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SCHOOL OF GRADUATE STUDY

Department of Public Administration and Development Management

**The Role Of Good Governance On Promoting Urban Development In The
Public Sector Governance: In Woliso Town Public Sector Governance**

**A Thesis Submitted to the Department Of Public Administration and
Development Management Addis Ababa University School of Graduate
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Abstract

This study aimed at finding out the role of good governance in promoting urban development in Woliso town public institutions.. The methodology used to conduct this study was quantitative research design where purposive sampling method was employed to select respondents. Questionnaires were made use of to gather raw data from the respondents. Secondary data was also used. The data was analyzed by using, data analysis software SPSS version 20 and presented using tables. The study found that good governance has role in promoting urban economy development and urban social development. It was also revealed that good governance has impact on urban development. The study recommended that, In order to promote urban development and bring fast and sustainable urban economic development, public institution should give due attention to the role of good governance. Since participation plays a central role in urban economic development, public institutions should create conducive environment for community participation. It was also suggested, building the capacity of human resources through education and training, providing good governance and the policy should create strong relationship or nexus between Good governance and urban development.

Key word: Good governance, urban development, urban economic development, and public institutions

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CHAPTER ONE

1.1. Background of the Study

Good governance, in this period, has drawn public awareness of the operations of public institutions. It has also become an important factor in the consideration of a nation's ability to adhere to universally acceptable democratic standards (Bratton and Rothchild, 2012). It ensures that economic, social and political priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources (World Bank, 2003). Good governance in the public sector aims to encourage better performance and improved accountability by establishing a standard for good governance in the public sector (IFA, 2013). Effective governance in the public sector encourages better decision making, efficient use of resources and strengthens accountability for the stewardship of resources (Mutahaba, 2012).

According to IFA (2013), good governance is characterized by strong inspection which provides important pressures for enhancing public sector performance and tackling misconduct. It also improves management, leading to more effective implementation of the chosen interventions, better service delivery better outcomes.

The principles of good governance such as participation, rule of law, transparency, accountability, fairness and efficiency enable employees to be more effective and transparent in providing high quality services. It also protects them from the tendency towards misconduct (Alaaraj, 2014). Recently the terms "governance" and "good governance" are being increasingly used in developing literature and governments' policies (UN-ESCAP, 2009). Its concept has come to dominate the writings of scholars of public administration and political science, and actions of development practitioners since 1990. Development practitioners and multilateral donor institutions were possessed with the concept of good governance as they considered it as an ultimate solution to the dissatisfaction in public administration. Good governance is not considered as an end by itself; rather it is taken as a means to achieve human rights, economic growth and urban development, effective and efficient service delivery to the public and fighting corruption (Gisselquist, 2013; Grindle, 2005; Vries, 2013).

Good governance is also expressed as the main target of the development as an agenda for fighting poverty and bringing about urban development which world leaders agreed on at the

millennium summit on September 2000. Not surprisingly, good governance has been increasingly cited as one of the most dominant factors contributing to economic performance in most developing countries ("MDGs").

The concept of good governance has received increasing attention in Africa at the end of the 1980s, the time that coincided with the end of the Cold War. Consequently, regional institutions, as well as the respective countries, have acknowledged its significance. The increasing relevance of the concept for overall development policies, for strategies to speed up urban development processes, for measures to change urban development i., and for quality enhancement at sector development intervention is accredited.

In Africa, there has been a historical record of bad governance, improving the governance environment has been given a central place in the New Partnership for Africa's Development (NEPAD) - an initiative that represents the latest attempt by African leaders to place the African continent on a path of urban development encompassing good governance and prosperity with a consolidation of peace, security, and stability (African Development Bank, 1994). NEPAD has listed a number of prerequisites for African countries to move forward in their quest for urban development. Key among these is the proper adherence to good political, economic, and corporate governance (Hope, 2003).

Ethiopia is one of the members of NEPAD and it has been striving for alleviating bad governance at all levels of government since the 1990s. The installation of the decentralized governance in Ethiopia since the 1990s indicates one of the initial steps in the history of the nation, as it has shifted a highly centralized authority to regional and local units, which is expected in turn to promote good governance (Helvetia's Ethiopia, 2008). Therefore, in order to achieve sound development in countries like Ethiopia, good governance is not a matter of choice but a Prerequisite.

The push for developing countries to improve their urban development, through the development policies and adoption of practices that adhere to the principles of good governance, has been impressive given that there are so many concerns regarding good governance. The amount of policies programs and projects favoring good governance during the last decade has been significant and there is no indication at this stage that funding levels will diminish in the near future. Given this situation (the push for good governance, the number of concerns surrounding it and the levels of funding available) it is an important aspect of study for the discipline of development and this has been acknowledged through the

continued emphasis on governance by many research institutions and universities worldwide. However, it is of particular importance today since the agenda's influence is now progressing to expand into newer areas of focus, such as urban development.

Urban development issues have risen more recently as an area of interest due to the rapidly increasing urbanization of the developing world and an increasing recognition that good governance needs to be thought of in terms of specific contexts. Good governance, as defined by academics, highlights the roles that particular actors play in the development of urban centers, and how their interests and actions influence the management of cities and the development that takes place. It also recognizes that compromises and alliances are made between different individuals and groups depending on specific needs at a particular time. While there may be bonds between particular groups, based on factors such as familial or professional ties, these are always evolving and changing and therefore cannot be seen as static entities. Analyzing good governance should also always give some consideration to national governance, since the national situation provides the context in which local governance develops.

Therefore, the purpose of this study is threefold: first, it focuses on how the good governance frame and describe those controversies. In well-established democratic countries good governance play a key role in promoting urban development and enhancing service delivery. Second, it examines how good governance frames of urban development and service delivery issues and whether the good governance could improve service delivery about such issues in particular in the context of the public sector governance in Woliso town. Third, it explores how a variety of factors such as good governance practice and service delivery system etc. interact to influence service delivery and urban development. Ultimately, utilizing the concept of framing and the theory of spiral of silence regarding the role of good governance in promoting urban development, this study will look specifically how good governance works for urban development in Woliso town

1.2. Statement of the problem

According to UNDP cited in Gisselquist(2012), 'Good governance refers to governing systems which are capable, responsive, inclusive, and transparent. All countries, developed and developing, need to work continuously towards better governance'. In line with this international concern, the GOE has emphasized and started working to realize good governance at all government levels. Though the Ethiopian government is committed to realizing good governance at all levels, the

literature reveals that research on good governance is lacking in municipal administrations. Tegene and Kassahun (2007,p: 55) pointed that research on issues such as accountability of service providers to users, representation and participation of users in the planning and decision-making process, and structures for participation and representation are almost lacking.

Despite these efforts of Ethiopian governments at both local and national levels and assistance of international community for the realization the role of good governance in promoting urban development the practical implementation of good governance on the ground remains an area of scrutiny. The assessment done to identify the role of good governance in promoting urban development in Ethiopia is very few; most of the source of assessment is from the government who is both the initiators and the executors of the good government agenda. The second source of literature on the topic under the study is international donors. At third level, few academic journals and volume are existing. In general, there is rare academic research on good governance in Ethiopia and no in the study area. In addition in Woliso town there are many problems related with urban development due to the expansions of the town, which seek investigation of good governance practices. Therefore, this research would be tried to fill this gap by specifically assessing the role of good governance in promoting urban development in Based on the various literature reviewed in this study, the study found that many investigations have been conducted on good governance and urban development in selected public institutions. In our set up, very little research has been conducted, to determine the role of good governance on promoting urban development in public institution. The same is true in the case of Woliso town. The result is a knowledge gap that needs to be filled. The present research therefore aims to fill this gap as well as to provide material for further research and reference.

1.3. Research Questions

At the end of the study, the research will address the following questions:

1. What are the social development contributions such as urban socio economic development of good governance in Woliso town?
2. What are the economic development roles of good governance in Woliso town?
3. How good governance affected the urban development in Woliso town?

1.4. Research objective

The objective of this study is classified into general and specific.

1.4.1. General objective

The study aims to analyze the role of good governance for urban development in the case of in public sectors in Woliso town

1.4.2. Specific objectives

In order to achieve the General Objective, the study concentrates on the following specific objectives

1. To scrutinize the contribution of good governance for urban social development in public sectors in Woliso town
2. To examine the role of good governance for urban economic development in public sectors in Woliso town
3. To dissect the positive and negative outcome of good governance on the urban development

1.5. Significance of the study

This study is expected to contribute for policy makers, would give some suggestions to the policy makers and strategy designers, implementers and other management bodies for the sake of giving attention to the role of good governance on promoting urban development ,for the study area the study could contribute to the study area it emphasize to the role of good governance on promoting urban development, for other researcher the result of the research would also provide relevant information to local researcher working on the urban development: Furthermore, the study would provide additional information about the role of good governance on promoting urban development for interested researchers in the sector and finally for the researcher the research to experience research activities and help as partial fulfillments of MA Degree in Public Management and Policy.

1.6. Scope of the study

Governance is very broad concept, which functions at different levels. It operates mainly at global, national and local levels embracing political, economic corporate and socio – economic governances having their own explicit objectives to bring sustainable development in a different societies. As mentioned on the above, good governance characterized by its pillars though there is no consensus, is very vast and complex idea. Therefore, conceptually, this study mainly deals with the role of the three principles of good governance i.e.

transparency, accountability and equity s in the municipality sector for the very reason that the principles of good governance are plenty in number and these principles are the highly underscored under the GTP period. Hence, the study did not assess any other principles of good governance apart from the principles listed on the above. On the other hand, geographically the study will be confined to woliso town, for the reason no research is made before and familiarity of the researcher to the study area

1.7. Limitations of the study

This studied needs an exhaustive examination from the practicability of all principles of good governance. Despite that, this study is confined to assess good governance in light to the principles of transparency, accountability and responsiveness. Besides, the study is limited to one town and one sector. . Furthermore, the study is cross sectional, where data were collected at appoint in a time. Moreover, the study was delimited merely to urban, meaning the other town will not be included in this study.

1.8. Organization of the paper

In addition to the preliminary page, this research paper consists of five chapters. The first chapter with its sub topics was introductory parts incorporated the introduction, background of study area, statement of the problem, research objectives, research question, significant of conducting the study, scope and limitation of the study. The second chapter describes the detail review of related literatures with regard to the role of good governance in promoting urban development. The third chapter expresses the information regarding the methodology and sampling techniques used to conduct the research. The fourth chapter is the analysis, discussions and presentation part of the research findings and finally, the last chapter describe about the conclusions and recommendations of the case study followed by the references and appendixes.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Introduction

Theoretical and empirical literatures related with the issue under study i.e. the role of good governance for urban development are reviewed. Taking the objective into due consideration theories about the nexus between good governance and urban development, the role of good governance to social and economic development, environmental impacts of good governance, indicators of urban development, and different countries experience in relation to the role of good governance in their development process and the impact of good governance in the urban development are discussed.

2.2. Conceptual Definition of Terms

Development: The process of economic and social transformation that is based on complex cultural and environmental factors and their interaction (Business Dictionary 2019).

Governance: refers to the formal and informal arrangements that determine how public decisions are made and how public actions are carried out from the perspective of maintaining a country's constitutional values (United Nations, 2007). Governance has been defined as a network of private non- governmental bodies that have a role to play in the formulation and implementation of public policy and the delivery of public services. Governance is government plus the private and third (not for profit) sectors (Smith, 2007).

Stoker (1998:17) asserts that good governance "is ultimately concerned with creating the conditions for ordered rule and collective action." In addition, Chotary and Stoker (2009:3) emphasize that governance is about the rules of collective decision making in settings with a plurality of actors or organizations and where no formal control system can dictate the terms of the relationship between these actors and organizations. Ikome, (2007:147) defines governance as a style that promotes the creation of strong, open, equal and free economic and political institutions.. In this study the definition by United Nations, (2007) was used.

Good Governance: The United Nations (2007) defines good governance as the exercise of authority through political and institutional processes that are transparent and accountable and encourage public participation. UN (five ibid) further elaborates that good governance makes institution to be democratic making them create avenues for the public to participate in

policy making via formal or informal consultations. It also establishes mechanisms for the inclusion of multiple social groups in decision-making processes, especially on a local level.

According to (OECD, 2013), good governance can be explained as participation, transparency and accountability, effective, equity promoting rule of law. This proposed study used the UN (2007) definition of good governance. With regard to good governance, the World Bank (2003) stressed that good governance in institutions is the key to successful and satisfactory efficiency and should thus be initiated and practiced within institutions in order to achieve better performance.

Furthermore, Bond (2006) views good governance as transparent and accountable management of human, natural, economic and financial resources of a country in the drive towards equitable and sustainable development. Good governance generally implies a number of institutions, which regulate the behavior of public bodies, stimulate citizens' participation in government and control public-private relations (Villadsen, 1999).

Urban Development: urban development is about ensuring economic development, social equity and ecological integrity in urban centers (Saha & Paterson 2008: 22).

2.3. Theoretical Literature Review

Concepts and theories that support the issue under investigation are discussed below.

2.3.1. The Basic Concept Of Good Governance And Urbanization

The term governance is not new. It is as old as human civilization. In fact, this concept can be traced as far as back to Aristotle (484-425 B.C.) in his seminal work "Polity" or even further back to Confucius (511-479 B.C.), who considered good governance as a wise government that acted meritoriously, satisfied the citizens' public demands and responsibly promoted harmony in society (Palmer, 1997). The notion of "governance" or "good governance" has been widely discussed in the past decades by international development organizations, scholars, politicians and public administrators, since good governance has remained a global challenge. Given the rising awareness about the importance of governance at both the national and local level, it is necessary to trace the evolving debates over the definition of governance.

With its intrinsic vagueness and inherent lack of specificity, research about governance generates multiple efforts to define it and measure it in different ways and directions (Ahrens,

1999). The term, governance, is like a flexible carrier, which can be employed to convey various meanings. In this process, two paths of definitions have gradually been emerging. The first is a process and policy-oriented discourse and second a power and development-oriented stream (Doornbos, 2001). It is worth mentioning that academics and international agencies conceptualize governance within their interests and specific contexts. Some scholars interpret governance as an outcome in itself, while others consider governance as a theoretical construct, an analytical frame or a means to promote sustainable development (Kjaer, 1996).

First of all, the concept of governance is not to be equated with government. Scholars define governance by emphasizing the process of decision-making or the process by which decisions are implemented. For instance, Plumptre and Graham (1999) define governance as a concept distinct from government. They claim government is a set of institutions, while governance is about how governments and other social organizations interact, how they relate to citizens, and how decisions get made in an increasingly complex world (Plumptre & Graham, 1999). As for Stoker (1998b), he asserts that whereas government refers to the formal institutional structure and the location of authoritative decision-making, the essence of governance is the “interactive relationship between and within government and non-governmental forces” (Stoker, 1998b, p.38). Fukuyama (2013) refers to governance as government’s ability to make and enforce rules and to deliver public services, regardless of whether the government is authoritarian or democratic. Frischtak (1994, vii) describes governance capacity “as the ability to co-ordinate the aggregation of diverging interests and thus promote policy that can credibly take to represent the public interest.” Similarly, in Rhodes’ (2000) viewpoint, governance is a new process of governing as well as the new method by which society is governed. As for Bovaird and Loffler (2003), they describe governance within specific contexts in order to distinguish between countries and stakeholders, and they understand governance to be the ways in which stakeholders interact with each other in order to influence the outcomes of public policies. Kjaer (1996, p.6) states that governance signifies “the capacity to define and implement policies.” As for Boeninger (1991, p.1), governance means “identifying economic and social objectives....charting a course designed to move society in that direction.” Obviously, scholars have not formulized a clear and operational definition of governance, and they describe governance in terms of the government’s capacity to deliver public services and enhance the development of civil society.

Secondly, although governance plays a key role in promoting sustainable economic, political and social development, a vast body of literature examines governance from the viewpoint of power or authority relations within various contexts (Doornbos, 2001). In this sense, the concept of governance fosters a new understanding of the practice and exercise of political power. For instance, Hydén (1992, p. 7) states, “governance ...is the conscious management of regime structures with a view to enhancing the legitimacy of the public realm.” Apart from increasing the legitimacy of the regime, Bratton and van de Walle (1992, p. 30) define governance as “an interactive process by which state and social actors reciprocally probe for a consensus on the rules of the political game.” In the same way, Chazan (1992) holds the purpose of governance is to ensure the coordination between the state and the civil society. He states that governance has the capacity to establish and maintain workable relations between individuals and institutional actors in order to achieve collective goals. Similarly, Hydén and Mease (2004) state governance is concerned with how political regimes protest, amend or sustain rules for policy. They believe governance is “the formation and stewardship of the rules that regulate the public realm---the space where state as well as economic and societal actors interact to make decisions” (Hydén & Mease, 2004, p. 5). Swilling (1997) further simplifies the meaning of governance and asserts governance is about how power structures and civil society interrelate to produce a civic public realm. Thus, governance is carried out by the state, the private sector and the civil society in both democratic and authoritarian regimes.

There are differences between the two discourses. For instance, the policy-oriented stream defines governance focusing on enhancing policy effectiveness, while the power-oriented discourse emphasizes relations among the state, civil society and development. In fact, when conceptualizing governance, scholars differ by taking different issues, problems or goals into account. Even though scholars highlight several substantive characteristics of a governance concept, they describe governance without providing any universal conceptualization (Ahrens, 1999). What makes such issue more problematic and complicated is the emerging use of the concept of good governance (Smith, 2007; Kareivaite, 2014).

Many approaches seek to conceptualize the term good governance by addressing several key attributes of governance, however, the underlying definitions and mechanisms remain vague and minimally operational. Moreover, much scholarly attention to governance has concentrated on the World Bank’s efforts to measure good governance around the world as

well as on the multifaceted responses to the World Bank's use of the concept (McCarney, 2010). For instance, the World Bank's (1989) report claims that the crisis on African continent is one of governance. More specifically, the World Bank refers to such phenomena as "the extensive personalization of power, the denial of fundamental human rights, widespread corruption, and the prevalence of unelected and unaccountable government" (Hydén, 1992, p. 5). Implicitly, from this perspective, the World Bank actually calls for liberalization and democratization. In other words, it indicates that good governance and sustainable development will occur only **when policy-makers abandon their authoritarian practices (Hydén, 1992; George & Sabelli, 1994).**

As a matter of fact, the World Bank first utilizes the term governance with regards to Africa (McCarney, 2010). In the World Bank's document, Long Term Perspective Study---SubSaharan Africa: From Crisis to Sustainable Growth, it declares that good governance is "a public service that is efficient, a judicial system that is reliable, and an administration that is accountable to its public (World Bank, 1989, xii)." The World Bank (1989, p.60) defines governance as "the exercise of political power to manage a nation's affairs." It is interesting to note that one element of this definition is power and another is management, where the former is used to achieve the goal of the latter (McCarney, 2010). Later in 1992, the World Bank (1992, p.1) published a booklet, Governance and Development, which defines governance as "the manner in which power is exercised in the management of a country's economic and social resources for development." Viewed in this manner, the World Bank's early thinking about governance is primarily concerned with establishing political power by improving institutional efficiency, accountability and sound development management. However, governance has been viewed critically as an important factor in a global-hegemonic neo-liberal discourse (Rosenau & Czempiel, 1992). As Schmitz (1994) contends, good governance is like a global vehicle to deliver political sustainability for neo-liberal policies. Thus, the World Bank employs governance to disseminate Western liberal democracy in the Third World with the purpose of maintaining a free global market (Leftwich, 1993). The World Bank takes this opportunity both to instill Western political values in the developing countries and to sanction them if these countries did not meet the World Bank's standards of good governance (George & Sabelli, 1994).

In addition, in 1997 the United Nations Development Programme (UNDP) put forward its definition of governance, which is very similar to the World Bank. UNDP publishes a report,

Conceptualizing Governance, which defines governance as “the exercise of political, economic and administrative authority to manage a nation’s affairs (1997b, p. xi)” In another key report, Governance for Sustainable Human Development, UNDP (1997a) contends that good governance is of great significance not only to ensure the rule of law and protect against international organized crime, but also to maintain and expand a nation’s social and economic infrastructure. Meanwhile, the International Institute of Administrative Sciences (1996, p.6) defines governance as “the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, economic and social development.” All these connotations from international agencies suggest that governance is involved with leadership toward societal development, and the concept is indeed a product of the late twentieth century when development becomes the priority of both states and international community.

Since the mid-1990s, there has been a broadening interest in governance from both international agencies and scholars. Academic studies about governance outside the World Bank are many and varied. More importantly, the meaning of governance which has tended to be broader in scope and research about governance has expanded across a variety of issues, including the interface between civil society and good governance (Roy, 2007), the relation between governance and development (Baland, Moene, Robinson, 2009; Khan, 2006), public management (Huque, 2013), decentralization (Bardhan, 2002), and democratic governance and policy reforms (Brinkehoff, 2000). In fact, the academic literature on governance is eclectic and interdisciplinary. The theoretical roots about governance connect to institutional economics, international relations, political science, public administration, organizational studies, development studies, public administration and Foucauldian-inspired theorists (Jessop, 1995).

However, only a few and limited studies examine governance from the viewpoint of media and communication. For instance, Khazaeli and Stockemer (2013) evaluate the impact of Internet use on governance quality through analysis of Internet penetration rates in more than 170 countries and find that Internet penetration has a positive influence on governance practices regardless of regime types. The authors suggest authoritarian countries are likely to censor dissenting information online, but such practices will become increasingly difficult to maintain over time due to the development of anti-filter tools (Khazaeli & Stockemer, 2013). Hassid and Brass (2014) investigate the role of media in government responsiveness to

scandal as one aspect of governance in Kenya and China. Contrary to expectation, authoritarian China is more responsive to public pressure addressing scandals than democratic Kenya, which indicates democracy and free media are important for government responsiveness to scandal, but free usually is necessary but not sufficient (Hassid & Brass, 2014). More studies are needed to explore governance from the field of communication studies.

Overall, as a complex concept, there is no consensus on the definition of governance. Previous research about conceptualizing governance emphasizes the political nature of governance (Baland, Moene, & Robinson, 2009; Boeninger, 1991; Bratton & van de Walle, 1992; Hope 2002; Hydén, 1992; Plumptre & Graham, 1999; World Bank, 1992). On the other hand, various conceptualizations of governance reveal the confusion among academics, since the term “governance” is often defined and interpreted based on the interests and prepositions of researchers, scholars, politicians and international agencies. This highlights governance as a contested term, and research about governance is fragmented. It is necessary to develop a governance perspective” (Stoker, 1998a) to address the confusion, complexity and uncertainty over the changing world of government. Bratton and Rothchild (1992) consider governance, democracy, accountability and legitimacy together as defining characteristics of governance, and they state governance is broader than government.

Measuring Good Governance

Good governance is believed to be beneficial to a state’s political development, while poor governance is among the most important causes of state failure and underdevelopment. In terms of good governance, Smith (2007) contends that it corresponds to four attributes of the polity: constitutional, political, executive and the content of public policy. For instance, at the constitutional level, good governance requires changes to the fundamental principles and rules on which government is based (Smith, 2007). The political dimension of good governance includes pluralism, participation and control of corruption (Smith, 2007). The executive requisite of good governance includes the government’s capacity to establish an accountable, transparent and effective public administration (Smith, 2007). The policy dimension of good governance responds to governments’ efforts to promote economic growth, free markets, welfare and human development (Smith, 2007).

Good governance is also difficult to measure, since the quality of government within each country varies tremendously. Fukuyama (2014) proposes three approaches to measure the quality of government, namely procedure, capacity and outputs. However, the three measures are unlikely to capture the real quality or strength of government across nations. Recently, a number of international agencies have sought to measure some aspects of the quality of governance. The most cited and employed is the World Bank Institute's Worldwide Governance Indicators (WGI).

These indicators measure six dimensions of governance for a wide range of countries, including voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann, et al., 2010).

However, it is questionable about whether the WGI numbers actually capture the variance and strength in the quality of government. Any proxy for governance is by definition an imperfect measure of broader concepts of governance (Kaufmann & Kraay, 2007). For instance, the absence of violence in a state might not mean that there is effective policy implementing such as North Korea.

Frankly speaking, it would be very difficult to create a rational framework to measure governance, since there is tremendous degree of variance in the quality of governments across the globe (Fukuyama, 2013 & 2014). It is easier to criticize the existing frameworks of evaluating governance than to propose new solutions.

2.3.2. The Nexus between Good Governance and Urban Development from Experiences of Developing Countries

2.3.2.1. African Experience

Unemployment and poverty are rife in many African cities. It is, therefore, widely acknowledged that there is a need for more housing, infrastructure and services. As commitments to reduce unemployment and poverty are the main objectives of many African countries, urban renewal and inner city regeneration projects and program are becoming the priority of most of the governments. Labor-intensive infrastructure development programs have indeed helped South African cities create employment and generate new demands for manufactured goods. Labor-intensive public work programs in the 1960s also made valuable contributions to the economies of Morocco, Algeria, Tunisia, Ghana and Kenya.(ibid)

Nevertheless, these efforts are usually detracted by lack of capacity and skills at institution, community and individual levels. According to Thwala, who in 2006 reviewed the urban renewal projects in Alexandra, South Africa, urban renewal and inner city regeneration have become serious issues for the South African government. Alexandra, one of the cities with renewal problems, had an estimated 34,000 informal houses. The unplanned population had overloaded the infrastructure such that water pressures were low and sewers frequently blocked and overflowed. Maintenance of such systems was very difficult because the high densities and congested nature of the backyard informal houses made access very difficult. In 2001, the State President announced a seven-year plan to redevelop Greater Alexandra. The estimated budget for the Alexandra Renewal Project was Rand 1.3 billion over the life of the plan. The project was one of the main vehicles through which the government implemented its objectives of sustainable development and poverty alleviation. (ibid)

The desired outcomes for the Alexandra Renewal Project after the seven-year implementation period were:

1. Stimulating income-generating opportunities for the economically active population of Alexandra, so as to reduce unemployment;
2. Providing services that are appropriate and affordable and paid for;
3. Creating a safe and secure environment with sufficient policing, criminal justice and emergency services so that rates of serious crime are at least 50% below the starting levels;
4. Providing and ensuring the maintenance of local government services in a manner that is well planned, administered and accountable to the public;
5. Creating a clean living environment that creates a good quality of life for the residents of Alexandra;
6. Providing a choice of sustainable and affordable housing with secure tenure that is well regulated in terms of density and quality; and
7. Creating a healthy, empowered, self-sustaining community with access to integrated and effective social services.

But a review of the jobs created by the project at the end of 2006 showed that only 22 % of the promised numbers of jobs were realized.

As regards improvements in service delivery and good governance in slum areas, important lessons can be learnt from Johannesburg. Johannesburg's "City Level Comprehensive Development Framework and Slum Upgrading" program was conducted to improve decision-making concerning budget allocation for service delivery in slum areas. The process was supported by a city-wide data base which used GIS in facilitating access to information for the public on service delivery. (ibid)

Among the success factors listed by Thwala (2006) on the bases of similar programs in Kenya and Botswana are:

- Good preliminary analytical work and thorough attention to technical aspects throughout the work;
- Pilot projects which tested all aspects (technical, administrative, institutional, etc.);
- Strong, yet flexible, institutions with good management systems;
- Extensive training;
- Long-term political support; and
- Long-term financial support.

2.3.2.2. Latin American Experience

Latin American cities have rich experience in urban renewal programs. The urban renewal of Curitiba, Brazil, began with the Plano Diretor (Master Plan), approved in 1966, and the establishment of the Curitiba Research and Planning Institute (IPPUC). The full-fledged implementation of the program began in 1971. (ibid)

Curitiba had a population of about 1.8 million in 2007. Curitiba's urban renewal has been characterized by a number of innovations; the most recognized being public transport in which the city has been a model for medium-sized cities. Although per capita ownership of automobiles in the city was among the highest in Brazil, nearly 75% of daily commuters used public transport. (ibid)

The second group of innovations was related to environment. The former approach to flood control was replaced by one that has virtually eliminated the problem and, at the same time,

vastly expanded recreational space such that it now greatly exceeds the UN per capita recommendations. Several hundred thousand trees have been planted and garbage collection program instituted. These contributed to the separation of different types of garbage and helped obtain refuse collected from difficult-to-reach areas. Abandoned quarries, which were dangerous as well as eyesores, have been transformed into magnificent public sites. An important aspect of Curitiba's success rested in the city's accomplishments in infrastructure and the provision of services. (ibid)

Since the initiation of the urban renewal program, per capita income in the city has risen from just below the national average to nearly 70% above it. The sustainability of what was achieved also depended on other factors, most notably the emphasis given to providing a solid economic base for the restructuring. The result has been an extraordinary private response to public initiatives, numerous factories, and billions of dollars of investment from outside the city, primarily from abroad. Also of importance in assuring sustainability was the attention given to environmental matters and the achievement of good governance. (ibid)

2.3.2.3. South-East Asian Experience

The scourge of slums has long plagued India's major cities. In Mumbai alone, six million people are slum-dwellers. Yet, the landscape for slum improvements has changed dramatically in the past years due to public policy initiatives, activities of the private sector and NGOs as well as policy initiatives and funding from international foundations and donors. (ibid)

Although recent innovations implemented through the Slum Redevelopment Authority did not produce the hoped-for scale of slum improvements, they have proved possibilities that are more effective for the future. The institutional and legal frameworks provided opportunities for community-driven approaches by the Society for the Promotion of Area Resource Centers (SPARC), the National Slum Dwellers Federation (NSDF) and Mahila Milan (savings collectives formed by women pavement and slum dwellers). The Basti Basheer Odhikar Surakha Committee (BOSC), which was founded in 2000, provided the means by which the urban poor could put pressure on city and ward governments – and go beyond the conventional confrontational protests that had previously been the means through which the poor had sought to influence government. (ibid)

Immediate benefits can be delivered by what is termed “co-production” of housing and services by organizations of the poor and the state. This can form the basis for a better citizen and local government relationship. Here, there is an interest in the relationships between low-income citizens and the state within “co-production”. Obviously, this is influenced by the way low income citizens organize themselves. This shift from protest to co-production describes the ways in which citizen groups formed by the urban poor have sought to change government policies over the last 40 years in India. (ibid)

Equally important is the realization that even large coalitions or social movements of the urban poor have limited capacity to effect pro-poor change if both bureaucrats and politicians always see them as the opposition or troublemakers. What the National Slum Dwellers Federation and its partner federation Mahila Milan did was to offer government agencies (especially local government agencies) the knowledge, strengths and capacities of their members. This change in tactic by the federations has led to the implementation of many government-supported program by these federations and the Mumbai-based NGO, SPARC. (ibid)

The federations are currently working with the Mumbai Metropolitan Region Development Authority in designing, building and managing hundreds of community toilets with washing facilities that will serve hundreds of thousands of low-income households. The federations in Mumbai are also working with the police to set up and manage police stations in hundreds of “slums” that work with and are accountable to community organizations. (ibid)

The Delhi Development Authority (DDA), responsible for the relocation of Motia Khan and Peera Garhi (two inner city settlements in Delhi) to locations on the outskirts of the city, claims to have provided sufficient employment opportunities for those being relocated. Though quite large improvements have been registered, the experiences in Delhi continue to provide a reasonable degree of worrying evidence that city authorities in general persistently underestimate the potential negative impact that relocations can have on the livelihoods of urban poor communities. According to Kaskar, 1989 (in Merrill and Suri, 2007) urban renewal in Indian cities has three components: conservation, rehabilitation and redevelopment. A wholesale slum clearance is not considered as a solution for urban problems prevailing in Indian cities; rather, a combination of different interventions including slum improvement, preservation of existing stocks through public maintenance and selective slum clearance are pursued to address problems associated with urban dilapidation. (ibid)

2.3.2.4. *Lessons from International Experience*

The lessons of the foregoing experiences of developing countries can be summarized as follows:

- Leadership plays an important role in developing a vision and winning commitment to tackle the difficult and often expensive plans to solve environmental and economic problems. Without a vision for Curitiba, the Brazilian city would never have achieved the success it has in addressing serious environmental, land-use and transportation problems. Without strong governance, leadership and innovation, the modern Singapore city-state would never have solved its environmental and housing problems or transformed its economy to provide a more sustainable basis for development in the future
- Local participation is critical; and the needs and aspirations of communities should be incorporated.
- The willingness of communities to embrace change has led to innovation in public administration, urban management and environmental design. The programme, designed to encourage community engagement in Curitiba, Brazil, led to changes in behavior and support for urban improvement programmes.
- Both Curitiba and Singapore sought to leverage resources through various forms of partnerships in order to build infrastructure and provide housing as well as community facilities. In Curitiba, the multiple uses of facilities have reduced operational costs, freeing capital for the use of other priority projects.
- The importance of urban planning, enforcement of construction laws and environmental policies as well as paying attention to asset management and maintenance have enabled the cities to maintain efficient urban systems, a high quality of visual amenity and livability. The integration of residential, social, cultural and educational land uses with commerce, research and specialized, integrated low-intensity manufacturing highlights the importance of building urban places in which people feel comfortable to visit, work and live. The focus on integrated development has had a significant impact on improving the quality of life in all cities.
- A significant amount of trial and error has occurred in all the cities to refine and develop approaches to good practice. Mistakes have been made and some things have worked better than others. However, the willingness to change, commit to new ideas,

to try alternatives and test options make these cities different. These cities have understood that risks must be accepted if changes in community behavior, technology, governance and approaches to urban management that benefit sustainability are to occur.

- Land sharing is an agreement between the illegal occupants of a piece of land and their landlord. It essentially involves illegal occupants moving off high value land in return for being allowed to either rent or buy a part of the land below its market value. The advantage of such an agreement is that it allows the landowner to regain control of the site and realize higher commercial returns from the land without having to evict illegal tenants. In return, illegal residents gain legitimate tenure and are able to continue living close to their established livelihoods. Redevelopment through land sharing can be used to reorganize valuable urban space in inner city core urban areas in a way that satisfies not only the commercial interests of the private sector but also the social interests of poor urban communities squatting on the land.
- Projects should be financially sustainable. They should not rely merely on one source of finance; rather they should promote the contributions of all actors.
- A well-defined institutional arrangement, which gives technical, political, and management autonomy to a locally based organization capable of steering the process should be put in place. Scaling up requires appropriate institutions, structures and regulatory frameworks.
- The level of services needs to be affordable to the community and to the local authority. Production of affordable development plans that address the urban poor can be achieved by closely working with the community on the bases of what they can afford, rather than imposing arbitrary official decisions on standards and procedures.
- Targeted subsidies may be required to include the poor. More holistic urban developments are effective in creating a balanced community with cross subsidization mechanisms and with the application of a market-driven approach.
- There must be a strong and sustained political commitment throughout the life cycle of the project.
- Relocation should be discouraged and, if mandatory, take an in-situ approach.(ibid)

2.4. What is Urban Development

The Western development trajectory has elucidated that urbanization occurred because of industrial development with subsequent demand for labor and growth in demand for more varied goods and services. However, in Ethiopia, agricultural productivity has not taken off and the country is still facing a major obstacle due to constraints of geography and transport, and natural resource limitation in terms of declining soil fertility and economic feasibility of exploiting water for crops. This means that the urban economy lacks an optimistic source of domestic demand from the hinterland, although they have access to wealth of basically unskilled labor with low purchasing power.

National development strategies should, therefore, be built on factors that promote the virtuous circle of rural and urban development. Hence, the country's development policies and strategies are geared towards this end. PASDEP is the country's guiding strategic framework for the five-year period 2005-06–2009-10.²⁴ PASDEP carries forward important strategic directions pursued under the Sustainable Development and Poverty Reduction Programme (SDPRP)—related to infrastructure, human development, rural development, food security, and capacity-building—and also embodies some bold new directions. The foremost among them is the major focus on growth in the coming five-year period with a particular emphasis on greater commercialization of agriculture and enhancement of private sector development, industry, urban development and scaling-up of efforts to achieve the Millennium Development Goals (MDGs).

Public investment in infrastructure to increase the productivity and purchasing power of urban centers can be more favorable to agriculture than are export-oriented policies. Investment in roads linking rural and urban areas plays a significant role in creating physical and economic linkages. For example, physical linkages like transport networks help in bringing agricultural products to market at cheaper cost. They also create mobility of people, capital, goods, and services between urban and rural areas. Economic linkages between urban areas and rural areas are urban centers offering markets for rural products and rural areas serving as markets for goods and services produced in urban areas. The urbanization of poverty has become a major global concern, when rapid urbanization is taking place at ever-accelerating rates in developing countries. In many countries of the world, a tremendously large majority of their population will soon be living in urban centers. Ethiopia is the least urbanized country in the world. However, today, Ethiopia's urban population growth is

among the highest in the world. This is accompanied by increasing poverty, a high unemployment rate, low governance capacities, weak infrastructure and poor municipal finance in cities. Nevertheless, Ethiopia's urbanization is not only a challenge, but is also an opportunity. It offers huge potential for the development of the country as a whole: well-managed cities contribute to reduce poverty through economic diversification and innovations, growing markets and the potential for urban rural linkages

In this regard, there is a growing awareness in Ethiopia about the challenges associated with urban poverty. PASDEP plays the central role in the next phase of Ethiopia's development, and in PASDEP itself, one of the reasons behind the mounting interest on urban development is the growing concern for urban poverty. Urban poverty has a strong spatial connotation. The dichotomy between the urban and rural space is however too crude to depict the complex reality of urbanization, and its associated poverty outcomes. In this regard, PASDEP identifies development of small towns as a key area of intervention to strengthen urban-rural linkages.

Given the inequalities among the municipal authorities, there is a need to attract new investments and stimulate productivity and growth. At the same time, they need to ensure that the outcome of growth and productivity is used for the reduction of poverty towards sustainable development. In this regard, land is essential for a productive urban economy, essential to house urban population and is also a cultural resource. Land market for various activities (including housing, commerce, industry, infrastructure and services) needs to function efficiently and equitably. Effective management of urban land presents special challenges to policy makers and administrators, because effective management requires increased financial and human resources.(ibid)

2.4.1. Challenge of Urban Development

The range of problems extends across a wide area of concern. For instance, the World Bank's participative poverty assessments, which embrace several issues beyond the needs and resources, demonstrated the seriousness of problems of social relationships, lack of security and abuse by those in power; precarious economic status limitations on the ability to participate in society, and on the capabilities of the poor; issues relating to collective disadvantage, weak community organizations and 'excluded' locations. Poverty is a complex and multidimensional phenomenon. Hence, urban poverty highlights the need for a secure and sufficient income to provide for the maintenance of a household: food, clothing, shelter,

health, education and development of each of its members. Further, the urban poor are more dependent on ‘subsistence production’. However, income and wealth are not the only indices of urban poverty. Such poverty is exacerbated by physical and social insecurity; vulnerability to crises and shocks that may be caused by injury, illness, unemployment, eviction, natural disaster; and ethnic and cultural marginality and exclusion. (ibid)

Urbanization in developing countries is sometimes caused by the push from rural areas due to significant changes taking place in the mode of production in agriculture, whereby a proportion of the rural population is compelled to seek a living outside agriculture. Even with variations in their approach and emphasis resulting from the context and cities examined, most studies recognize the role of migration of the rural poor in search of work and their frequently joining the lower circuits of the labor market and subsequent living in ‘slums’: congested and degraded spaces within cities. (ibid)

The GUO (2003) estimations on slums demonstrated that ‘more than 920 million people, or slightly less than a third of the world’s total urban population, lived in slums in 2001.’ The region-wise proportion is: 43% for developing regions, 6% for developed and 78.2% for least developed. Further analysis continent-wise revealed that Africa had the largest proportion of the urban population dwelling in slums in 2001 (60.9%). Asia and the Pacific regions had the second largest proportion of the urban population living in these precarious settlements (42.1%), while Latin America and the Caribbean slum dwellers population was the third largest with 31.9%. Relatively, Oceania had the lowest proportion with 24.1%.³⁶(ibid)

Ethiopia is the least urbanized country in the world. In 1994, only 13.8% of the country’s total population, or about 7.5 million people, were living in urban areas.³⁷ The level of urbanization of Ethiopia, compared to other African countries, was about half of that of Kenya, a third of that of Nigeria and 57% lower than the average for sub-Saharan Africa as a whole, roughly during the same period.³⁸ The trend of urbanization for earlier periods in Ethiopia depicts still lower rates: 11.4% in 1984, 9.5% in 1975, and 5.4% in the late 1930s. Currently, the proportion of urban population is 17.6% with a growth rate of 4.7% per year.³⁹ Moreover; the Ethiopian urbanization illustrates unbalanced distribution of urban population. Industrial activities and infrastructural facilities are concentrated in the capital city, Addis Ababa, which is the main administrative, economic, and financial center. This situation attracts migrants to Addis Ababa and creates a single primate city⁴⁰, making up 30% of the country’s urban population. (ibid)

In spite of the low level of urbanization in Ethiopia, which is the lowest in African standard, urban poverty is very high and it has been manifested through existence of a large proportion of population in slums and squatter settlements. The urban poor live in these precarious settlements, which are located in most parts of Addis Ababa, underpinned by immense threat from poverty and environmental degradation. In Addis Ababa, for instance, almost half of the population lives below the poverty line and about 90% of the city is considered as slum area.⁴² Not only the purchasing power of people is extremely low, but also facilities like education, health, and sanitation are below the required standard. The “spatial” features of poverty in Addis Ababa are characterized by dilapidated housing conditions and over crowdedness that provide an encouraging ground for easy diffusion of communicable diseases. However, unlike the literature in ‘urban segregation’, slum areas in Addis Ababa accommodate different socioeconomic circumstances of inhabitants and complex nature of livelihoods. (ibid)

According to the Chicago School observation, city dwellers are different and independent from one another.⁴³ they are independent in their struggle for a social position and convenient location in the city. Different groups occupy different spaces in such a way that the settlement pattern would characterize similarity, resulting in people with similar characteristics occupying similar spaces. This results in what the school termed ‘ecological segregation’. This segregation, according to Omenya⁴⁴, could be ‘voluntary’ or ‘involuntary’. However, the ‘ecological segregation’ is very likely to take place in all classes of societies. The extent to which this class segregation expresses itself spatially is rooted in the economic, political and ideological strengths of the upper income group. Omenya⁴⁴, further considered control of urban land production by the upper class, as a ‘social segregation’ process. In this argument, he agrees with Castle⁴⁵ that social segregation is an expression of ‘class struggle’ where the upper income groups try to divide themselves into unequal urban spaces. The Ethiopian slum areas are far different from such kinds of class segregation. (ibid)

However, Ethiopia remains an extraordinarily poor country, both in absolute terms and by international standards. For most indicators of wellbeing, including education, health status, nutrition, access to infrastructure and levels of industrial capital, Ethiopia rates low compared to other countries. At the same time, there are significant disparities in this picture between urban and rural areas along some dimensions—for example, access to safe drinking water is

dismally low in rural areas (17.1% in 2000, according to the Ethiopia Millennium Development Goals Report, 2004) and substantially higher in urban areas (91.7%), but urban poverty is deeper and worsening in urban areas than in rural areas (poverty incidence rose from 31% to 37% between 1995 and 1999). Agricultural development and rural poverty have been studied deeply in Ethiopia. However, it is important to understand the dynamics of what is happening in urban areas to get a full picture of the developmental challenges that Ethiopia faces. (ibid)

A poorly developed economic base, a high level of unemployment and a worrying incidence of poverty and slum habitation characterize Ethiopia's urban centers. Urban unemployment is estimated to be 16.7% to 28.6% in Addis Ababa. The overall urban unemployment rates as registered in the Urban Biannual Employment and Unemployment Surveys of October 2003 and April 2004 were 26.2% and 22.9%, respectively. Addis Ababa showed a decline in unemployment: 32.1% (2003) to 29.1% (2004) and further to 28.6% (2006). (ibid)

A key feature of the urban sector in Ethiopia is the prevalence of the informal economy. In early 2000, the urban informal sector accounted for almost 40.7% of urban employment. Calculations of gross value of income in different informal industries indicate a significant rise in the share of the informal sector between 1996 and 2002 (from 1.6% to 8%). This improvement can be attributed to the absorption of more workers into the informal sector following specific liberalizations in the economy.

Nearly 40% of the nation's urban dwellers live below the poverty line. An indicator of the magnitude of urban poverty is the proportion of the urban population that lives in slums—about 70% of the urban population is estimated to live in slum areas. Achieving Millennium Development Goal 7, Target 11—improving the quality of lives of slum dwellers—is a major challenge.⁴⁶ Studies made in the last five years concludes that only 30% of the urban housing stock is in good or fair condition. Inadequate shelter, combined with poor sanitation, overcrowding and a high proportion of vulnerable women, youth, children, elderly and destitute with very low incomes, result in a high risk of disease and a poverty trap for many urban residents.(ibid)

2.4.2. Policy Responses to Urban Development Challenges

The Ethiopian Government Poverty Reduction Strategy, which covered the period 2000-01 to 2004-05, was known as SDPRP. In terms of urban development, the main emphasis during

SDPRP was to build decentralized good governance capacity in Ethiopia's urban centers, through the development of policy, legal, regulatory and institutional frameworks supported by substantial capacity building efforts. There is no doubt that Ethiopia must improve the performance of the service to achieve the goals of reducing poverty, accelerating economic growth, and providing better services to the citizens. Achievement of such improved performance will require complementing reforms with sustained capacity building. In this regard, Ethiopia has prepared, in 1998, a strategy for capacity building and programme framework.⁴⁷ The SDPRP focuses on development policy of the country, which has basic components of ADLI, judiciary and civil service reform, and decentralization.

Capacity building, in Ethiopian context, comprises the development of human resources, building and strengthening of institutions, and establishment of effective working practices. The programme was implemented in relation to smallholder agriculture, the private sector, and the public sector, including the judiciary. With regard to the Civil Service Reform Program (CSRP) there was a creation of linkages between capacity-building and institutional development as a means of reinforcing the role of the civil service in good governance and in economic and social development. The thrust of this effort was human resources development, including in-service training of civil servants for a more effective performance of their tasks. The training itself should correspond to institutional needs and priorities, and involve all categories of civil servants.

With regard to Ethiopian urban development, the National Urban Development Policy was developed and approved by the Federal Council of Ministers in March 2005. Moreover, the Urban Lands Lease Holding Proclamation No. 272/2002 was enacted to develop optimum conditions in which leasehold tenure will become the exclusive urban landholding system. In addressing the urban housing development, job and wealth creation to alleviate the urban poverty and bring about development, the government has issued a proclamation (No. 370/2003) to construct collective housing units known as 'condominium houses.'

The second Five-Year Plan of the government, which covered the period 2005 to 2010, known as Plan for Accelerated and Sustained Development to End Poverty (PASDEP), explicitly embraced an "urban agenda" with the following objectives:

- To reduce urban unemployment to below 20% of the economically active population and thereby reduce urban poverty by increasing urban income levels and income

equity: Support small and microenterprises and accelerate the creation of urban-based employment, particularly where this complements rural linkages and delivery of housing and basic services;

- To reduce slum areas in Ethiopia's main cities by 50%50: Launch a national integrated housing development programme that scales up Addis Ababa's initiative, based on lessons learned, and which integrates public and private sector investment with microenterprise development and provision of basic services; •
- To increase access to land and basic services: Ensuring that there is sufficient access to land for the poor, for small and medium enterprises and for formal private sector industrial and commercial investments; and
- To strengthen urban-rural and urban-urban linkages by consolidating efforts in the larger towns and launching a small towns' development programme

Based on the national urban development policy and the above-mentioned objectives, the government has developed two packages—Urban Development Package and Urban Good Governance Package.

The **Urban Development Package** has five pillars: (i) Micro and Small Enterprise Development Programme; (ii) Integrated Housing Development Programme; (iii) Youth Development Programme; iv) Provision of Land, Infrastructure, Services and Facilities; and (v) Support for Rural-Urban and Urban-Urban Linkages.

The objectives of this package are to: (i) reduce unemployment and poverty through the creation of employment; (ii) improve the capacity of the construction industry through the creation of small enterprises; (iii) alleviate the existing housing problems through construction of houses; (iv) promote urban areas as engines of economic growth; and (v) improve urban social and economic infrastructure through the provision of serviced land for housing, Micro and Small Enterprise (MSE) development, youth development, and other development. Initiatives started in Addis Ababa during 2003-05 such as the integrated housing development programme, micro/small enterprise development and technical and vocational education and training are being rolled out to the regions as a part of this package.

The Urban Good Governance Package, on the other hand, consists of institutional development, systems reforms and capacity-building measures to promote the implementation of good urban governance practices in urban centers to facilitate accelerated and sustained urban development. The package has seven sub-programs: (i) land

development and administration systems improvement; (ii) public participation; (iii) urban planning improvement; (iv) urban infrastructure and service improvement; (v) organization and human resource management reform; (vi) urban finance and financial management improvement; and (vii) justice reform. Through these sub-programs, federal and regional governments have provided support to cities in the form of technical assistance, capacity building and training, and through development and enactment of relevant laws and proclamations that may be necessary to achieve the goals that have been set.

2.4.3. Policy Outcomes and Gaps

Policy Outcomes

The first important policy outcome with regard to urban development in Ethiopia was decentralization. Decentralization is the gradual transfer of power and resources from the central government to the lower levels of local government, such as the regions, zones and municipalities, to create more opportunities for citizens to participate in the society, leading to improved services. Ethiopia has been engaged, since 1991, in the process of decentralization by transferring responsibilities of the state to lower tiers of government to bring not only political stability and contribute to democratic governance, but also improve service delivery and attain equity. According to Tegegne⁵¹, the first wave of decentralization (1991-2001) which was centered on creating and empowering national/regional governments has changed the local and central government system. The national/ regional governments were entrusted with legislative, executive and judicial powers in respect of all matters within their areas. Decentralization process has also played a major role in transferring responsibilities from regional government to the lower tiers of administration, which are known as ‘Wereda’ and ‘Kebele’

To be sustainable, the democratic aspect of decentralization also depends on strengthening the capacity of communities and civil society groups to effectively take advantage of the prospects that decentralization presents. With this strong view regarding decentralization and devolution of power and authority, there is a significant requirement of capacity building to local governments in line with the requirement of fiscal support to build their capital stock consistent with their service delivery investment needs. Moreover, for decentralization and good governance to foster the goals of people-centered and sustainable development, policies and programs must be designed and implemented in such a way that the functional linkages

between participatory institutional mechanisms and processes, and the empowerment of the poor are ensured.

Capacity building, in Ethiopian context, has been developed as part of a comprehensive and clearly integrated national reform policy framework. Civil Service Reform Program (CSRP), which includes capacity building and institutional development, focuses on development of human resources, building and strengthening of institutions, and establishment of effective working practices.⁵² Therefore, human resources development was considered as the central pillar of the development effort, as well as the major focus of the civil service reform in Ethiopia. The human resources development includes in-service training of civil servants for a more effective performance of their tasks. In addition to training, the reform effort of the country has dealt with the restructuring of the civil service, with a management tool known as “Business Process Reengineering”⁵³, with the objective of achieving a dramatic change in civil service. These endeavors have created a favorable avenue for sustainable development through the civil service of the future, at both local and national levels, which would be lean, competent and flexible in its operation. Sustainable development would be achieved, if the civil service in the country makes itself accessible to the general public, seek to satisfy the needs of its clients, and strive for a higher quality of performance in its work.

In terms of policy, many cities and towns in Ethiopia, in light of the national urban development policy, have implemented micro and small-scale enterprise development, integrated housing program and provision of the land. In accordance with the urban development and good governance activities, which have been identified as proprieties by the government, job creation and investment promotion activities have been undertaken. In this respect, large and medium cities are showing rapid growth in manufacturing, construction and tourism sectors. Another policy outcome is the employment creation. The effort to increase employment of urban workforce by increasing micro and small enterprise development has showed encouraging results.

Housing development is the other major activity underway in many cities in Ethiopia as a policy outcome. According to the information obtained from the Ministry of Urban Development and Construction, construction of houses in large and medium cities has been carried out. In addition to reducing the housing shortage, housing development program has an objective of helping equitable wealth redistribution through creation of an opportunity for middle and low-income group of urban dwellers to own property. Moreover, the construction

of houses has created a job opportunity to several unemployed urban youth. The housing development program has involved several contractors and consultants with the objective of capacity building.

By and large, the policy interventions to urban development challenges in Ethiopia have been implemented in large and medium towns, and have demonstrated significant positive policy outcomes. The policies have shown some linkages with the livelihood requirements of the urban dwellers. In particular, the promotion of small and microenterprises and the integrated housing program have the potential of addressing livelihood requirements pertaining to employment and housing needs.

The other area of policy outcome is the significant improvement made in the urban land delivery system over the last ten years. Major gains cited include the land nationalization policy that seeks to bring sanity in the land allocation process and putting in place various policy strategies that seek to address the needs of the poor. Despite the existing achievements, a number of challenges still exist. The general perception is that the land delivery system has not done much in dealing with chronic poverty per se due to the fact that there is lack of an efficient and effective land delivery system in all cities. This could be explained in the form of land supply constraints, rising levels of urban poverty, rise in prices and increase in demand for urban land, bureaucratic tendencies, corruption, weak monitoring and evaluation mechanisms, weak law enforcement mechanisms, inadequate databank systems, shortage of financial resources, lack of participation by the poor in the decision-making process, etc.

Policy Gaps

Urban poverty is one of the gravest challenges to bring about sustainable urban development. Urban poverty in Ethiopia is higher than the rural poverty. Therefore, the policies and strategies for urban development should be focused on urban poverty reduction. Urban development policies have to address the different needs of the urban poor living in different types of urban centers. In this regard, there is still a gap between the livelihoods requirement of the urban poor and the existing policies in addressing livelihood requirements. The gap highlights the government's failure to address the vulnerabilities of the urban poor and the differential status of poor households in diverse urban centers. Hence, policies should be revisited and improved to fill the existing gap and be able to enhance household assets, local

economic development, home-based activities, and casual activities, housing affordability, urban safety nets, and overcoming city level institutional capacity

2.4.4. The Role of Good Governance for Urban Social and economic Development

Good governance should be characterized by sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security (UNCHS 2000). These norms are briefly described according to their objectives proposed by UNCHS (2000). Following the introduction, each norm is applied Urban Social and economic Development.

2.4.4.1. Sustainability in all dimensions of urban development

“Cities must balance the social, economic and environmental needs of present and future generations. This should include a clear commitment to urban poverty reduction. Leaders of all sections of urban society must have a long-term, strategic vision of sustainable human development and the ability to reconcile divergent interests for the common good” (UNCHS 2000).

2.4.4.2. Subsidiarity of authority and resources to the closest appropriate level

“Responsibility for service provision should be allocated on the basis of the principle of subsidiarity, that is, at the closest appropriate level consistent with efficient and cost-effective delivery of services. This will maximize the potential for inclusion of the citizenry in the process of urban governance. Decentralization and local democracy should improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Cities should be empowered with sufficient resources and autonomy to meet their responsibilities” (UNCHS 2000).

2.4.4.3. Equity of access to decision-making processes and the basic necessities of urban life

“The sharing of power leads to equity in the access to and use of resources. Women and men must participate as equals in all urban decision-making, priority-setting and resource allocation processes. Inclusive cities provide everyone – be it the poor, the young or older persons, religious or ethnic minorities or the handicapped – with equitable access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services” (UNCHS 2000).

2.4.4.4. Efficiency in the delivery of public services and in promoting local economic development

“Cities must be financially sound and cost-effective in their management of revenue sources and expenditures, the administration and delivery of services, and in the enablement, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy. A key element in achieving efficiency is to recognize and enable the specific contributions of women to the urban economy” (UNCHS 2000).

2.4.4.5. Transparency and Accountability of decision-makers and all stakeholders

“The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similar, there should be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and accountability are essential to stakeholder understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this understanding and to good governance. Laws and public policies should be applied in a transparent and predictable manner. Elected and appointed officials and other civil servant leaders need to set an example of high standards of professional and personal integrity. Citizen Participation is a key element in promoting transparency and accountability” (UNCHS 2000). UNCHS: The Global Campaign for Good Urban Governance. Concept Paper, Draft 5, Nairobi, 20 November 2000.

2.4.5. Indicators of Sustainable Urban Development

Indicators are parameter that enables to describe situation that are difficult to be determined (Weiland 2006: 2). Indicators are tools that help to understand and communicate urban development level, as well as to involve stakeholders, empower them and solve conflict (ibid: 7). They can also be summary and synthesized measures that portray how well a system is performing (Flowers et al. 2005:240). Urban development indicators broadly classified into three categories. These are economic opportunities, social wellbeing and environmental quality (Lynch et al 2011: 22-23). Abbildung in dieser Leseprobe nicht enthalten *Source: Lynch et al (2011: 26); Sarkozy-Banoczy (2010) Abbildung in dieser Leseprobe nicht enthalten*

These indicators help to measure and analyze to what extent development is achieved in social and economic aspect of urban areas and how the urban environment is being treated.

Urban development can be realized through a lot of development strategies. Industrialization is one of these urban development strategies, and it is expected to achieve social and economic development and to keep ecological balance. In other words industries are supposed to solve urban management problems and bring urban development. The socio-economic development and environmental quality that happen because of industrial development might be measured through one or more of these urban development indicators. (ibid)

2.5. Empirical Literature

In this section empirical evidence on the role of good governance for urban socio-economic development and the environmental impact of good governance in different cities are presented.

2.5.1. The Role of Good Governance for Urban Socio-Economic Development

It is difficult to ignore the fact that many countries near the bottom of rankings such as the UNDP's human development index—the DRC, Burundi, Chad, the Central African Republic—are places with much weaker state institutions than those near the top of such lists—Norway, Australia, the US, Germany, Sweden (see UNDP 2011). Kaufmann and Kraay (2002: 169-72) show that there is also quantitative evidence that a positive correlation exists between measures of the quality of governance broadly defined and various measures of economic development, such as per capita income. This correlational finding is debated—Khan (2009: 8, 2004, 2008), for instance, finds no significant differences in the scores on good governance of high-growth and low-growth developing countries—and thus requires further study. However, it appears to be robust enough that it is worth considering some of the causal processes that might be behind it

2.6. Research Gap

The FDRE Government Urban Development Policy was formulated and ratified at May 2013 (Genbot 2005 E.C). The policy has identified lack of development and good governance as the major bottlenecks of Ethiopian urban centers. Lack of infrastructure, lack of adequate social services, housing problem, lack of recreational centers and environmental pollution, inability of urban centers to integrate with other urban centers as well as rural area and unbalanced urban development were identified as urban development problems. On the other hand, lack of administrative and political decentralization, deficiency of democratic attitude and culture, absence of participatory development and administration, absence of good urban

management, lack of well-trained/skilled workers and inability of urban centers to generate and utilize their own income were identified as problems of democracy and good governance.

Therefore, the importance of this policy is to eradicate these development bottlenecks, to ensure good and democratic governance in urban centers and ensure rapid and sustainable urban development through decentralized and balanced urbanization and urban-rural and urban-urban linkage. The vision of this policy is to see cities being prosperous through making them center of development and model of democracy, integrated, internationally competitive and a better place for living that ensure sustainable development and fast and adequate service provision for their residents. Its objective is to enable cities being development center and make great contribution to rural development and the national economy, and making urban dwellers to be power holders and the beneficiaries of development as well as to reach at the living standard of those people having middle-income level. The policy is designed following the principles of federalism to encourage the emergence and development of many urban centers and to make them decentralized power holder as well as allow regional states to administer cities in their respective jurisdiction.

The developmental strategies of this policy are rural-urban linkage (development integration) which aims at ensuring balanced development throughout the country and industrial development which aimed at making big cities to be the center of industry and small cities to be center of agricultural industry, which utilize the local agricultural products/inputs and idle human resources. The second strategy i.e. industry-led urban development strategy require cities to have willing developmental investors and fulfill skilled human power and high quality infrastructure and services that are pre-requisite for the expansion and development of industries. The guiding principles of the policy include creating sustainable urban-rural and urban-urban linkage, providing balanced urban development opportunities for all cities, ensuring decentralized urban system, putting poverty alleviation at the heart of urban development activities, promoting participatory development, creating strong companionship with investors, and making cities autonomous or self-governing through decentralization.

The roles of cities for national development and democracy include accelerating rural development, being market, service and industry center, strengthening relationship between people, being democratic model and creating strong democratic and economic base. To ensure rapid and just/fair development in cities expanding small enterprises and providing them with extensive support, housing development, land development and management,

infrastructure provision, social service expansion, urban categorization, planning and environmental protection is necessary and these operations are to be done by the government and various stakeholders at various level. This policy is to be implemented by a government at different level i.e., at federal, regional and local (city government) level.

Generally, FDRE Urban Development Policy has many strong points with respect to community development elements. The policy has designed rural-urban integration and industrial development, which enable to minimize rural-urban migration, create more job opportunity, increasing productivity and national economic development as a core strategy, and those strategies tend to address community development issues in one or another way. It pays good attention to community development issues such as housing development, infrastructure and social service provision, environmental protection and the like. This urban development policy follows industry led urban development strategy, which strives for the promotion of urban development with all required physical and social infrastructure and the absorption of the ever-growing work force especially that agricultural workforce, migrate from rural centers. This shows as urban development policy creates a strong and even indispensable nexus between good governance and urban development

2.7. The Conceptual Frame Work of the study

Based on previous research outcomes, the researcher developed the following conceptual framework to find out the relationship between independent variable and dependent variable. Independent variable is good governance while, the dependent variable is urban development.

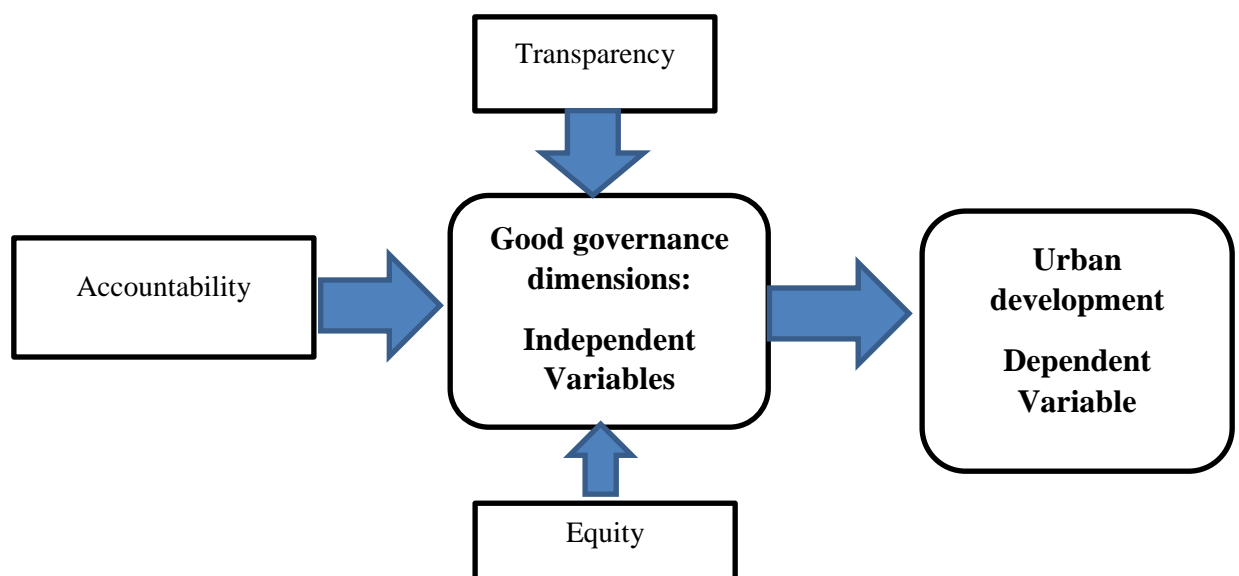


Figure 2.1: Conceptual Frame Work of the study

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

Research methodology refers to how a research problem can be solved systematically through exhaustive investigation (Kothari, 2006). This chapter presents the methodology that was used in the study. It describes the research design, area of the study and study population, sample selection and data collection methods. It also discusses techniques for data analysis.

3.2. Research Design

Research design is used to structure the research; to show how all of the major part of the research project the samples or group, work together in addressing research question (kothari, 2004). Due to the nature of the proposed study, the researcher used descriptive design. Descriptive was used to help researcher to assess the role of good governance on promoting urban development in public institutions. Descriptive research is according to Saunders et al. (2007) the research for which the purpose is to produce an accurate representation of persons, events or situation. .

3.3. Research Approach

In this study, the quantitative approach of the research method was employed. More specifically, quantitative data were collected and analyzed finally. Moreover, it aimed at testing theories, determining facts, demonstrating relationships between variables, and predicting outcomes

3.4. Data Type and Data Source

Primary data source was used in this study; this data was obtained from employees of public institution in Woliso town. Secondary data was obtained from the textbooks; internet and other documents related this study of the role of good governance in promoting urban development in Woliso town.

3.5. Target Population and sample selection

The study had target populations of public servants of eleven public institutions: municipality, service office, trade and industry, SEMs office, justice office, town court, health station, police office, water and sewerage, education office and revenue office were made to be target population.

3.6. Sampling technique

The researcher was applied convenient sampling technique to select sample respondents. The reason of applying convenient sampling technique is the population of the study is large, it is impossible to include every individual, and their convenient accessibility and proximity of customer to the researcher while gathering data.

3.7. Sample Size determination

The total sample size was determined by using the following sample size determination formula

Developed by Taro Yamane (1967).

Where:

n; The sample size

N; The population size

e; The sampling error (0.05) which is 95% of level of confidence

According to the above formula, the total sample size from the total number of public sectors at woliso town was calculated as follow.

$$n = \frac{600}{1+600(0.05)^2} = 117$$

After the total sample size is determined the researcher was proceed to allocate the total number of samples proportionately for each public sectors at Woliso based on their respective total number of public servants by using the following formula.

Where; n = total number of samples=117

N= total number of public servants from each public sectors

N1= total number of public servants at each public sectors

n1= sample size at each public sectors

Based on the above formula the total samples proportionally allocated for each public sectors at Woliso based on their respective total number of employee as follow as.

Table 1 Number of Civil Servants Sample Respondents

Public sector Name	Male	Female	Total number of employees from each public sector	Sample size at each public sector $\frac{N}{n}$ N1
Municipality	12	2	4	3
service office	16	7	23	16
trade and industry	5	3	8	8
SEMs office	19	17	36	9
justice office	6	7	13	3
town court	15	27	42	10
health station	18	20	38	9
police office	77	16	93	24
water and sewerage	85	18	103	23
education office	11	5	16	5
revenue office	10	12	22	4
Total	326	274	600	117

3.8. Method of data collection

The methods for data collection was include instrument of the data that was consisting of questionnaires and sources of data that was primary data and secondary data.

3.9. Data Collections instrument

Good governance was evaluated using an index of a 49-item scale, developed by the researcher. A 5-point Likert scale (strongly agree, agree, neither, disagree and strongly disagree) was used to measure the responses. Participants were asked to complete the questionnaire.

3.10. Validity and Reliability of the Research Instrument

The validity of an instrument was referred to the ability of the instrument to collect justifiable and truthful data. In other words, it was about the ability of the instrument to measure what it was developed to measure. Validity is the quality of the test doing what is designed to do (Salkind; 2000).

Validation of the instrument proceeded in two distinct phases. The initial phase involved a group of referees and expert arbitrators, who provided some comments on the tool. The second phase involved the implementation of a pilot study (N=30) to validate the survey using exploratory factor analysis. Factor loading for all items exceeded 0.60 (0.64 to 0.83), which means that those items are suitable in measuring every item of good governance among the participants.

Reliability of the respondent's through the instruments of the questionnaire was established through split-half reliability method. The reliability of the research instruments concern with the degree to which the research instrument was given the same result. The reliability of an instrument was referred to the ability of the instrument to collect the same data consistently under similar conditions (Odiya; 2009).

The reliability was tested using Cronbach's Alpha formula to ascertain the reliability and consistency of the survey. Cronbach's Alpha for the survey instrument was 0.96, indicating excellent reliability and consistency.

3.11. Data analysis method

After the needed data were gathered through the stated data collection methods, the next step was analysis and presents these data. For this study, Statistical Package for Social Science (SPSS) software version 25 was employed to analyze and present the data by using the statistical tools for this study. These statistical tools were used for this study are descriptive analysis, frequency and percentage analysis.

3.12. Ethical Consideration

Ethical clearance and permission obtained from the institutional review board Faculty of Business and Economics of Addis Ababa University, Ethiopia. Permission is also granted from woliso town administration through formal letter. Participation in the study will be on the voluntary basis and participants are asked for willingness before they are provided the questionnaire. The subjects are also assured that their responses used only for the purpose of the study. An attempt is made to first explain the objectives and significance of the study to the respondents. Name and other identifying information are not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality are maintained by assigning them code numbers instead of names (anonymity).

CHAPTER FOUR

4. DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.1. Introduction

In this chapter, the results of the study was presented, analyzed, and interpreted precisely. The study used a cross-sectional survey as a research design and employed questionnaires, and observation to obtain data collected from the field. The presentation was divided into two parts. The first part presents the respondent demographic information, while the second part deals with presentation interpretation, and analysis of the research questions and objectives.

4.2. Demographic information of the respondents

As mentioned above, this part presents the background information of the respondents who participated in the study of the role of good governance in promoting urban development in public sectors of woliso town. The purpose of this background information is to present the characteristics of the respondents and show the distribution of the population in the study. So their distribution was established in charts and tables below.

Demographic information

Table 2 : Age Profile of Respondents

	Frequency	Percent	Valid Percent	Cumulative percent
Valid				
19-25	10	8.5	8.7	8.7
26-29	20	17.1	17.4	26.1
30-39	10	8.5	8.7	34.8
40-49	20	17.1	17.4	52.2
50—59	40	34.2	34.8	87.0
Above 60	15	12.8	13.0	100.0
Total	115	98.3	100.0	
Missing System	2	1.7		
Total	117	100		

Source: primary data 2022

From the above chart and table 1, The majority of the respondents that represent 34.2% of the respondents are within the age bracket of (50-59), 17.1% of the respondents are within the age bracket of (40-49), and (31-35), 12.8% of the respondents are in the age bracket of (60 and above) and 8.5% of the respondents are the age bracket of (19-25) and the age of bracket (20-29).

Table 3: Gender of the Respondents

	Frequency	Percent	Valid Percent	Cumulative percent
Valid				
Male	45	38.5	39.1	39.1
Female	70	59.8	60.9	100
Total	115	98.3	100	
Missing System	2	1.7		
Total	117	100.0		

Source: primary data 2022

According to the above chart and table 2, 59.8% of the total respondents were female and 38.5% were male so, this research shows the females are participated in the study.

Table 4 : Martial Status for the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	15	12.8	13.0	13.0
Married	45	38.5	39.1	52.2
Divorced	20	17.1	17.4	69.6
Widow	35	29.9	30.4	100.0
Total	115	98.3	100.0	
Missing Total	2	1.7		
Total	117	100		

Source: primary data 2022

In the above chart and table 3, the majority of the marital status of respondents of civil servants' are married that compose 38.5% of the total respondents, 29% of the respondents are widow, 17.1% of the respondents are divorced , 12.8% of the respondents are single so this data analyses show us the majority of the civil servants are married.

Table 5. Educational Level of the Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	15	12.8	17.4	17.4
First degree	50	42.7	43.5	52.2
Master degree	30	17.1	26.1	69.6
Total	115	98.3	100.0	
Missing Total	2	1.7		
Total	117	100		

Source: primary data 2022

As indicated in table 4 above 43.5% of the respondents are first degree holder, 17.1 % of the respondents are Master degree holders while the remaining 12.8 % of the respondents are diploma holders.

Table 6 The role of Good Governance for Urban Economic Development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Strongly agree	20	17.1	17.4	17.4
Agree	40	34.2	34.8	52.2
Neutral	10	8.5	8.7	60.9
Disagree	30	25.6	26.1	87.0
Strongly disagree	15	12.8	13.0	100.0
Total	115	98.3	100.0	
Missing	2	1.7		
Total	117	100		

Source: primary data 2022

From the above chart and table 5, 34.2% of the respondents agree, 17.1% of the respondents strongly agree, 25.6% of the respondents disagree, 12.8% of the respondents are strongly disagree, and lastly, 8.5% of the respondents are neutral. This implies that the good governance such as transparency, equity and accountability has contributed to the development of urban economic development.

Table 7 : The Role of Good Governance in Promoting Urban Social Development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Strongly agree	24	20.5	20.9	20.9
Agree	46	39.3	40.0	60.9
Neutral	8	6.8	7.0	67.8
Disagree	20	17.1	17.4	85.2
Strongly disagree	17	14.5	14.8	100.0
Total	115	98.3	100.0	
Missing	2	1.7		
Total	117	100		

Source: primary data 2022

According to the above chart and table 7, 39.3% of the respondents are agree, 20.9% of the respondents are strongly agree, 17.1% of the respondents are disagree, 14.5% of the respondents are strongly disagree, and lastly, 6.8% of the respondents are neutral. This connotes that good government such as transparency, equity and accountability will result in urban social development or it has role in urban social development.

Table 8 The Impact of Good Governance on Urban Development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Strongly agree	30	25.6	26.1	26.1
Agree	47	40.2	40.9	67.0
Neutral	3	2.6	2.6	69.6
Disagree	19	16.2	16.5	86.1
Strongly disagree	16	13.7	13.9	100.0
Total	115	98.3	100.0	
Missing	2	1.7		
Total	117	100		

Source: primary data 2022

From the above chart and table 17, 40.2% of the respondents are agree, 25.6% of the respondents are strongly agree, 16.2% of the respondents are disagree, 13.7% of the respondents are strongly disagree, and lastly, 2.6% of the respondents are neutral. This indicates that good governance such as transparency; equity and accountability have great impact of promoting urban development.

CHAPTER FIVE

5. SUMMARY AND RECOMMENDATION

5.1. Introduction

Chapter four was presented, analyzed and interpreted the data obtained from the field. Based on findings on the previous chapters, this chapter focuses on the major findings the results of the research study on the previous chapter. The conclusions and recommendations was careworn and given respectively.

5.2. Summary of Major Findings

The general objective of the study was to the role of good governance for urban development in the case of in public sectors in Woliso town. The specific objectives of the study were to scrutinize the contribution of good governance for urban social development in public sectors in Woliso town, to examine the role of good governance for urban economic development in public sectors in Woliso town and to dissect the positive and negative outcome of good governance on the urban development

The study adopted descriptive research design. The target population of the study comprised of public servants of eleven public institutions in woliso. The sampling frame of the study was the public servants in woliso town public sectors. Studying a sample selection allows for greater accuracy of results, greater speeds of data collection, lower cost of research and availability of the population elements a non-probability sampling design was used and it was convenient sampling technique. Convenient sampling technique was used to because it is impossible to include every individual, and their convenient accessibility and proximity of employees to the researcher while gathering data. Primary data was obtained through self-administered questionnaires from respondents.

The questionnaire contained close-ended questions for ease of collecting quantitative data. Pre-testing was done by administering the questionnaire to 10 respondents who were not included in the actual study. The questionnaire was tested for validity and reliability. The data was analyzed using Statistical Package for Social Sciences (SPSS). Data was presented using tables to make them reader friendly.

The first objective of the study was to scrutinize the contribution of good governance for urban social development in public sectors in Woliso town. The study revealed that the role of good governance in promoting urban development in the urban economic development area, good governance plays a great role in promoting urban economic development. Moreover, About 34.2% of the respondents were agreed that good governance plays a great role in promoting urban economic development.

The second objective of the study was to assess The study found that that the role of good governance in promoting urban development in the urban social development area, good governance plays a great role in promoting urban social development.

The third objective of the study was to dissect the positive and negative outcome of good governance on the urban development. The study revealed good governance had impact on urban development and about 40.2% of the respondents were agreed with this issue.

5.3. Recommendation

Good governance role has a critical issue in promoting urban development thus, based on the finding the researcher tried to recommend the following.

- In order to promote urban development and bring fast and sustainable urban economic development, public institution should give due attention to the role of good governance.
- Since participation plays a central role in urban economic development, public institutions should create conducive environment for community participation.
- building the capacity of human resources through education and training, providing good governance
- the policy should create strong relationship or nexus between Good governance and urban development.

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Annex
ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDY

Department of Public Administration and Development Management

The questionnaire is prepared by Gemechu Kebede. I am currently a postgraduate student at the Addis Ababa University Department of Public Administration & Development Management majoring in Development Management studies. The objective of the questionnaire is to collect data regarding the role of good governance in promoting urban development in selected public institutions of the woliso town administration, which will be used to prepare a Thesis required for my MA degree. You are kindly requested to read the questions thoroughly and respond accordingly. The result of this survey will be treated with utmost confidentiality and will be strictly used for academic purpose only.

PART ONE: SOCIO-DEMOGRAPHIC CHARACTERSTICS OF RESPONDENT

Write or tick (√) the appropriate response to each of questions.

1 .Age: A. 20-29 b.30-39 c.40-50 d. >50

2. Gender: A. male B. female

2. What is your marital status?

A. Single B. Married C. Divorced D. Widow

4. What Level of education did you attain?

A. diploma B. first degree C. master degree

Part 2: The Contribution of Good Governance For Urban Economic Development

Rate the following by putting tick mark (√) to indicate your response with respect to each statement in only one of the five alternatives, i.e. Strongly Agree = 5, Agree = 4, neutral=3, Disagree = 2, strongly Disagree = 1

Questions		Response options				
		5	4	3	2	1
1	Good governance is a central pillar of urban economic development					
2	Good governance has great contribution towards sustainable urban economic development					
3	Good governance is an essential tool to bring urban economic development through the application of effective and efficient principles of Good governance					
4	Good governance is an important factor for urban economic development					
	There is relationship between good governance and urban economic development					
5	Provision of Public Goods increases urban economic development					

Part 3: Good Governance and Urban Socio-Economic Development

Rate the following by putting tick mark (√) to indicate your response with respect to each statement in only one of the five alternatives, i.e. Strongly Agree = 5, Agree = 4, neutral=3, Disagree = 2, strongly Disagree = 1

	Questions	Response options				
		5	4	3	2	1
1	Lack of good governance contribute to the destruction of the rest of urban socio economic sectors					
2	Good governance is an important factor for urban socio economic development					
3	There is relationship between good governance and urban socio economic development					
4	Public institutions are driving fuel for good governance to promote urban socio economic development					
5	Participation in decision making refers involvement of citizens in the process promoting urban socio economic development					

Part 4. The Role of Good Governance in Promoting Urban Socio-Economic Development

Rate the following by putting tick mark (√) to indicate your response with respect to each statement in only one of the five alternatives, i.e. Strongly Agree = 5, Agree = 4, neutral=3, Disagree = 2, strongly Disagree = 1

	Questions	Response options				
		5	4	3	2	1
1	In good governance, people have a more participatory role in the decision making process which leads in community development					
2	Social development means developing the capacity and capability of the governing body to be effective					
3	Public institutions promotes good governance to enhance social welfare and urban socio economic development					
4	Provision of Public Goods increases urban socio economic development.					
5	good governance creates a massive job opportunities for a great number of workforce and vanish unemployment					
6	urban development should take good governance aspect into account and the development process should integrate the impacts of the established plan with the social dimensions					

Part 5: THE IMPACT OF GOOD GOVERNANCE ON URBAN DEVELOPMENT

Rate the following by putting tick mark (√) to indicate your response with respect to each statement in only one of the five alternatives, i.e. Strongly Agree = 5, Agree = 4, neutral=3, Disagree = 2, strongly Disagree = 1

	Questions	Response options				
		5	4	3	2	1
1	Good governance brings improved access to infrastructure and services and this indicate urban development					
2	Good governance has good effect on urban socio economic development					
3	Urban Economic development comes into existence by applying good governance principles					
4	Good governance has no effect on urban social and economic development					
5	Public institutions knows the impact of good governance on urban development					
6						