts and non-repeaters has also increased from 434 to 2326 and from 238 to 1856 respectively in the same period. At this level number of teachers holding first degree also have increased from 5 to 16.

In the area of school administration too, community involvement has increased significantly. Community involvement in construction and maintenance of schools, particularly at primary level, has increased. Among the new schools constructed after decentralization, most of them were constructed through community involvement. Community contribution in employing and paying the salary of teachers who are employed at *kebele* level has also increased. Accordingly the number of teachers employed by community at different schools increased from 56 in 1999/00 to 148 in 2005/06. Therefore there is increased involvement of the community enhanced by decentralization in education service delivery.

4.3.1.2 Health

Health service delivery in the *woreda* before decentralization was coordinated and implemented under the immediate supervision of the Zonal Health Department. This responsibility has been transferred to the *woreda* health office, which has been established after decentralization. The office coordinates and implements health services through the health infrastructures that exist in the *woreda*. Before decentralization in 2001/02, the number of health infrastructures existed was 1 health center, 3 health stations and 2 health posts. The number of health professionals was 1 medical doctor, 9 nurses, 16 health assistants, 2 laboratory technicians, 2 pharmacists, 1 sanitarian and 1 frontline health assistant.

One of the major areas of the *woreda's* responsibility in primary health service is maternal & child health care service delivered mainly through immunization. This service is provided both at health facilities and at sites periodically. The total number of people served in this area by health infrastructures and professionals in the period before decentralization as indicated in table 2 below has been on average 44875.5 between 1998/99 and 2001/02. This performance has been on average 33.95 percent from the total planned target during the period (for detail see appendices 2 & 3).

Table 2 Woreda Health Sector Performance Before decentralization ((1999/00-2001/02) and After Decentralization ((2002/03-2004/05)

Item	Average Performance Before Decentralization		Average Performance After Decentralization		Difference in Numbers	Difference in Coverage (%)	Difference from planned target
	Numbers	Coverage (%)	Numbers	Coverage (%)			
Health Infrastructures	5		7		2	40	-
Health Professionals	28		27		-1	-3.6	-
Immunization							
BCG	3483.50	69.2	3823.3	73.2	339.83	9.8	4.1
Measles	2549.75	52.1	3167	62.8	617.25	24.2	10.7
DPT3	3001.75	63.7	3500	69.4	498.25	16.6	5.7
Fully immunized	2372.50	46.5	2899	57.4	526	22.2	10.9
PWTT2+	6622.75	32.9	1896	35.5	-4726.75	-71.4	2.6
NPWTT2+	3867.75	18.5	9091.7	33.9	5223.92	135.1	15.3
ANC	2946.00	61.7	3644.7	61.9	698.67	23.7	0.2
Delivery Service	579.50	11.1	755.3	13.7	175.83	30.3	2.6
PNC	462.25	38.2	704.7	12.6	242.42	52.4	-25.5
Family planning	1324.50	5.3	2725	13.6	1400.50	105.7	8.3
Under 5 years	5905.75	25.6	6732	27.7	826.25	13.9	2.1
Growth monitoring	6896.25	31.4	9020.7	37.1	2124.42	30.8	5.7
CDD	1765.75	6.2	1945.7	8	179.92	10.2	1.8
ARI	3097.50	12.9	4388.3	17.8	1290.83	41.7	4.9
Total average	44875.5	33.95	54293.4	37.5	9417.3	31.8	3.5

Source: Computed from data provided from Digelu & Tijo woreda Health Office.

(For detail see appendices 2 & 3)

After decentralization, the total number of health facilities became 7 with the opening of 1 additional health post. Currently, in these health units there are 11 nurses, 11 health assistants, 2 laboratory technicians, 1 pharmacist, 1 sanitarian and 8 health extension workers. When the number of health professionals is compared with the period before decentralization, there is no medical doctor after decentralization and the number of health assistants has also been reduced to 11 from 16. But the number of nurses increased from 9 to 11 and 8 newly employed health extension workers are also joining the service recently. The total number of people received immunization service pertaining to maternal and child health care has on average reached 54293 showing a difference of additional services for 9417 people, which is greater by 3.5 percent than prior to decentralization. When this performance is compared with the planned target of services during the years of decentralization the performance is on average 37.5 percent.

4.3.1.3 Water Supply

Access to water in the *woreda* varies from access to piped water to utilization of unprotected water sources like springs and rivers. There are a total of 11 water supply schemes (urban and rural schemes) in the *woreda* as indicated in table 3 below.

Table 3 Performance of Woreda water supply services

Year	No. of schemes		No. of beneficiaries		Estimated No of Population of the Woreda	Total coverage for the woreda
	Urban	Rural	Urban	Rural		
2002/03	3	-	23672		134671	18
2003/04	4	-	36248		138439	26
2004/05	6	5	37,718	6310	142288	30
2005/06	6	5	37,718	6310	146219	30

Source: Own computation on the basis of data provided from the Woreda Water Office and CSA Statistical Abstract from 2002/03 to 2005/06

The largest water supply scheme in the *woreda* is the water supply scheme located in the *woreda* capital with estimated number of about 22080 beneficiaries. Other water supply schemes are located in other two small towns of the *woreda* and in rural areas. From the total of 11 schemes mentioned above 6 of them are found in the *woreda* capital and other small towns serving a total of 37,718 people. The remaining 5 schemes are found in rural areas and together serve 6310 people. Hence the majority of the populations benefiting from clean water supply are those in urban areas. On the basis of this estimate from the total number of the *woreda* population, only 44028 (30%) are benefiting from clean water supply while the remaining has no access to clean water. As regards performance after decentralization non-of the schemes mentioned above were constructed nor improved by the *woreda* water office.

4.3.1.4 Rural Roads

The mandate of the *woreda* rural road office is to construct and maintain rural roads through hand tools and community labor. There are only 62 km all-weather road and 160 km dry-weather road that are in use in the *woreda*. The office is one of the smallest and lately organized with only 2 staff at the *woreda* after decentralization. Before decentralization there is no data on the performance of rural roads units in the *woreda* and table 4 below show only performances after decentralization.

Table 4 Performance in the Rural Road sector

Activities	2003/04		2004/05		2005/06	
	Km	No. of participants	Km	No. of participants	Km	No. of participants
Road Construction	61.5	4600	39.65	2197	15	3009
Road Maintenance	45	820	14.8	843	2	800
Bridge construction	5	463	8	900	11	2600
Bridge maintenance	3	451	7	653	6	1400
Total	114.5	6334	69.45	4593	34	7809

Source: Digelu & Tijo Woreda Rural Roads office

From 2003/04 until the first half of 2005/06 constructions of a total of 116.2kms roads, 24kms of bridges, maintenance of 61.8km roads, 16km of bridges was accomplished through community labor. According to the *woreda* road office the total number of people who participated in the work is 18736, with a monetary estimate of 149888.00 Birr with a daily rate of 8.00 Birr per participant.

4.3.1.5 Overall Evaluation

Despite some general improvements in public service delivery in the *woreda*, there is no much variation in overall performance between the period before and after decentralization. There is no commensurate progress among different public services in the *woreda*. The role of different actors and constraints encountered have also contributed to less performance and variations among the performances of agencies engaged in public service delivery.

Performance in the education sector is better as compared to other public services during decentralization years. The major improvements in the sector are reduction in dropout rate and rate of repeaters and increase in participation of the community in school administration. In construction of schools community involvement was found to be greater. Community involvement has also increased in employment of teachers with the objective of filling the vacant posts created as a result of increase in the number of schools and enrollment. This is one of the significant contributions of the decentralization scheme.

On the other hand, there was contribution of different actors outside the *woreda* administration in school construction. The regional government constructed 1 secondary school. Ethiopian Social Rehabilitation and Development Fund (ESRDF) constructed 7 primary schools with additional contributions from the community. Major constraints were also observed in coordination of activities between the *woreda* education office and the community and in terms of budget allocation particularly for covering operation costs. Consequently, the schools constructed at *kebele* level through community

involvement lack quality and are without out proper plan for availing required facilities and manpower.

In the health sector, the performance was evaluated by number of health infrastructures, health professionals and immunization services. According to the World Health organization (WHO) standard and the standard applied by Ministry of Health 1 health center is for 25,000 people, 1 health station is for 10,000 people and 1 health post is for 5,000. On the basis of this standard, health service coverage by health infrastructures at national level as indicated in annex 3 has shown an increasing trend from 50.71% to 72.1% in 1999/00 and 2004/05 respectively. In Oromia region also similar trend has been observed from 53.17% to 67.2% during the same periods. However, the coverage of health infrastructures in the *woreda* as shown in table 5 was from 48.5 percent to 49.2 percent during the periods. The *woreda* health center serves the whole population and administers the three health stations and three health posts in the *woreda*, which is below standard. Before decentralization the coverage of health infrastructures in the *woreda* was on average 48.4 while the national and Oromia coverage was 54.5 percent and 52.5 percent respectively.

After decentralization the coverage became 50.6 percent while the national and Oromia coverage was 65.8 percent and 62.1 percent, which is still better than the *woreda* coverage like before decentralization. The difference in health infrastructure coverage in the *woreda* between the periods before and after decentralization is only by 2.1 percent, which is registered after decentralization.

Table 5 Digelu & Tijo Woreda Health Coverage by Health Infrastructures and Health Professionals

Year	Coverage by Health Infrastructures			Physician population ratio			Nurse population ratio			Health assistant Population ratio		
	National	Oromia	Digelu	National	Oromia	Digelu & Tijo	National	Oromia	Digelu & Tijo	National	Oromia	Digelu & Tijo
1999/00	50.71	53.17	48.5	48829	80948	123696	9187		30924	30683	8415	7731
2000/99	51.24	46.91	47.1	47836		127293	8461	12156	25459	8847	1037	7956
2001/02	61.55	57.44	49.6	28339	57674	130958	5236	10187	16369	8249	9340	8731
Average	54.5	52.5	48.4	41668	46207	127316	7628	7447.7	24251	15926.3	6264	8139.3
2002/03	61.33	58.15	51.9	25958	60835		4882	9638	12243	10083	11534	11223
2003/04	64.02	60.98	50.6	26527	68951		4572	9309	23073	10722	11728	13844
2004/05	71.1	67.2	49.2	22621	77066		3883	7618	15809			8893
2005/06			47.9						13293	26687	34888	13293
Average	65.8	62.1	50.6	25035.3	68951		4445.7	8855	17042	6935	7754	11320

Source: Ministry of Health, CSA, Digelu and Tijo woreda Health Office and own computation (see also appendix 3)

At current estimate of the *woreda* population and the standard, the existing health center and 3 health stations should serve 1/5 of the population each and the existing 3 health posts should serve 1/7 of the population. But the health units are serving below standard due to population growth and lack of additional health infrastructure and scarcity of health professionals. In the case of health professionals also, the ratio of the *woreda* is the lowest particularly after decentralization due to lack of medical doctor and resignation or transfer of 5 health assistants existed before decentralization, and lack of replacement, and increase in the number of population. After *woreda* decentralization on average 1 health assistant serves 6264 people in Oromia region while in the *woreda* the average is 1 to 8139. In both health infrastructure coverage and health professionals the *woreda* is below the regional coverage which implies that there are other *woredas*, which are getting better services than the *woreda*. This also has implications on the efficiency of the *woreda* performance.

The performance of the *woreda* in immunization service as indicated in table 2 & annex 2 has been on average below 40 percent both before and after decentralization. Despite the opening of health office at the *woreda* and the opening of 1 additional health post, the performance after decentralization didn't show significant improvement. When comparisons are made between the periods before and after decentralization there is only minor difference between what has been planned and performed.

The number of health institutions and manpower or establishment of *woreda* office is not the enough determinants for provision of better health services. It is also misleading to take these factors as the sole determinants. A lot of factors could influence changes in required services. Different variables such as prevalence rate of diseases, efficiency of professionals and availability and effectiveness of drugs and types of treatments given could determine changes in health service delivery before decentralization and after decentralization. Given these determinants and limitations, it is difficult to expect better performance after decentralization.

In water supply and rural road sectors also existing data indicates that the improvement is not that much significant. The water supply coverage for the *woreda* shows some improvements since 2004/05 but this improvement has not been attained due to *woreda* decentralization. Even though there are some inputs from the *woreda* communities in terms of labor and finance, the schemes constructed after decentralization were undertaken by the regional water bureau and Ethiopian Social Rehabilitation and Development Fund (ESRDF). The water supply in the *woreda* capital was constructed by the regional water Bureau and is still run under the financial and technical assistance from the zonal water department and with no direct input from both the *woreda* water office and *woreda* administration. The 7 rural water supply schemes that began providing services in the decentralization years were also constructed by the ESRDF with labor and financial contribution from the respective community in each site.

Though the water supply coverage of the *woreda* has shown some improvement due to this contribution in the years of decentralization, the coverage is still the lowest compared to national and Oromia coverage as indicated in table 6.

Table 6 Water Supply Coverage at National, Oromia and Woreda Levels

Year	National	Oromia	Digelu & Tijo Woreda
2002/03	34.13	35.1	18
2003/04	37.9	41.6	26
2004/05	42.0	50.3	30
2005/06	-	-	30

Source: Ministry of Water Resource Annual Report of June 2005, CSA,(2002/03 to 2005/06), Digelu & Tijo Woreda Water Office and own computation

Despite this lowest coverage the performance of water supply activity by the *woreda* water office after decentralization is one of the lowest compared to other public services in the *woreda*. During the post decentralization period no water supply activity has been performed by the *woreda* office. All the existing schemes were constructed under institutions outside the *woreda* office. Even though the office is one of the new offices established following decentralization and has lots of constraints; so far nothing has been registered in terms of better performance in the field of water supply. Hence the contribution or benefits of decentralization to the *woreda* through this office is almost none.

Access to clean water supply has relatively improved due to construction of the water supply in the *woreda* capital and other small schemes in rural areas by other institutions outside the *woreda* office. However, the majority of the *woreda* population has no access to clean water. The above estimate of water coverage in the *woreda* shows that from the total population of the *woreda* only 30.0 percent have access to clean water while the remaining use unprotected springs and rivers as sources. Compared to the national and

regional coverage, the coverage of the *woreda* is also very low. Coverage at national level has increased from 34.13 percent in 2001/02 to 42.0 percent in 2004/05. During the same period the coverage for Oromia region has also increased from 35.1 percent to 50.3 percent. In this comparison, though the *woreda* coverage has also shown similar improvements, it should have brought significant improvement should the office have performed in terms of increasing the number of schemes and expansion of existing schemes. Due to lack of additionally constructed schemes and lack of expansion in the existing schemes, the coverage of the *woreda* is expected to decrease with increase in the number of population and as the existing schemes are finishing their design period.

In the rural road sector it was not possible to make comparisons of state of affairs before and after decentralization owing to lack of data. However, according to informants there were no organized efforts in rural road construction and maintenance before decentralization. After the establishment of the rural roads office, and in view of its capacity and duration its performance is relatively better compared to earlier times. This was made possible owing to mobilizing and organizing the community and activities of surveying in the construction and maintenance of rural roads and bridges at a later stage. After decentralization, due to the establishment of the office at *woreda* level, there are general improvements in organizing and mobilizing the community, which made possible labor contribution in rural road construction and maintenance.

Though traditionally people used to construct rural roads through contributing labor, this activity has been relatively better organized and operated in a planned manner with the establishment of the office under decentralization scheme. In this case, decentralization is creating a sense of partnership and ownership in local service delivery through close interaction between the office and the people who were encouraged to identify their needs. The undertaking is promising particularly in increasing the participation of the community. However, in this field also there are limitations in ensuring effective and quality performance due to lack of proper design and shortage of improved tools. Most of the roads constructed are poor in quality and their sustainability is already in danger.

When each of the public services is considered independently, there are some general improvements after decentralization on the basis of average performance. However, when the input of other actors outside the *woreda* institutions is considered with the own performance of the *woreda* and the pace at which public service delivery has been performing before decentralization is considered the overall performance is expected to be lower than what has been observed in the performance of the *woreda* in the selected public services. This may be due to low efficiency of the *woreda* and due to different constraints.

4.4 Constraints

Although there are lots of improvements in providing public services in the *woreda*, there are still lots of constraints that undermine the efforts of the *woreda* administration in the post-decentralization period. The general problems mentioned by almost all of the respondents revolve around weak coordination and participation particularly in terms of identifying local problems, prioritizing local needs, and constraints in budget and manpower. In all of the schools and health posts, respondents repeatedly raised scarcity of budget and manpower as critical problems in delivering public services in the *woreda*. In the schools lack of furniture, lack of laboratory equipments, lack of libraries and shortage of reference books, teacher's guides, textbooks, shortage of teachers were mentioned. In the health sector inadequacy of health units, lack of manpower, insufficient supply of drugs and medical equipments, lack of transportation, lack of potable water supply, and deteriorating buildings and health infrastructure were mentioned as problems associated with scarcity of budget. Capacities of manpower and low budget allocation to water supply and rural road schemes are mentioned as factors significantly affecting the delivery of the services to the public.

4.4.1 Weak Coordination and Participation in Planning and Budgeting

The basic aim of *woreda* level decentralization is to serve as a means of empowering local communities, developing democratization, and improving delivery of basic services. This process requires participation of different actors and coordination among them. Public service delivery also requires the participation of all those who directly or

indirectly affected by the quantity and quality of services. One of the mechanisms for the involvement of different actors in public service delivery is through coordination and participation of different actors at the stages of problem identification, prioritization of needs, implementation and reporting, and planning and budget processes. However, there is weak coordination and participation in identifying problems and prioritizing public services as observed from the planning processes in the *woreda*.

Planning and budgeting is conducted at the level of sector offices and *kebele* offices. Sector offices and their branches involve in the *woreda* planning activities, which fall within their responsibility and implemented through government budget. *Kebele* plans include activities implemented through labor and financial contribution of the community. *Kebele* plans mostly include activities, such as school construction and maintenance, construction of school latrines, and construction of teacher's residences, employment of teachers, and guards, construction of village roads all of which require community input in terms of labor and finance.

Sector offices in the *woreda* use their respective experts and branches at *kebele* level in schools, and health stations and health posts for planning and budgeting purposes. As the mechanism for involvement of stakeholders, education and health offices use their branches while water supply and rural road offices have no branches at *kebele* level. After having prepared their plans, both sector and *kebele* plans are sent independently to the *woreda* executive committee which discusses and recommends the annual plan and budget for approval by the council. After approval by the council, the annual plan and budget is put into effect by implementing institutions.

Although, public services require government budget and community input in terms of labor and finance, all public services are related with sectoral issues and there is no reason to treat the plan of *kebele* and sectors independently. Neither *kebele* administration has sector office, as in the case of the *woreda* to implement plans for each sector. Most of the activities are implemented through coordination by sector offices. The problem lies in lack of coordination and integration of activities and this lack of coordination and

integration in sector plans and *kebele* plans have its own impact in involving the community in prioritizing local services according to local needs. Therefore, service delivery in the *woreda* is characterized by weak coordination and integration and lack of significant input from the community.

Even though some consultations with the community particularly at school levels take place, the consultation is not aimed at identifying the problems faced by communities and prioritizes them. Measures to improve the involvement of community members in planning and budgeting public services is not given much attention, which also varies among all sectors involved in this study. Hence there is intersectoral variation in coordination and participation. Neither sector offices are equally available in each sub-*woreda* nor are they equally involved the community in public service delivery at the community level. Less focus has been given in the processes of planning and budgeting public services and progress in both performance and magnitude of decentralizing public services varies from sector to sector.

Comparisons have been made among the selected public services whether they involve the community and what type of involvement is promoted in public service delivery. All respondents have agreed that education service and rural road services promote more participation. Though it is difficult to assess the precise level, degree and quality of participation within the limited scope of this study, participation is confined mainly to implementation stage. This takes place in the form of labor and financial contribution. Among the respondents, majority of them opined that education service is characterized by participation more than the other public services followed by rural road, water supply and health in order of importance.

The Education policy of Ethiopia emphasizes community participation as the main strategy of implementing education and training programs. In this regard, it is obvious that the community and *kebele* administration involve in school administration. *Kebele* administration is responsible for school administration. As chairpersons of *kebele* administration, administrators have the power to play significant role in guiding and

mobilizing communities. The board has a role of strengthening community-school relationships by creating good learning environment, increasing community support through labor and finance, and in controlling dropout rates. This has been observed in school construction schemes and employment of teachers. As indicated in the performance of education service in the *woreda*, most of the schools at first cycle level were constructed through community involvement and some teachers are also employed by the community in filling vacant posts. From this involvement, according to respondents, education service is more participatory compared to others because at school level kebele administrations and communities assume the overall responsibility for managing education within their respective areas through *Kebele* Education and Training Boards (SWETB). Schools also have their own sources of income to generate revenue and school administrations have the power to utilize this for required expenses. Most of the schools in the *woreda* have farmland and different clubs, from which they generate income. Hence provision of education service is more decentralized compared to the other sectoral services. However, as indicated above, the level and extent of participation has been limited to labor and financial contribution.

In health services, efforts aimed at involving the community in the various program components are very weak. The governance environment at health units is more of deconcentrated type signified by total dependency of the community and the staff. At health centers and health posts salary of staff and procurement of drugs and equipments is dependent on the budget allocated to and managed by the *woreda* office. Similarly, though the nature of work in water services call for increased community participation the degree and extent of decentralization in the sector is very poor in the *woreda*. There is commendable record and a lot has been said about community participation with regard to water supply service in the country, but no achievement worthy of mention has been recorded in this area in the *woreda* due to weak performance of the water office. Though there are lots of demands from the *woreda* community, no intervention has been observed and the water office is the least among public service delivery institutions in the *woreda* in responding to local needs. In the rural road sector there is visible community participation particularly in terms of labor contribution. According to the *woreda* Rural

Road Office community contribution to road and bridge construction and maintenance is estimated to be 99216 Birr considering the labor input of 12402 people in the last 2 and a half years.

In general it is possible to conclude that popular participation in the *woreda* is very limited and participation is confined to labor and financial contribution. Each office prepares its annual plan without assessment of required activities in consultation with the target groups. Plans are submitted for approval to the *woreda* administration through the Office of Finance and Economic Development. Participation of the community in problem identification and prioritization is rarely witnessed and the role of the community is limited to provision of labor and materials during implementation.

One of the mechanisms in which the selected public services reach the community is through kebele structures. However, coordination at *kebele* level to enhance the participation of the community in public service delivery is weak due to lack of clearly institutionalized structures. Though *kebele* structures are organized as a means to reach people at grass roots level, there is no clearly institutionalized structure for coordination and participation of local communities in decisions concerning public service delivery. On one hand the structure of *kebele* administrations is not staffed by fulltime personnel and the members of the *kebele* cabinet are self-employed receiving a token a monthly allowance of between 50 and 150 Birr. Secondly, though *kebeles* are organized under *gotes* and teams, almost all of them are not functional and effective. Therefore, *kebele* plans are prepared by some members of *kebele* administrations mostly by the chairperson. This takes place without involvement of the communities. At the same time, what is planned at *kebele* level is limited in scope and fails short of addressing the priority needs of the community. The role of *kebele* administrations itself is limited to community mobilization and reporting of performances as required by the *woreda* administration.

Due to lack of coordination and participation and other related factors mentioned in this study the *woreda* administration is not responding to local needs and priorities.

According to respondents, there is a problem in addressing the priority needs of the community. The majority of the respondents stated water supply, rural road, health and education as their first, second, third and fourth priorities. As indicated in table 7, for 13(43%) of the respondents water supply, for 14(46.7%) of the respondents rural roads, and for 16(53.3%) of them health is their first, second and third priority while education is their fourth priority from majority consideration. The planning and performance documents of the *woreda* also indicate the low attention given to the most priority needs of the community and that the interventions made so far is very low which confirms the unheeded priorities of communities. Most of the respondents claimed that particularly their demand for water supply is not addressed despite their repeated requests.

Table 7 List of priority needs by respondents for selected public services

Priority	Education		Health		Water		Road		Agriculture	
	No.of respondents	%	No.of respondents	%	No.of respondents	%	No.of respondents	%	No.of respondents	%
1	1	3.3	5	16.7	13	43.3	8	26.7	4	13.3
2	3	10	4	13.3	8	26.7	14	46.7	1	3.3
3	5	16.7	16	53.3	3	10	3	10	4	13.3
4	13	43.3	5	16.7	1	3.3	2	6.6	8	26.7
5	8	26.7	-	-	5	16.7	3	10	13	43.3
Total	30	100	30	100	30	100	30	100	30	100

Source: Own computation from field data

Most of the services provided in the *woreda* are planned by sector offices, which is based on sectoral planning through expert decision at office level. All the public services are normally decided and provided by civil servants who feel accountability to their respective institutions and to the *woreda* administration rather than to the public. The decision making process is still hierarchical in all the planning and budgeting processes. Community input or its role in planning and budgeting is very low or non-existent except making labor and financial contributions. Therefore, the role of the people in the *woreda*

in the processes of decision-making and provision of public services thereof is minimal at best. Efforts at studying local conditions and flexibility of needs and considerations for local needs and priorities are constrained by lack of participation and lack of capacity, among others.

One of the problems of public sector service delivery in most developing countries is the excessive concentration of decision-making power and resources in the hands of central governments. To ameliorate the situation, most of the basic services have been decentralized in Ethiopia in the form of devolution to different regions and from regions also to *woredas*. However, service delivery role in the *woreda* is highly concentrated at the *woreda* level with limited role given to lower administrative tier the *kebeles* and the community at large. This problem could have been minimized if the *woreda* sector offices and the *Woreda* Finance and Economic Development Office have been strong in their respective roles by way of inducing greater level of community participation.

Though the office for Finance and Economic Development is expected to play a crucial role in coordination of public services, the office simply matches the block grants from the region and the meager revenue generated locally with sectoral plans without making further assessments of priority areas in view of local needs. The office has been preoccupied with expenditure management and provision of the whole financial services to all the *woreda* offices. As a result, it lent less focus to the planning and budgeting component of its responsibility. The planning and budgeting section in the office is the most neglected one and staffed by personnel who lack the knowledge and experience in planning. Consequently the section is not dealing with planning and budgeting issues as its main activity and is mainly preoccupied with compiling what has been done by each sector offices to be presented for council decision. This made the planning and budgeting process predominantly a top-down activity dominated by the actions of sector offices. Neither the community nor the Finance and Economic Development Office and the *woreda* council have decisive role in deciding what has to be planned and how it should be prioritized. This is due to the fact that they lack major inputs and thus subordinated to sectoral plans.

4.4.2 Financial Constraints

Although the *woreda* has structured itself since decentralization in a way that it could provide public services, there is a great mismatch between its expenditure obligation and the financial resources it actually receives in the form of block grant and use of own revenue. *Woreda* own revenue and regional block grant is still lagging behind the *woreda* expenditure requirement for provision of public services.

As indicated in table 8 below, in the periods before decentralization from 1997/98 to 2000/01 locally generated revenue on average amounted to 2.0 million Birr while after decentralization there was a slight increase amounting to 2.1 million Birr. From this it is possible to observe that the amount of revenue generated after decentralization didn't show much increase compared with the amount of revenue collected before decentralization.

Table 8 Woreda Budget Based on Own Revenue and Block Grant (in Million Birr)

	Own revenue		Percentage share of own revenue to total Budget	Budget Transfer/ Block Grant	Percentage share of budget transfer/block grant to total Budget	Total Budget
	Planned Collection	Actual collection				
1997/98	1.9	1.8	45	2.2	55	4.0
1998/99	1.8	1.9	46	2.2	54	4.1
1999/00	1.9	2.1	47	2.4	53	4.5
2000/01	2.1	2.0	43	2.6	57	4.6
2001/02	2.1	1.9	33	3.8	67	5.7
Average Before Decentralization	2.0	2.0	43	3.0	57	5.0
2002/03	2.5	2.0	33	4.1	67	6.1
2003/04	2.5	2.4	33	4.8	67	7.2
2004/05	2.9	2.5	32	5.0	68	7.7
2005/06	2.1	1.6	18	7.2	82	8.8
Average After Decentralization	2.5	2.1	29	5.3	71	7.5

source: Digelu & Tijo Woreda Finance & Economic Development Office

There is no significant increase compared to the expenditure need of the *woreda* and the amount has been by far below the expenditure requirement of the *woreda*. The amount of contribution of locally generated revenue to the *woreda* budget has been on average 43 percent and 29 percent before decentralization and after decentralization respectively. During the post decentralization period the maximum contribution of local revenue to the *woreda* budget has been 33 percent, which has been the least contribution in the years before decentralization.

The main reasons for such limited revenue base could be explained by different factors. The source of revenue in the *woreda* includes agricultural income and land use tax and business income tax, and others. Among these, the major revenue source is agricultural income tax followed by other taxes. Since the *woreda* is lacking significant revenue originating from urban centers agricultural income and land use fees account for a major portion of revenue, which is not significant as such. The other reason for low revenue is lack of awareness, lack of interest to pay, fluctuations of climatic conditions impoverishing households. However, the basic reason that explains low level of revenue in the *woreda* as communicated by the respondents in the office of the *woreda* Finance and Economic Development is absence of appropriate assessment in local potentials and inadequacies associated with collection. The annual collection plan is prepared and sent by the regional authorities and the role of the *woreda* has been limited in meeting the target. The effort is limited to meeting the plan and no further effort is made on the part of the *woreda* to go above and beyond the plan. There is no assessment of revenue potential of the *woreda* and the difference among different payers as well as the number of those who do not pay.

Notwithstanding this, however, the expenditure need of the *woreda* has increased annually since decentralization. The *woreda* budget has increased from 4.0 million Birr in 1997/98 to 8.8 million Birr in 2005/06. With such an increase, the major portion of the *woreda* budget has been financed by the regional block grant. Despite the growing need for local development and public services, the *woreda* remained dependent on regionally transferred grants. The budget transfer to the *woreda* before decentralization on average

amounted to 57 percent from 1997/98 to 2001/02 while the share of block grant to the *woreda* budget has been between 67 percent and 82 percent during decentralization years. After decentralization, the *woreda* has been dependent on the regional block grant for its expenditure and the dependency has shown an increasing trend from year to year. This was expected to show a decreasing trend after decentralization.

One of the objectives of decentralization is the need to reduce the dependence of local government on regional or national government transfers. However, the *woreda* is still heavily dependent on resources from the region, which has its own problem in prioritizing local needs. Even though the regional block grant is said to be transferred unconditionally, its allocation is determined by the regional and zonal authorities through the checklists sent annually to the *woreda* administration for prioritizing local services. The checklists are a sort of guideline for prioritizing local needs, which may not comply with specific local, needs but determines the focus of the *woreda* in budget allocation with less flexibility to local conditions.

Besides, the main reason for low-level services could be explained more by the *woreda* budget allocation system that lacks equity. It is obvious that government institutions complain of scarcity of budget and its unfair allocation. Though the need for budgetary support is high due to scarcity of resources in the country, the problem of budget constraint in the *woreda* is not only about its scarcity but also pertains to modality of allocation. As could be observed from table 9 below distribution of the resource for financing different public services appears unfair..

Table 9 Budget allocated for selected public services from 2002/03 to 2005/06 (in Million Birr).

Items	2002/03		2003/04		2004/05		2005/06	
	Total	%	Total	%	Total	%	Total	%
Total Budget for the woreda	6.1		7.2		7.7		8.8	
Total Salary	5.6	91.8	6.1	84.9	6.4	83.5	8.1	92.2
Total Operation Cost	0.5	8.2	1.1	15.0	1.3	16.0	0.7	7.8
Education Budget Total	3.5	57.4	3.61	50.1	3.0	39.0	5.1	58.0
Salary	3.3	94.3	3.6	99.7	2.9	96.7	5.0	98.0
Operation cost	0.2	6.1	0.007	0.2	0.1	3.4	0.1	2.0
Health Budget Total	0.4	7.9	0.4	5.6	0.4	5.2	1.1	2.5
Salary	0.3	75.0	0.35	87.5	0.3	75.0	0.5	45.5
Operation cost	0.1	25.0	0.01	2.9	0.1	33.3	0.6	54.5
Water Supply Budget Total	0.012	0.2	0.023	0.3	0.011	0.1	0.032	0.4
Salary	0.01	83.3	0.02	87.0	0.01	90.9	0.03	93.8
Operation cost	0.002	17.0	0.003	15.0	0.001	10.0	0.002	6.7
Rural Road budget Total	0.03	0.4	0.007	0.1	0.007	0.1	0.011	0.1
Salary	0.02	66.7	0.006	85.7	0.006	85.7	0.01	90.9
Operation cost	0.007	33.0	0.001	16.7	0.001	16.7	0.001	10.0
For others	2.2	34.1	3.2	43.9	4.3	55.6	2.6	39

Source: Digelu & Tijo Woreda Finance & Economic Development Office

As indicated in the table above, there are great variations in the budget allocated for the sectors. Education has the biggest share with more than 50 percent of the total budget whereas health, water and road sectors receive the lowest share. Health sector has got less than 10 percent of the total budget varying between 2.5 percent and 7.9 percent. Water supply and rural roads have got similar allocation varying between 0.1 percent and 0.4 percent of the total annual budget. Even in education where there is relatively better allocation the sector faces constraints. According to the respondents from schools there is scarcity of budget for operation cost. The schools receive only stationary materials in kind bought by operation budget allocated to them from the *woreda* education office, which do not meet their annual requirement.

As indicated in the table 10 below the educational budget allocated per student is much lower than the national standard.

Table 10 Education Budget per capita for students at primary and secondary level from 2002/03 to 2005/06 (in Birr)

Year	Gross Enrollment		Operation cost		Per capita	
	1-8	9-10	1-8	9-10	1-8	9-10
2002/03	29586	772	38550	-	1.30	-
2003/04	30127	1642	23146	3000	0.77	1.83
2004/05	33423	2603	32528	14112	0.97	5.42
2005/06	35961	3791	33000	21578	0.92	5.69

Source: Own computation based on annex 1 and table 9

The national standard for first cycle, second cycle and 9-10 is 10 Birr, 15 Birr and 20 Birr respectively for each student. When this is compared with the *woreda* budget allocated for 1-8 at primary level between 2002/03 and 2005/06 the per capita was within the range of 1 Birr and 30 cents to 77 cents, which is extremely low. Similarly, per capita for 9th and 10th grades was also low but relatively better when compared with what has been allocated at primary level.

In health also the total budget allocated for health services in the *woreda* is very low contrary to the fact that health service is in top list of community priorities. The amount of budget allocated for operation cost of the health sector is very low despite the scarcity of medical facilities, medicine and manpower at all health units.

As shown in the following table the average per capita for health from 2002/03 to 2004/05 in the *woreda* is 4 Birr and 20 cents, which is by far below both the national and the regional average. This is due to scarcity of budget.

Table 11 Health Budget per capita (in Birr)

Year	National	Oromia	Digelu & Tijo	Difference with National	Difference with Oromia
2002/03	11.9	5.9	3.59	8.31	2.31
2003/04	12.8	4.4	3.15	9.65	1.25
2004/05	16.8	6.9	2.79	14.01	4.11
2005/06	-	-	3.11	-	-
Average	13.8	5.7	4.2	10.7	2.6

Source: Ministry of Health, (2002/03 to 2004/05), and own computation based on CSA National Abstract (2002/03 to 2004/05 and table 9

In water supply and rural road sector, the allocation system didn't take into consideration the priority needs of the community. The amount allocated didn't show significant changes over the years. Budget allocated for both sectors in each of the years of decentralization remained below 1% of the total *woreda* budget. This small amount is also paid for salary of the staff and what is allocated as operation cost does not exceed costs for minor stationary items.

Furthermore, the trend in expenditure has shown an increase in salary expenditure than operation costs. Hence the bulk of the *woreda* budget goes for payment of salaries of civil servants in the *woreda*. Salary expenditure is between 83.5 percent and 92.2 percent while operation costs have been between 7.8 percent and 16 percent in the years of decentralization. After decentralization, increase in the number of schools that led to increase in the number of teachers and the opening of additional new offices and assignment of new employees are among the reasons that resulted in increase in salary expenditure in the *woreda*.

The allocation system also does not consider the needs of the front-line service delivery agencies. There is no flow of resources directly in cash to schools and health institutions. Though they are involved in the delivery of basic services, they are neither given the power to decide nor have the means to deliver those services. Particularly, primary health care facilities and schools face such problems even though they are obliged to remit the revenue they collect to the *woreda* Finance and Economic Development Office. All expenditures in the form of staff salary, buildings, and maintenance and supply of different equipments are provided from the *woreda* office in kind as determined by the sector office itself. Therefore, there are challenges to cope up with the ever-growing demand for expanding requirements of service delivery.

4.4.3 Availability and Utilization of Manpower

Since the devolution of power to *woredas* one of the major challenges in public service delivery has been the problem related with the availability and the quality and quantity of manpower. Manpower problem in the country in general and in the *woreda* in particular is the most frequently raised issue. Despite the proximity of the *woreda* to the zonal capital and its location on the main road, the *woreda* is facing manpower problem inhibiting efficient delivery of public services. All the interviewed officials frequently raised staff shortage as the major problem.

The existing structure for education and health offices in the *woreda* does not indicate all required posts. There is no clearly defined structure for required number of teachers at both primary and secondary schools, and at health stations and health posts. Therefore, the data indicated in table 12 below is based on available information for established posts and existing manpower, which doesn't indicate the actual reality of manpower problem in both sectors.

Table 12 Required and existing manpower for selected public services

		Required Total	Assigned				Total	Difference
			12+4	12+2	12+1	12 & below		
1	Education	801	16	201	317	26	560	241
2	Health	28	1	18	5	4	28	-
3	Water	14	1			2	3	11
4	Road	4			2		2	2
	Grand Total	847	18	219	324	32	593	254

Source: Oromia Civil Service Bureau and Digelu & Tijo Woreda Education, Health, Water and Rural Roads Offices

On the basis of the data indicated in the table, from the total number of 847 vacant posts in the selected public service agencies of the *woreda* only 593 have been filled. In terms of quality of manpower too, problems are encountered; only 18 are degree holders, 219 are with diploma and the remaining are 12+1 and below. From the total number of the existing employees the number of staff that is redeployed since decentralization from region and zones are only 27. Most of the unfilled vacant posts are those that are needed to provide required public service in the *woreda* particularly at frontline agencies such as teachers and health assistants.

At different schools in the first and second cycles and at secondary level there is scarcity of teachers. Due to lack of required number of teachers with required training at first and second cycles and secondary level, teachers whose educational level does not satisfy the educational requirement at their present assignment are providing education services. According to the requirement graduates of Teachers Training Institute (TTI) are eligible to teach up to first cycle and diploma graduates are eligible to teach up to 8th grade while 9-10 should be only undertaken by first-degree holders. In the case of the *woreda* TTI graduates teach up to 8th grade and diploma graduates teach up to 10th grade. As indicated in table 1 majority of the teachers in the *woreda* are from TTI while majority of the schools are up to 8th grade, which require diploma graduates particularly from 5th –8th

grades. Furthermore community-employed teachers whose educational level is between 10th grade and TTI level also fill most of the vacant posts. The number of teachers employed by communities is increasing each year and on average 104 of the teachers who teach from 1-8 are community-employed teachers. This number has reached 148 this academic year (2005/06). From the total of 41 teachers teaching in 9th and 10th grades also 25 of them are diploma holders.

There is also similar manpower problem in the health sector. One of the basic problems in health service delivery particularly at health stations and health posts is lack of structures to assign required personnel. There is no structure also for health extension workers. Therefore table 12 above indicates only the structures and number of manpower established for health office and health center. Hence there is critical manpower shortage at health stations and health posts. One of the determinants of health service is trained manpower in the field. According to current statistics in the *woreda*, the existing health professionals and facilities (health center, health station and health post) do not match each other.

Only health center in the *woreda* town is relatively capable of providing daily regular services with better manpower and facilities. At each of the health stations and health posts serving communities there is only one health assistant and one cleaner or cashier. Since one health assistant runs a health unit he/she is incapable of providing required services regularly. Therefore, the presence and absence of a health assistant determines the health services provided. When the person is absent due to some other assignment or due to annual leave or personal problem, the service is interrupted. In case of total absence due to resignation or other reasons, provision of health services are closed until replacement is found. One of the health posts in the *woreda* has been closed due to similar problem and still remains as such. Besides, no study has been conducted regarding the manpower requirement at health stations and health posts level and there is no clear structure to fill required manpower gaps.

Similarly, in water and road sectors, there is problem of manpower. But in both offices the most critical problem is related with effective utilization of the existing manpower. The total number of staff in the water office and road office are 3 and 2 respectively. These offices are also among the *woreda* offices that were established after decentralization. Therefore it is obvious that they are not well established like those offices that existed before decentralization and continued to operate after decentralization. They are also facing lots of problems in terms of experienced staff and budget. But the existing manpower at these offices is not utilized efficiently mainly due to budget constraints compared to other offices.

Mechanisms that are employed in the country to mitigate manpower problem is through employment, transfer, promotion and capacity building. However, as indicated above, the *woreda* is constrained by lack of budget and attention to those services prioritized by the community. The *woreda* is also constrained by other institutional issues related with regulations made at regional and zonal levels. One of the powers given to *woredas* is to administer their manpower in matters related with personnel management. Devolution of power is meant to be having power over hiring, firing and promotion of employees. Proclamation No.61/94 of the Oromia National Regional State also gives equal power and responsibility to all public offices in the region in personnel management. According to the proclamation, all offices in the region are given power to hire, fire, and promote in line with provisions of the proclamation. But *woredas* are restricted with other internal regulations not to employ without prior approval of the regional Civil Service Office. This restricts not to fill vacant posts without the prior agreement of the Regional Civil Service Bureau. Furthermore, employment of support staff has been totally prohibited. Any vacant post for other staff should be agreed and allowed by the regional Civil Service Bureau before making transfers, employment, and promotion. Therefore, the power of the *woreda* has been limited and it is difficult to fill even the highly needed vacant posts. Although the reason behind the restriction is to balance the flow of manpower among *woredas* and to control employment in terms of priority needs due to budget limitations, the mechanism has imposed restrictions on the exercise of the power given to the *woreda*.

Staff members are also rarely given a chance to upgrade themselves. Short-term training could have mitigated the shortage of qualified staff by improving the efficiency of existing staff. In schools, some teachers are personally improving their skill through distance learning. Some staff members of the *woreda* sector offices were also given some orientations with assistance from offices at regional and zonal levels. But compared to the capacity problem observed in the *woreda* the situation requires further capacity building efforts.

CHAPTER V

CONCLUSIONS

A system of decentralized governance has been adopted in different countries both for different and similar reasons. In general, decentralized governance is aimed at overcoming the difficulty of managing political, social and economic activities and to improve public service delivery in terms of quantity, quality and efficiency. Public Service delivery could take centralized and decentralized models or forms. In developing countries like Ethiopia these models or forms function side by side in public service delivery. Decentralization has been favored as the most efficient approach in public service delivery characterized by accountability, participation, efficiency, effectiveness and responsiveness mainly under devolved form of governance. This lent decentralization worldwide recognition as the most significant model for better delivery of public services and enhancement of economic development.

As seen in the literature review, the benefits of decentralization have been supported by lots of theoretical justifications in the study. Decentralized governance has been characterized by effective domestic institutions marked by efficiency, participation responsiveness and the like, whereby service delivery is enhanced by increased public sector efficiency. Devolved form of governance is taken as the most effective, efficient and responsive form of decentralization since it confers authority and responsibility in resource mobilization and investment decisions and increases popular participation that creates or opens more political space to pertinent actors. Under devolved form of governance, locally elected leaders and local institutions are also in a better position than the central and regional governments to secure public participation in need identification, prioritization, approval and implementation of public services. They know the situation in their locality better than authorities at national and regional level and are in a better position to provide services needed by local people.

In view of these and other benefits, Ethiopia adopted a decentralized system first at regional and subsequently at *woreda* level. In the effort towards realizing these benefits,

woredas were initially empowered to undertake delivery of public services under the mandate of central, regional and zonal offices. At a later stage since 2001, *Woredas* in Oromia region were given the responsibility of planning budgeting and implementation of public service delivery signified by expanded functions and mandates. Accordingly, Digelu & Tijo *Woreda* is among those *woredas* delivering public services within this framework and context.

Given the aforementioned theoretical assumptions, there is sufficient reason to believe that service delivery by local authorities is more efficient, flexible and responsive to local needs and conditions than delivery by federal, regional and zonal bodies. Despite these theoretical assumptions and the pertinent constitutional provisions both at federal and regional levels to effectively institute a decentralized system, the initiative is still characterized by low efficiency and less responsiveness as seen from the findings of the study. This is because decentralization has its pitfalls with implications for resource allocation and service delivery both at central and local levels. Particularly at local level, lack of proper allocation of resources, mismatch between authority and responsibility for planning and resource mobilization and decision on allocation, and other capacity problems can hinder the benefits to be gained from decentralization.

Prior to establishing the findings of the study particularly in view of the problem statement it was stated that delivering basic services is posing significant challenges in the country due to a variety of reasons. These were stated as institutional and capacity problems in terms of financial and human resources, and weak coordination and participation, which predominantly stand as inhibiting factors in service delivery. In line with this, the study has posed questions related with the specific objectives of the study. It asked the conditions under which decentralized governance enhances service delivery, and whether the institutional arrangements put in place promote the provision of improved services and address the major capacity constraints.

With the objective of addressing these and related questions, this study has assessed the performance of the *woreda* in view of the responsibilities given to it in line with the

woreda decentralization policy. The study undertook evaluation of services in the education, health, water supply, and rural roads sectors. Performances during the pre and post decentralization periods were examined by way of comparison. Though some improvements were witnessed after decentralization it is difficult to conclude that this has brought significant changes in the major sectors of public service delivery. When overall performance is measured by including the inputs of the regional, zonal and other actors, some improvements have been witnessed. However, when the inputs of actors outside the *woreda* institutions are disregarded performance in the post-decentralization years in the *woreda* has not been impressive. This leads one to conclude that the *woreda* is not efficient in public service delivery as envisaged to be during the post-decentralization years.

Different constraints are responsible for the drawbacks. Financial and manpower constraints and problems of coordination and participation have basically contributed to low performance of the *woreda*. Though the *woreda* was given autonomy in planning, administering, and managing public services, it has been restricted in terms of fully exercising its devolved powers particularly in personnel administration. Inconsistency of rules and regulations originating from regional and zonal bodies as regards planning and personnel administration are some of the impediments that inhibited the exercise of devolved power. For example local revenue collection is based on regional plan whereas employment, transfer and promotion of staff is controlled both by regional and zonal bodies. These are compounded by budgetary and manpower constraints. Therefore, it is difficult to make the *woreda* accountable for its low performance in the absence of full autonomy in exercising its powers.

There are also problems within the *woreda* itself in setting priority for required public services. These are particularly manifested in planning and budgeting processes. Annual discussion on budget preparation and approval excludes concerned experts and is decided in council and cabinet meetings alone. As a result, the budget allocated for public services is not properly defended by experts from the concerned offices before cabinet decision is made. This has contributed to lack of focus on some important public services

entailing insignificant budget allocation to services like health and water supply. Lack of participation in planning and budgeting processes also contributed not only to low performance in public service delivery but also constrained identification of local priorities according to local needs. Identification of priority needs and allocation of commensurate budget to address these needs is what has not been taken seriously on the part of the *woreda*. Mechanisms and modalities for delivering public services are still determined by the sector offices culminating in approval of the cabinet.

There is no significant effort on the part of the *woreda* in adjusting priorities according to local needs. With decentralization, *woredas* are supposed to develop local level planning that gives more attention to local needs and priorities. Even though the *woreda* has drafted its 5-Year Strategic Plan and identified some underlying problems, it didn't yet begin to address them. Existing effort underlines matching available finance with national and regional priorities without lending attention to assessment of local needs. It is worthy to note, however, that planning and budgeting is more than matching existing resources with national and regional priorities. It needs strategic thinking in addressing problems that people encounter. Therefore, the designed strategic plans should be enriched and implemented by considering local needs and priorities. The *woreda* has also limited its annual plan for collection of local revenue to fit to plans made at regional level without trying to go beyond set targets. This has limited the capacity of the *woreda* in delivering public services at the required level and made it increasingly dependent on block grants.

Despite the powers and duties devolved to the *woreda*, the actions of the regional and zonal bodies as well as the challenges locally facing the *woreda* has been significantly affecting the performance of the *woreda*. This is contrary to the theoretical assumptions of decentralization and the views held locally that the *woreda* is among the best performing ones in Arsi Zone. Lack of proper allocation of resources, mismatch between authority and responsibility for planning and resource mobilization and decision on allocation, and other capacity problems particularly scarcity of skilled manpower in key posts at office level and front line services impeded the benefits that could have been gained from decentralization. The outcome of decentralization reforms depend on the

existence of enabling institutions, motivation for reforms, and the smooth interaction of various stakeholders that forge partnership for realizing improved service delivery. It also depends on how decentralization is designed and implemented. What could be achieved depends on the resources and responsibilities made available to local authorities and the supports obtained from federal, regional and zonal bodies. The decentralized governance system up to now has not been accompanied by appropriate and serious and committed efforts of the regional and zonal bodies whose operation is characterized by incoherence of policies and directives, which undermined the potential effectiveness of the local government system. This contributes towards sustaining, among other things, financial, technical and administrative dependence of local governments on central and regional bodies. Inadequate financial and other resources at local levels, problems of coordination and accountability, and inadequate participation of the majority of the population in the making of decisions that concern their livelihood are some of the factors that impede improved service delivery.

This challenge offers important opportunities for enhanced service delivery through increased public sector efficiency. Adequate, efficient, effective and responsive system is a prerequisite to provide quantity and quality services in meeting basic human needs. In this case there are still a number of prerequisites to be fulfilled to provide services with increased efficiency and responsiveness under the decentralization initiative. To improve public service delivery, the *woreda* needs to be strengthened through commanding the services of skilled manpower working under a suitable working system. Scarcity of trained manpower in planning and budgeting in the major sectors is critical for improving the performance of public service delivery in the *woreda*. Village level groups (Teams & *Gotes*) also should be structured with guidelines and clear functions and roles that could serve as a mechanism of enhancing the participation of the *woreda* community in identifying local problems, prioritizing needs, and implementing plans. A decentralized governance system will be effective when it enhances the establishment and functioning of public service delivery institutions. This requires all-rounded strengthening of existing public service delivery institutions and enhance systems and mechanisms of smooth interaction among them.

Without putting in place these prerequisites and addressing those factors contributing to poor performance, a policy of decentralization alone does not produce intended results. Whether decentralization is, as theoretically held, an effective instrument for improved service delivery or is used as a mechanism to shift responsibility needs further investigation. In this regard, some writers like De jong (1999) argue that the predominant reason for launching decentralization processes is driven by political imperatives. Decentralization in Ethiopia took place by design: first to respond to the national political problem and at later stage to improve efficient allocation of resources and enhancing administrative efficiency of government in addressing socio-economic development objectives. However, with the exception of opening of some new offices that did not exist before decentralization and the introduction of exercise of power over expenditure management, it is possible to conclude that the performance of the *woreda* has been impeded by different constraints which made the *woreda* to act almost in the same manner as before decentralization as far as this study is concerned.

This has proved the research hypothesis, which has been made at the beginning of this study. On the basis of the research design the study has generated both qualitative and quantitative data on which the findings are based. As mentioned above, the findings indicated low performances in the major public sectors in the *woreda*. The performance of the *woreda* was found to be low due to different constraints related with constraints relating to finance, manpower, and other institutional resources. In the education sector better performance have been observed in terms of quantity of services and popular participation. Compared to other sectors, the education sector has registered better performance after decentralization. Performance indicators in the sector have shown improvement with increase in gross enrollment and increased involvement of the community particularly in school construction. However, constraints in budget and manpower have been constant challenges with increased enrollment that demands a number of facilities and manpower in order to provide required services. Education budget per capita was found to be very low. Construction of schools through increased participation also didn't keep pace with fulfillment of required facilities and manpower as

a result of weaknesses in planning and budgeting processes. Community involvement was limited to labor contribution and the effort was not coordinated with planning and budget.

Though lots of services were provided by the health sector, there is no significant difference in performance between the periods before and after decentralization. The performance of the health sector indicates almost similar and same level of services like the period before decentralization. Limitations in budget and manpower are particularly at the forefront posing critical challenges to health service in the *woreda*.

Though the office in charge of water supply in the *woreda* was established following the *woreda* decentralization drive, nothing has been registered in terms of better performance by the office. Hence, there is no value added accruing from decentralization as regards water supply coverage of the *woreda*. The water supply sector has poorly performed compared to other *woreda* sector offices. Lack of operational budget has kept the office and its few employees to be ineffective.

In the rural road sector, significant results have been observed through community mobilization, which is a sign of self-initiative in identifying needs and implementing plans by the beneficiaries themselves. However, the process lacked continuity and quality performance due to weak capacity of the rural roads office in terms of budget, manpower, and logistics.

In all of the studied sectors, findings have shown that scarcity of budget and inadequacies of the allocation system and availability of manpower has greatly affected the delivery of public services in the *woreda*. Other institutional environments in terms of coordination and participation also have adversely affected the relations among different actors as regards identification and prioritization of the needs of the community. Local revenue was found to be low and the *woreda* is becoming more and more dependent on regional block grants. Employment, transfer and promotion of personnel was restricted due to budget constraints and insensitivity of regional and zonal authorities to the problem.

Planning and budgeting processes were restricted to the level of sector offices and cabinet decisions without input from the community, which makes accountability relationship weak. As far as there are no commonly designed and agreed on plans, it is difficult to make service providers accountable. Lack of proper identification of needs has negative implications for budget allocation and assignment of manpower for addressing the priority needs of the community. In this case, the finding has confirmed that availability of both financial and human resources, and other institutional amenities play significant role in efficient public service delivery. This is in line with what has been hypothesized in the study.

Appendix 1 Digelu & Tijo woreda Education Sector Performance Data

	Year	Gross Enrollment			Dropouts				Non-Dropouts			Repeaters				Non-Repeaters			
		Girls	Boys	G+B	Girls	Boys	G+B	Dropout rate	Girls	Boys	G+B	Girls	Boys	G+B	Repetition rate	Girls	Boys	G+B	%
Primary Level	1998/99	6836	9724	16560	976	1255	2231	13.5	5860	8469	14329	240	170	412	2.9	5619	8300	13919	97.1
(1-8)	1999/00	8521	10857	19378	870	1110	1980	10.2	7651	9747	17398	284	183	467	2.7	7386	9579	16965	97.5
	2000/01	10724	12634	23358	990	1195	2185	9.35	9734	11439	21173	315	264	579	2.7	9906	11189	21095	99.6
	2001/02	11754	14040	25794	1134	1453	2587	10	10620	12587	23207	615	500	1115	4.8	10016	12110	22126	95.3
	Average	9459	11814	21273	992.5	1253	2246	10.8	8466	10561	19027	364	279.3	643.3	3.4	8232	10295	18526	97.4
	2002/03	13711	15875	29586	1384	1830	3214	10.9	12327	14045	26372	821	664	1708	6.5	11506	13287	24793	94
	2003/04	14445	15682	30127	973	1153	2126	7.06	13472	14529	28001	260	102	1329	4.7	12466	12805	25271	90.3
	2004/05	16437	16986	33423	837	1096	1933	5.78	15600	15890	31490	485	133	618	2	14164	13935	28099	89.2
	2005/06	17574	18387	35961	651	778	1429	3.97	16923	17609	34532								
	Average	15542	16733	32274	961.3	1214	2176	6.9275	14581	15518	30099	522	300	1218	4	12712	13342	26054	91
	Difference	6083	4918.9	11002	-31.25	-39	-70.3	-3.835	6114	4957.8	11072	159	20.42	575.1	1.0144	4480	3048	7528.1	-6.24
	Difference in Percentage	64.3	41.6	51.7	-3.1	-3.1	-3.1	-35.8	72.2	46.9	58.2	43.4	7.4	89.3	17.6	54.4	29.6	40.6	-6.5
Secondary Level	2002/03	192	580	772	53	285	338	43.8	139	295	434	88	108	196	45.2	51	187	238	54.8
(9-10)	2003/04	451	1191	1642	62	240	302	18.4	389	951	1340	227	299	526	39.3	167	647	814	60.7
	2004/05	708	1895	2603	32	170	202	7.76	1657	669	2326	159	311	470	20.2	510	1346	1856	79.8
	2005/06	1257	2534	3791	39	112	151	3.98	1218	2422	3640								
	Average	652	1550	2202	46.5	201.8	248.3	18.5	728	638	1367	158	239	397	35	243	727	969	65

Source: Education Office

Appendix 2 Digelu & Tijo Woreda Health Sector Performance Data

	1999/00		2000/01		2001/02		2002/03		2003/04		2004/05	
	No of		No of		No of		No of		No of		No of	
	People	Coverage	People	Coverage	People	Coverage	People	Coverage	People	Coverage	People	Coverage
BCG	3227	63.9	3147	62.6	4273	81	3410	69.1	3946	79.39	4114	71.2
Measles	2074	45.3	2294	49	2976	62	2866	58.1	3263	65.65	3372	64.5
DPT3	2631	57.5	2762	59.1	3572	74.5	3145	63.7	3709	74.62	3646	69.8
Fully Immunized	2074	45.3	2793	38.4	2677	55.8	2673	54.1	3019	60.74	3005	57.5
PWTT2+	1732	34.6	21872	37.2	1427	26.9	1673	30.6	1862	38.78	2153	37.2
NPWTT2+	4927	26.6	1766	17.3	2797	11.7	7234	24.1	9933	40.17	10108	37.3
ANC	2208	43.3	3867	73.7	3675	68.1	3252	59.6	3882	70.65	3800	55.4
Delivery service	374	7.3	687	13.1	699	12.9	862	15.8	992	18.05	412	7.1
PNC	312	6.1	488	9.3	535	99.1	612	11.2	787	14.32	715	12.4
Family planning	491	2.1	1761	7.5	1561	6.4	2238	18.2	2269	9.17	3668	13.5
Under 5 years	4567	20.8	5536	24.5	7320	31.5	7131	29.8	7239	29.96	5826	23.4
Growth monitoring	6584	29.9	6362	28.1	8439	36.3	8367	35	9704	40.16	8991	36.1
CDD	1512	6.9	970	4.3	1717	7.4	2163	9	1763	7.29	1911	7.7
ARI	2384	10.9	2202	9.7	4204	18.1	4752	19.8	4816	19.11	3597	14.4

Source: Health Office

Appendix 3 Digelu & Tijo Woreda Education and Health Sectors Infrastructures and Professionals Before and After Decentralization

Year	No. of Schools	No. of Sections	No. of Teachers	No. of health Infrastructures	No. of Health Professionals
1998/99	20	133	292	—	—
1999/00	20	147	292	5	26
2000/01	20	165	297	5	30
2001/02	21	171	313	6	29
Average Before decentralization	20	154	299	5	28
2002/03	23	189	285	7	28
2003/04	24	200	352	7	21
2004/05	31	235	418	7	31
2005/06	34	390	467	—	—
Average After Decentralization	28	256	381	7	27

Source: Digelu & Tijo Woreda Education and Health Offices

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Declaration

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

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