

**Addis Ababa University**  
**College of Law and Governance Studies**  
**Center for Federalism and Governance**

Federalism and Urban Governance: An Explorative Study of Intergovernmental  
Relations in Cities of Adama and Assosa, Ethiopia

By

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Addis Ababa University

Addis Ababa, Ethiopia

June 2017

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Addis Ababa University

Addis Ababa, Ethiopia

June 2017

**Declaration**

I, the undersigned, certify that this PhD Dissertation is my original work, and has not been presented for a degree in any other University or academic institution, and that all source of materials used for the Dissertation are fully acknowledged and properly referenced.

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### **Abstract**

*In the contexts of federal/multilevel arrangements and the urbanization processes, the effectiveness of urban governance involves intergovernmental coordination and cooperation. This thesis aims to explore the institutions and practices of IGR in urban governance under the federal system of Ethiopia. Through a comparative analysis of the case cities of Adama and Assosa, it analyses how the contextual factors in which the cities are embedded determine the design of urban institutions, local capacity and their relationship with the regional and neighboring local governments. The thesis also examines how the processes and practices of IGR operate in urban service provisions in the two cities under consideration. The study has used Intergovernmental Relation (IGR) framework as an institutional and practical exploration of urban governance issues in a federal setting. A multilevel research approach and a case study design are employed to analyze the municipal governance architecture, city's vertical and lateral relationships, and IGR in urban service deliveries. The study has found out that the problem of urban governance is due to a mismatch between the local institutional capacities and functional responsibilities, and the existing institutions and practices of IGR did not empower the cities to bring effective urban service deliveries. The regional states have put the principles including the local autonomy, city's accountability to the region and the need for cooperation, mutual respect, support and partnership as the basis for relations between the cities and regional states. The analysis, however, shows that the role of IGRs in urban service delivery is hampered due to competing urban visions, unsettled design of urban institutions, blurred regulatory powers over urban space and use of IGR instruments for political expediencies. This study, therefore, contends that the settled institutional status of cities, adequate local capacity, and strong and empowering institutions of IGRs could help for resolving the challenges of urban governance in Ethiopia.*

**Key Words:** *Federalism, Intergovernmental Relations, Urban Governance, Ethiopian Urban Management*

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## Acronyms

ACWSSE	Adama City Water Supply Service Enterprise
ACWSSSE	Assosa City Water Supply and Sewerage Service Enterprise
AMPRPO	Adama Master Plan Revision Project Office
ANDM	Amhara National Democratic Movement
BG	Benishangual Gumuz
BGNRS	Benishangul-Gumuz National Regional State
BGPDO	Benishangual Gumuz People Democaratic Organization
BoUDHC	Bureau of Urban development and Housing Construction
BoWER	Bureau of Water and Energy Resources
BPLM	Benishangul People’s Liberation Movement
CSA	Central Statistical Authority
ELPCo	Electric Power Corporation
EPLF	Eriteria People Libration Front
FDRE	Federal Democratic Republic of Ethiopia
GWP	Global Water Partnership
HoF	House of Federation
IDP	Integrated Development Plan
IG	Intergovernmental
IGFT	Intergovernmental Fiscal transfers
IGR	Intergovernmental Relations
IWRM	Integrated Water Resource Management
LG	Local Government
LUP	Land Use Plan
MOFA	Ministry of Federal Affairs
MoWE	Ministry of Water and Energy
MUDHCo	Ministry of Urban Development and Housing Construction
NTF	Non Territorial Federalism
OULDM	Oromia Urban land Development and Management
ONRS	Oromia National Regional State
OPDO	Oromo People’s Democratic Organization

ORTO	Oromia Radio and Television Organization
SALGA	South Africa Local Governments Association
TPLF	Tigray People’s Liberation Front
UDHCB	Urban Development and Housing Construction Bureau
UDIB	Urban Development and Industry Bureau
ULDM	Urban land Development and Management
ULG	Urban Land Governance
ULGDP	Urban Local Government Development Program
UPSB	Urban Planning, Sanitation and Beutification
UWSSE	Urban Water Supply Service Enterprise
WMB	Water Management Board
WRMP	Water Resource Management Policy
WSLF	Western Somale Libration Front
WSS	Water Supply Service

## CHAPTER ONE

### 1 Introduction

The complexity of governance emerging from increasing urbanization is one of the greatest challenges that Africa faces in the 21<sup>st</sup> century (Hove *et al* 2013). The spread and intensification of urbanization, decentralization and governance have contributed to interdependence and networks of relationships between different levels of government and public authorities (Agranoff, 2012; Sellers and Hoffman-Martinot 2008), demanding efforts beyond the reach of a single level of government (Duchacek 1975). This situation is more particularly inevitable in the multilevel and / or federal systems of governance (Agranoff, 2012; Duchacek 1975; Elazar 1987). Specifically, the governance of the urban formations under a federal scheme elicits extensive interdependence and cooperation among the multiple institutions and actors, as inevitable prerequisites.

Even in the developed and highly urbanized federal systems, the processes of urbanization put pressure on the infrastructure and delivery of basic services (Geirsig 2008; Lefevre 2010 ; Klink 2008; Oakerson 2004) and the institutional solution to these challenges remained mostly unresolved (Sellers and Hoffman-Martinot 2008; Spink *et al* 2011). When federal arrangement of territorial /non territorial or functional decentralization meets urban spatial concentration of people's needs and aspirations, several governance issues arise. Mostly, the theory and practice of federalism view urban management only with a territorial distribution of power and resources among the different levels of governments. Besides, the non-territorial and functional institutional innovations to handle interactions among the levels of government are context specific inasmuch as the urban problems and specificity of the federal designs vary from country to country. Even within a given federal state, the institutional innovation to address governance of urban areas may vary from one constituent unit to another depending on a number of contextual factors.

Most of the challenges that urban spaces face arise from the forces not completely under the control of urban governments. For policy implementation and service provision imperatives, urban local governments are inextricably linked vertically to the upper level governments and horizontally to neighboring local governments (Agranoff, 2012). To this end, both in principle and through practice, Intergovernmental Relation (IGR) can be considered as federalism's offer

to analyze the institutional and practical solutions to meet the challenges of urban local governance of any federation in general and in Ethiopia in particular.

## **1.1 The Research Problem**

In the context of Ethiopia, the governance of urban centers invites reflection on the broader institutional and political systems of the country (Getahun 2007; Yirgalem 2008). Prior to 1974, urban centers in Ethiopia were feudal seats and ultimate administrations of them were subjected to the imperial government. Under the military regime from 1974 to 1991, the urban centers were reorganized as Urban Dwellers' Associations and as tools for inculcating socialist ideology and consolidation of power of central government (Ibid). Before 1991, the urban administrations were mere subordinates and agents of the central governments.

Unlike the pre 1991 phase, the federal and/ or decentralization arrangement of the present has increased the pace of urbanization and number of urban centers increased because of the definition and recognition of settlements as urban has changed. Ethiopia is currently undergoing rapid rate of urbanization reaching up to 6% per year (Schmidt and Mekamu 2009; Dorosh and Schmidt 2010). The proportion of urban population was only 6% in the 1960, 11% in 1984, 14% in 1994, 17.2 % in 2013 and projected to be 30% in 2025 (MUDHCo 2015). Because of the change in the designation of settlements as urban localities, Ethiopia has also shown tremendous increase in the number of urban centers. According to the official estimate (MUDHCo 2015), there are 1,525 urban settlements in the country. Of these, 140 have been granted the status of urban local governments by Regional City Proclamations, and the remaining 1,385 municipalities/ towns —small settlements with populations mostly below 20,000 people — do not have the urban local government status and function under the authority of *woredas*.

At one level, starting from the first Census of 1984, a locality has been defined as urban if it is either an administrative capital of a Region, Zone or Woreda; or a locality with at least 1,000 people who are primarily engaged in non-agricultural activities, and / or areas where the administrative official declares the locality to be urban (Dorosh and Schmidt 2010, 17-18). But the urban land lease proclamation Number 721/2011 article 3 defines “urban center” as any locality having a municipal administration or a population size of 2000 or more inhabitants of which at least 50% of its labor force is engaged in non-agricultural activities.

At another level, the federal constitution hints at the creation of local governments (urban or rural) for either self governance or administrative decentralization. Constitutionally, Article 39(3) of the Constitution FDRE grants every Nation, Nationality and People “to establish institutions of government in the territory” whilst Article 50(4) states that “adequate power shall be granted to the lowest units of government to enable the People to participate directly in the administration of such units.” Moreover, Article 88(1) of the Federal Constitution states that “guided by democratic principles, government shall promote and support the People’s self-rule at all levels.” In this view, local governments can be established for two key reasons: for self governance of ethnic communities or for administrative decentralization.

But the institutional and political arrangements for the governance of urban areas were not clearly visualized until 2001/2. It was in 2001, only a decade after the onset of the first decentralization (1991), that legal, political and financial powers and functions have been granted by the respective regional states to local governments in order to implement the National Policy of Sustainable Development and Poverty Reduction (SDPRP) (Yonatan and Zemelak 2012; Kassahun and Tegegn 2006; Meheret 1998). From 2001 onwards, the national policies of Ethiopia have increasingly lent attention to the urban local governance.

Despite an emphasis in providing policy focus to urban problems, a number of studies reveal the inadequacy of the autonomy granted to urban local governments (Zemelak and Yonatan 2012; Yilmaz *et al* 2008; UN Habitat 2008). As it stands now, the top political actors have increasingly acknowledged the problem of urban governance in the country. They associate this problem with lack of good governance expressed in terms of absence of accountability and responsiveness, and incapacity of the municipal leadership. Here, the level of government which should be blamed for these problems of urban governance is unclear. What is rather clear is that the urban governance cannot be relegated to a single municipal government in as much as this level is subordinate to and under the operational competence of regional states. The key urban service delivery issues to meet emerging pressures because of increasing urbanization still need to focus on institutional and functional cooperation. In this context, the solution to resolve urban governance resides in how the city and upper level government cooperate and coordinate with each other than blaming one another. Yet, the mechanisms and institutions of interaction between urban local governments and other supra-local governments, and approaching urban governance as multilevel and

relational factor and how this could impact governance of the secondary cities has barely been researched.

## **1.2 Research Assumption and Purpose**

In a federal/ multilevel system and urbanizing context, the urban governance issues cannot be resolved by a single municipal government. Tackling the core problems of urban governance involves relationships between the processes and institutions of the city and other levels of governments. Here, IGR can be a key tool to meet issues across boundaries and sectors (Agranoff 2012). The study, therefore, contends that IGR is not only an analytical tool for understanding of federalism at the city level but also a pragmatic tool that can serve as a key indicator to solve urban governance problems.

Therefore, the main purpose of this study is to explore the institutions and practices of IGR in urban governance under the federal system of Ethiopia. Specifically, it analyses how the contextual factors in which the cities are embedded determine urban governance; examines whether the city capacity matches with functional responsibilities; investigates how the processes and practices of IGR operate in urban service provisions in the cities of Adama and Assosa in particular; and to find out the institutional solutions for sustainable governance of urban spaces in Ethiopia

## **1.3 Research Questions**

The following are the basic research questions:

1. Whether federalism is adequate to meet the challenges of urban spaces in rapidly urbanizing cities of Adama and Assosa? To what extent is the urban institutional governance embedded in the sub-national and neighborhood contexts?
2. Do the cities have adequate autonomy and capacity to address the pressing urban service provisions? Does the local capacity match with the functional responsibilities?
3. Does the extant IGR between the regions, cities and neighborhoods efficiently work to address the public service deliveries in the Ethiopian cities?

4. What contextual and other factors impinge upon the institutions and functions of IGR for urban governance in Ethiopia?
5. To what extent IGR, as institutional and pragmatic tool, need to be improved to render solutions to problems of urban governance under the Ethiopian federal system?

## **1.4 Research Design, Methods and Operationalization**

This section provides an account and justification for the research design chosen for this thesis and describes the more specific methods used. It first discusses why the research is framed as a comparative case study design with an interdisciplinary federal studies orientation. It specifically provides the reasons that account for the selection of the two cities as comparable cases, the methods of data collection and a description of the selection of research participants. It also deals with how the data were analyzed.

### **1.4.1 Comparative (Federal) Urban Research**

Kantor and Savitch (2005) have noted that urban research is an emergent field of study. Urbanists have been surprisingly slow in using comparison as a research strategy (Pierre 2005). They underscore that, except for the study by Jefferey Sellers (2002) who has crossed the tradition and compared cities from Germany and France with USA, urban research has been confined largely to the Anglo American tradition. Hence, to meet the challenge of developing a general theory of comparative urban research that can render comprehensive direction and testable propositions for studying phenomena in cities across the globe, Kantor and Savitch (2005, 136) argue that a theoretical and methodological construct that could highlight common properties shared by cities is necessary to carryout comparative analysis.

Pierre (2005) specifically argues that comparison is critical to take urban governance to a higher theoretical level and to provide a scientific explanation therefor. Great analytical mileage is ascribed to the tool of systematic comparison and a city *per se* is accounted as a useful tool for understanding societal and political structures/ processes. Giersig (2008, 48) has provided an explanation to the caution required in order to go about comparison:

It is therefore particularly demanding for urban scholars to make an appropriate tradeoff and thus find the right balance among three requirements that have to be taken

into account: depth of analysis, theoretical and methodological clarity and contextual richness. In-depth case studies have to be conducted within a cogent theoretical framework in order to be systematic and comparable. Research frameworks should be broad and wide-ranging, as they must offer the possibility to take into account all the factors that are necessary to understand and explain the situation and transformation of various cities. In the attempt to guarantee the comprehensiveness of approach, one must therefore be careful not to sacrifice the comparability of cases, theoretical cogency and clarity of method.

The understanding and research regarding the IGR, as an institutional and pragmatic solution that federalism can provide to resolve urban problems, could better be studied by employing comparative case cities that are embedded in different regional state contexts of the Ethiopian federation. Particularly, comparative analysis of cities within the same national context is a strategy that conveniently allows the researcher to control for a number of political and institutional variables (Pierre 2005; Sellers 2002). Furthermore, comparison is the most common and rewarding research strategy of controlling contextual variables and for uncovering causal patterns of explanations (Pierre 2005).

The obstacle to Comparative Urban Research stems from issues of comprehensive comparative framework (Kantor and Savitch 2005), contextual differences and idiosyncrasies of meanings (Giersig 2008). Accordingly, the study gives attention to the four important points that Kantor and Savitch (2005:137-141) outlined for resolving methodological problems of comparative urban research. The first is a methodological challenge related to the tradeoff between scope and depth- analysis of as many numbers of cities as possible. In this study, the two cases Adama and Assosa are carefully selected based on several similarities and differences they have for exploring the lens of IGR to urban governance. The underlying assumption is that the institutions and mechanisms of the IGR that the city undertakes (along with the supra city and neighboring local governments) determines the effectiveness of urban governance.

The second is related to contextual analysis and meanings. Context is a “set of factual circumstances in which something comes into being.” The contextual analysis provides an account of the geographic, historical, demographic, cultural and, institutional contents of the city (Kantor and Savitch 2005:138). The focus on the context outlines the efforts to understand the historical trajectory and contemporary contours of the city (Pierre 2005). Through comparison an attempt could be made to reduce complexity and allow for contextual richness (Pierre 2005:456). Scholars have also revealed the significance of combining context sensitivity with a

testable causal relationship between key variables (Kantor and Savitch 2002, 2005; Sellers 2002, 2005). Thirdly, the study hopes the conceptual tool (IGR lens to urban governance) can address the similar problems in different places. Fourthly, data should be accessed, retrieved and processed from multiple jurisdictions i.e. triangulation (Kantor and Savitch 2005).

#### **1.4.2 Rationale for the Case Study**

Case study design has increasingly become central to scientific knowledge development and the research processes in social sciences (Flyvbjerg 2006; Levy 2008). An in-depth case study helps to bring about systematic comparative research (Geirsig 2008: 48). Robert Yin (2009:18) defines the case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context” especially in complex contexts (Yin 2009:18). The capacity to bring contextual detail and an in-depth investigation of a phenomenon in its natural and real life settings (Yin 2009; Gall *et al* 2005) makes case study design eminently preferable. Furthermore, case study provides for an exploration or explanation of a phenomenon through causal or relational patterns (Gall *et al* 2005) and the use of different techniques for data gathering, in turn, enhances the credibility of the research findings (Creswell 1998; Gall *et al* 2005). Particularly, the case study design is suitable for the research questions designed as explorative type (why and how) questions (Yin 2003: 2-10). To this end, to explore the effect of institutions and mechanisms of IGR on urban governance, with why and how questions, the case study design seems appropriate.

Case study design has the merit of providing a framework in which a scholar with modest time and resources can generate what may potentially be useful data on a particular case. In this situation, it is promising to undertake the intensive comparative analysis of few cases (Liphart 1971, 685). The focus on comparable cases and reducing the number of variables of research but studying the selected ones in-depth with thick description and stronger theoretical basis could result in parsimony (Liphart 1971; Kantor and Savitch 2005). Many scholars have noted that the analysis of small number of cases would avoid the problems of conceptual stretching; it can permit for doing thick description and can lead to interpretive understanding (Kantor and Savitch 2005; Lijphart 1971). Moreover, a thoroughly executed case study results in systematic production of exemplars if not predictive theories (Flyvbjerg 2006, 27).

However, scholars have identified few key challenges that the case study researchers need to focus (Gerring 2007; Levy 2008; Lijphart 1971). The first is related to the number of cases to be selected, and the reconciliation of the number of cases with the number of variables of the research. The second challenge is related to case selection bias or to what Kanton and Savitch (2005) call the tradeoff between scope and depth.

### 1.4.3 Rationale for Selection

Out of the nine national regional states in Ethiopia, cities under the sub-national governments of Oromia and Benishangul Gomuz national regional states are of particular interest. They represent a good contrast of fairly homogenous and heterogeneous regions. Oromia represents a largest region inhabited by a predominantly homogenous ethnic group of Oromos, and about 560 of relatively developed urban centers. On the other hand, BGNRS is small region inhabited and officially owned by five ethnic communities and having about 20 urban centers under it. Despite the fact that many authors caution the difficulty of balancing similarity and difference for case selection (Goodfellow 2012, Kantor and Savitch 2005), the following accounts for the similarity and difference between the two cities under the same federal superstructure.

Generally, in the Ethiopian context, the word urban often turns out to be a discourse centered on Addis Ababa (Shimelis 2013). Any study of Adama and Assosa shifts the urban discourse beyond the dominant center, as an analytical prism for interrogating the IGR systems in urban Ethiopia. The comparability of the difference and similarities of the two cases are as follow:

#### On Similarity

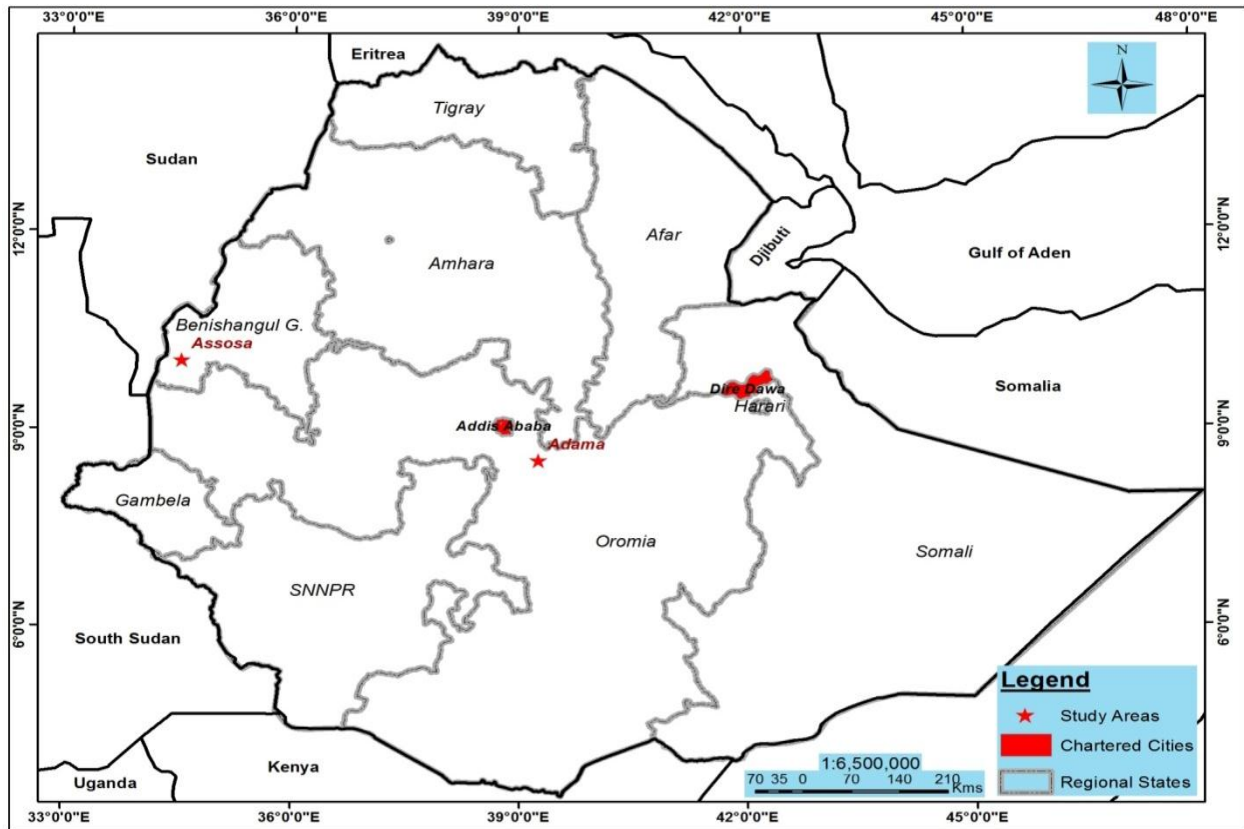
**Table 1.1: Summary of Similarities between Adama and Assosa**

Indicator	Adama	Assosa
National Infrastructure	Same constitutional principles and right for self administration frameworks	
Territoriality	Associated with one ethnic group(Oromo)	Associated with one ethnic group(Bertha)
Institutional and actors constellation	First Grade City of the Region	First Grade City of the Region
	Surrounding Woreda’s Capital	Surrounding Woreda’s Capital
	Self Administering City	Self Administering City

Municipal design	Council-Mayor Model of Municipality	Council-Mayor Model of Municipality
Urbanization	Rapid	Rapid
Geography	Strategic	Strategic

The existing social diversities and sub-national institutional set up give rise to territorial/indigenous and non-indigenous dynamics in both Adama and Assosa. More often than not, they are undergoing rapid pace of urbanization as well as becoming cites for investment. Both of these cities have geographic advantages for the rapid pace of urban demographic changes, putting pressure on governance and infrastructural provisions. Adama is nearer to the capital/ primate city, Addis Ababa; Assosa is away from Addis Ababa but nearer to the Grand Renaissance Dam. They are top ranked urban centers under different sub-national contexts. These cities operate under the same federal constitutional and institutional structures and home to multiple governmental structures: City Kebele institutions, City government, Woreda government, zonal institutions and regional institutions. On balance, these cities magnetize a constellation of regional, city and neighbourhood government institutions and actors.

**Map 1.1: Location of Adama and Assosa**



## On Difference

**Table 1.2: Summary of the Differences between Adama and Assosa**

Indicator	Adama	Assosa
Regional Status	Some Regional Functions <i>de facto</i>	All regional institutions, Regional capital
Demography	220,212 (CSA 2007)	24, 215 (CSA 2007)
Diversity	Oromo and others	Five owner nationalities and others
Ruling Party	OPDO, member of the EPRDF	BGPDP, affiliated to EPRDF
Distance from the dominant Urban Center	Central, Proximate 100km from Center (Addis Ababa)	Western periphery, 665Km far from Center (Addis Ababa)

One of the goals of comparison is to bring out the differences among the cases. With regard to the aspects of difference between the two cases, Adama is the city under the regional state of Oromia- a region owned by a homogenous ethnic group i.e the Oromos. The city of Assosa is under the BGNRS which belongs to the five indigenous owner nationalities. The case of Adama

is approached from the perspective of studying urban governance under a relatively homogenous sub-national institutional context while the city of Assosa is selected having in mind that the city is under the control of the multiethnic regional state of Benishangul Gumuz. The two cities apparently have close interaction with their respective regional states-Adama with Oromia and Assosa with BGNRS. Assosa is the capital city of BGNRS. It is located within Assosa Zone and surrounded by Assosa rural *Woreda*. Assosa is also the center for both Assosa Zonal and rural *Woreda* administrations. The administration of Assosa Zone, Assosa city and neighboring rural government are under Bertha ethnic group. As of the 2007 population Census, the population of Assosa is 24, 215

In contrast, in Adama city the Caffee (ONRS's legislative council) meetings and the regional media institutions are located. It is the capital of East Shawa Zone and surrounded by Adama rural *woreda* administration. Moreover, Adama is one of the rapidly urbanizing first grade cities according to the ONRS classification of urban centers in the region.<sup>1</sup> Despite rapid pace of urbanization they experience, these cities are different in terms of the number of the inhabitants. The population of Adama is 220,212, as of 2007 population census.

The ruling parties governing over these two cities have diverse relations with the EPRDF, the dominant party ruling at the center. The Oromo People Democratic Organization (OPDO), the ruling party in Oromia, is one of the ethnic parties constituting EPRDF whereas the ruling party of BGNRS, Benishangul Gumuz People Democratic Party (BGDP) is an affiliate of EPRDF.

Further, the city of Adama has been proximate to the city of Addis Ababa which is the epicenter of the country, and is a relatively developed region while Assosa features in the peripheral area of the country and has relatively less developed sub-regional context. Therefore, the cases represent geographic and socio-economic regional variations. In a nutshell, these two cities are comparable cases, and the thesis investigates to what extent the contextual similarity and difference accounts for governance of the cities.

Involving comparative case design, the thesis empirically analyzes (as illustrated by the Figure 1.2) the effect of IGR on urban governance of Adama and Assosa cities. It has explored the

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<sup>1</sup>Article 6 of Proclamation No. 65 /2003 for establishment of Urban Local Governments of Oromia, Megeleta Oromia, Finfine, 22<sup>nd</sup> June.

institutions and mechanisms of IGR and its impact on urban governance along three interrelated parts: Context, Process and Outcome. First, the study of each of the selected case city starts with the issues of urban local government in its formal/ informal **CONTEXTS** incorporating the trend towards decentralization, forms of municipal government, structure of urban management, patterns of urban finance, urban politics and community / citizen participation. This explicates how the governance of the city has evolved over time. Consequently, the contextual analysis clarifies the dimensions of urban governance and is a useful foundation for further analysis.

The second line of investigation concentrates on the **PROCESSES** wherein institutions and actors partake. Here, IGR analysis focuses on sketching the constitutional, fiscal, policy making and political competences of the city in relation to its higher levels. In addition, the study of IGR approach to urban governance in Ethiopia has dual tasks: connecting levels of governments (vertical and horizontal relations) are inducing at the same time interethnic/ intra-ethnic interactions as long as the institutions of governance are designed along ethnic lines. The various actors and interests involved in urban governance from the city proper, neighboring city or beyond are explored.

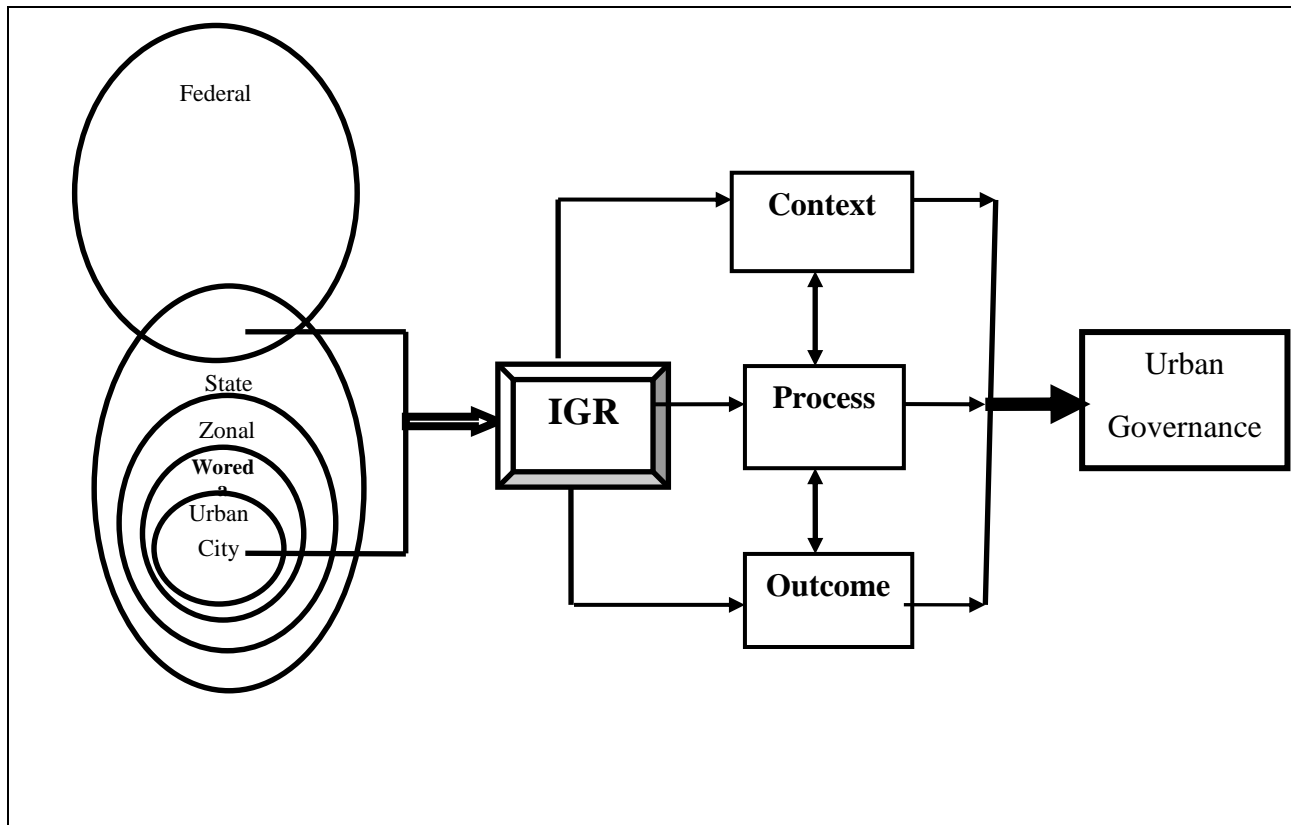
The third line of investigation dwells on what this study calls **OUTCOMES** or actual service provisions through IGR. It finds and analyzes how the IGRs actually function in the urban social provisioning especially in land and water. The focus is on the IGR processes-both formal and informal, which determines what actually happens in the city; and the outcomes on the urban service provision and how IGR determines, and influences those outcomes.

The final part after investigating the institutions, actors and outcomes, analyzes and compares IGRs' impingement upon governance of the case cities and evaluates the kinds of differences / similarities it has brought. A deeper knowledge of the relationship between municipal authorities and Citizens; municipalities and the sub-national governments and municipality and or federal government are obtained through IGR lens to urban governance.

Figure1.2 connects the theoretical and empirical frameworks of the Thesis. It considers Ethiopian federalism as predominantly a holding together model of federalism while the IGR is understood as an integral part of the multilevel governance. Specifically, the overlapping model of IGR presumes the autonomy of all spheres of government and their active participation in IGRs. Guided by this theoretical/ conceptual framework, the study of IGR approach to urban

governance emphasizes on three aspects of empirical (focus of the field research) analysis: contextual, processes and outcomes. The empirical analysis basically rests on the view that IGR is an institutional and pragmatic tool that federalism renders to urban local governance. The field research focuses on these following three main components in order to analyze the intergovernmental influence on the governance of the case cities viz. Adama and Assosa.

**Figure 1.1: Conceptual and Empirical Diagram of the Research (Designed by Researcher)**



#### 1.4.4 The Data Collection Instruments and the Research Participants

The data were generated using secondary sources and primary sources like in-depth key interviews, questionnaire, informal discussions, and personal observations. Interviews were held with respondents from both case cities including city, neighboring woreda, regional and national politicians, bureaucrats, and informed residents. Since this research is an exploratory one, respondents of the interviews were selected through the snowball system to gather wide ranges of opinions and perspectives on the issues in question. A semi structured interview was

employed based on the topics/ issues under investigation and expected knowledge of the respondents.

A questionnaire was prepared for purposively selected respondents from service lines and sectors from across city, surrounding woredas, and the respective regional state government. Here, adequate attention was given to both experts and urban residents. Inasmuch as the study of IGR requires a multilevel analysis, the research participants are drawn from multilevel institutional and structural arrangements in, around and beyond the case cities. The respondents for questionnaire were drawn from the governmental institutions of the city, surrounding woreda to the city and the respective regional states. At city level, key respondents included: Mayor, Municipal manager, members of city council, head and expertise from water supply office, revenue office, head and expertise from urban land development and management and other. At regional state level, the key respondents were drawn from pertinent bureaus ranging from urban land development and management Agency, Urban planning institute, Water, Mines and Energy Resource Development, Finance and Economic Development and a few experts. Furthermore, at federal government level, key respondents were drawn from pertinent institutions that were directly connected to the urban functions and IGR in Ethiopian federation. To this effect, key respondents at federal institutional level were drawn from Ministry of Federal Affairs and Pastoral Development and House of Federation.

#### **1.4.5 Data Analysis**

Case study enables the researcher to closely examine the data within a specific context (Zainal 2007). According to Yin (1994), generalization of results from case studies, from either single or multiple designs, stems on theory rather than on populations. The theory of this thesis is interdisciplinary in approach and federal studies in orientation. Hence, it is the *replication logic* than the *sampling logic* that helps to draw the conclusion from multiple case study design. In this light, the data analysis centers on the mechanism of analyzing a theory/conceptually guided small N case data. The Data collected from multiple sources were analyzed using both qualitative and quantitative tools. To analyze the questionnaire data on testing the customers' satisfaction in water supply services, the non parametric statistical tests like Kruskal Wallis H and Mann-Whitney U tests were used. These statistical tools are used to analyze whether responses significantly vary across the independent samples (Pallant 2011). Kruskal Wallis H

(for Adama) and Mann-Whitney U test (for Assosa) are applied to test the variation in responses of the sampled respondents on the basis of their Kebeles. The essence of utilizing both statistical tests was to check how respondents from the different sample groups responded to specific five point likert scale questions and thereby prove consistency of responses across sample groups.

IGR approach to urban governance allows analyzing two works at a time: examining the municipal/local autonomy on the one hand and exploring the influence of the IGR on the governance of the urban space, on the other hand. On the side of the governance of the case cities, the study examined the security of existence of the urban government, political autonomy and fiscal autonomy. It also assessed the extent to which the urban government coped up with pace of urbanization and challenges generated therefrom. The study explored the legal, political, fiscal relationships as well as the cooperation and coordination for public service deliveries between the city, surrounding Woreda/zone and regional state. The study has employed different data collection including elite interviews, resident surveys, administrative and fiscal data, and mixed set of methods. The analysis makes effective use of all these materials to provide a clear picture of urban governance processes and the forces that influence them.

This analysis took two ways. The first main part of the analysis explored the institutions and mechanisms of the IGR between the city and regional state because cities are the creation of regional states and hence their primary relationship is with regional state governments. This may also extend to the federal government level based on the specific policy issues in question. The second focused on horizontal relation between the city and neighborhood local government. The two cases are separately analyzed with similar methods, and brought together for the synthesis of the local autonomy and IGRs in the governance of the case cities of Adama and Assosa, Ethiopia.

Moreover, the variation that IGR institutions and functions bring to urban local governance was explained by looking at institutional arrangements, nature of political and financial relations between the case city and the regional government. The administrative and bureaucratic relationships between the city, surrounding woreda and regional states practices were also analyzed. Particularly, the IGR practiced in the selected services provisions (land and water) uncover the practical role of IGR in the governance of the case cities. This enabled the researcher to gauge the need to which IGR can work as a genuine institutional, processual and practical solution to the problems of urban governance in the case cities.

## **1.5 Significance of the Study**

The study of urban governance in a federal system is a desideratum in Africa since the Continent, as UN Habitat (2011) projects, is rapidly urbanizing and much of the population of Africa shall live in urban rather than rural spaces in the foreseeable future. The aim of this study is to explore the institutions and practices of IGR in urban governance under the federal system of Ethiopia. The IGR approach to urban governance enables to look into the governance processes from a multiple perspective. Here, IGR is picked as federalism's offer to urban governance challenges, and as an interface between federalism and urbanization. It tried to explain and understand the operation of IGR in urban governance. Also, the focus on the cities of Adama and Assosa illuminates the urban governance processes, institutional and political landscape of intergovernmental relations beyond the dominant urban center of Ethiopia (Addis Ababa).

Thus, the research aimed to make both an empirical and a theoretical contribution. On the empirical basis, it relied on the field data from the cities of Adama and Assosa, rapidly urbanizing cities under different regional contexts. Theoretically, it aimed to contribute to an analysis of urban governance in any federal system as well as analysis of the place of cities in the overall IGR scheme. These findings, it is hoped, may provoke further research.

## **1.6 Scope of the Study**

The study explored the structural and functional aspects of IGR regarding urban governance. In doing so, it could not catalogue all terms of cooperation between city and regional state or between city and neighboring local governments. Mainly, it focused on some key service deliveries, political/administrative networks, and financial relations that facilitate IGR for managing urban problems.

A comparative case study is a design to investigate the difference that the institution and processes of IGR can bring to urban local governance under the federal system of Ethiopia. In this line, the study is confined to cities of Adama and Assosa which are embedded in different regional state contexts of Oromia and Benishangul Gumuz, respectively. Thus, based on the empirical analysis of evidences from these cities, the extent to which federalism through IGR could help to meet problems of urban governance in cities of Adama and Assosa was probed and assessed.

## **1.7 Limitation of the Study**

There were constraints that may have some level of influence on the precision of the study. The first is related to finance. The amount of fund that has been allocated for the Dissertation research was not adequate. This has constrained the use of survey method and use as many number of cases as possible. The second could be the political stance of some respondents in giving accurate answers during the interview. There might be more exaggeration or suppression of the issue to fit the personal need of the interviewees with regard to contentious issues such as urban land holding and informal settlements. The third is related to exaggeration of some official statistical figures which might not reflect the reality on the ground but remained useful source for the researcher as long as it is officially approved. Nonetheless, in order to reduce the effect of these limitations, the researcher has effectively utilized the triaingulation of both the sources and tools of data collections.

## **1.8 Structure of the Dissertation**

The thesis has nine chapters. The first chapter is the Introduction. The second chapter locates a theoretical discussion of IGR approach to urban governance. It also provides some comparative experiences on how multinational federations employ the institutions and mechanisms of IGR to improve urban governance and help solve the problems of urbanization. The third chapter highlights the political history of urban formation, urban administration and the processes of urbanization in the pre 1991 Ethiopia. This chapter not only reveals how the urban administration and urbanization had varied with the change of regimes but further it examines the theoretical views across the periods. The fourth chapter focuses on the federal design, the place of urban locality and the IGR system of Ethiopia. This chapter concludes that both the federal arrangement and the urbanization process altogether make an interface for IGR.

The empirical analysis of the Thesis is divided into three parts: Context, processes and output. In this perspective, Chapters five and six dwell on the contextual discussion of the case cities Assosa and Adama, respectively. Each of the chapter provides an overview of the regional context, and assesses the city to the regional relations (legal, political and financial aspects). It then demonstrates the urban institutional design and municipal governance frameworks. As part of the contextual understanding of the case cities, the chapters provide the case city's ethnic and

demographic composition and their neighboring woreda local administration linkages. The chapters, therefore, examine whether there is adequacy in the principles and institutions of IGRs between the city, neighborhood and the regional state, and how this influenced the governance of the case cities. The seventh chapter deals with IGR in urban land governance as urban land is a rallying point for IGRs. This chapter picks up the management of informal settlement in order to explore the impact of intergovernmental factor on urban land governance. The focus on informal settlement has helped to unveil whether IGR actually works at the city level. Chapter eight is on local capacity and IGR for Water Supply Services in Adama and Assosa. Mostly, urban water supply and service delivery is one of the pressing concerns of urban locality. The chapter looks into how the intergovernmental cooperation involving the city has helped the urban water supply service delivery. The ninth and the last chapter conclude on whether the city capacity matches with the functional responsibilities and whether the institutions and mechanisms of IGRs provide a solution for the problems of urban governance of the case cities, and beyond.

## CHAPTER TWO

### 2 Federalism, IGR and Urban Governance

#### Introduction

Wright (1982) argued that federalism is about the ‘anatomy’ of the system while IGR is about its ‘physiology.’ As IGR is a necessary functional element of federalism, scholars have identified different variants of federalism-dual, cooperative or competitive (Watts 2006; Kincaid 2011), as well as how federalisms show the variety of IGR of a given federation. IGR is, therefore, one of institutional and pragmatic tools that help to investigate federal efficiencies.

This chapter first locates IGR in the study of comparative federalism. It pinpoints the rationale for a strong institutionalization of IGR in federal settings. It then argues that the IGR framework can be utilized to study urban governance under a federal system. In order to lay down a comparative background for the IGR system under Ethiopian federalism, the chapter has identified the place of urban local governments and IGR solution to urban issues in some selected federal systems from both mature (Switzerland and Canada) and emerging federations (India and South Africa).

#### 2.1 The Concept of Federalism

Federalism is a constitutional and territorial dispersion of power among different government units (Elazar, 1987; Osaghae, 1990). It is in essence a territorial expression of power (Thorlakson, 2003) and a partnership among the territorial communities (Duchacek 1975). In a more comprehensive manner, it addresses twin interests of shared rule (federal concerns) and self rule (concerned with self governance of the federating units). These ideas of federalism embed that there are possibilities for different approaches to the study of federalism. Naturally, Wheare’s school of federalism stresses on the constitutional and institutional perspectives (1963/4); while Rikerian School defines federalism in terms of political bargaining and as a function of party operations (1964). The identity school conceives federalism as a core for protecting and expressing identities of territorially concentrated societies (Livingston 1956; Dikshit 1971). Dikshit (1971:107) states: “federalism lies not in its constitutional structure but in the geography of its society.” Instead of rendering a comprehensive definition, scholars have stressed more on what federalism constitutes than what it actually means.

More importantly, the motives and processes underpinning the adoption of federalism matter. Scholars have pinpointed different factors that led the states to adopt federal arrangements. K.C Wheare (1963:35-54) argues that federations like USA have emerged out of the desire to establish a single general government for the common purposes across the units and at the same time the desire to establish regional government for preserving their pre-existing territories. Put differently, the logic behind adoption of federalism aims to address shared rule and self rule (Elazar 1987). But William Riker (1964) signifies economic viability and the search for military security as the rationale for the adoption of federalism. Kymlicka (2006:33-47)) notes that the multinational federations in the West have originated in response to competing nationalisms in the form of “territorial authority, official language status of minorities or institutional competences.”

The ethnic interpretation of nationhood by social groups has added a new dimension to federal arrangements (Basta and Thomas 2000; Coppieters 2001). Ethno federalism logic is based on a specific correspondence between the territorial distribution of ethnic populations and the territorial jurisdiction of federal units. Hence, the existence of regionally grouped diversities is the basic geographic premise of federalism in multiethnic societies (Dikshit 1971). In Ethiopia, ethnic policy was introduced to render a remedy for healing the wrongs of the inter-ethnic relations and for addressing the nationality questions, making administrative and bureaucratic considerations secondary for the introduction of federalism in Ethiopia (Turton 2006).

It is however important to note that the motives behind enunciation of federalism are more context-specific. That is why Burgess (2006: 97-100) states that in some federal countries “political factors outweigh the socio-cultural and economic factors; in others the reverse is the case.” Hence, students of comparative federalism need to examine a combination of factors and context specific realities of history, geography, socio-cultural compositions, economic and political dynamics to elucidate the complexities of a given federation.

## **2.2 Varieties of Federalisms**

The élan for the formation of federations’ help the understanding of the federal typologies. To this end, the work of Alfred Stepan (1999) puts formation of the federal state on a continuum. He identifies three important models: “coming together,” “holding together” and “putting together.”

First, *coming together federations* are the result of voluntary bargain among the preexisting territories in order to pool their sovereignties and at the same time retain their particularities. This historic mode of formation is also called evolutionary or union federalism that emerged for common defense or for economic reasons. This process has an advantage of creating stable boundaries among the federating entities. Federal systems of this sort include US and Switzerland. In contrast, the *holding together federations* try to avoid the disintegration of a state and preserve the political and territorial unity of a polity through devolution of power to the sub-national units. Under this process, constituent units lack adequate bargaining power and predefined territorial jurisdictional boundary. Moreover, *holding together federations* (e.g. India, Belgium, Spain, and Canada) seek to address the socio-cultural, economic and political interests of centrifugal forces. The *putting together* model, however, does not involve any voluntary consensus from the units. It is argued to be undemocratic and an imposition from above. Federation of this sort resembles the ex-Soviet federation.

Viewed by these processes, there has been a lack of consensus among scholars regarding the case of Ethiopia. Andreas Eshete (2003) denotes the process of formation of Ethiopian federation as *coming together*. Yash Ghai (2000) positions Ethiopia as *holding together federation* but Assefa (2004:2) notes that Ethiopia combines both coming and holding together features. Keller (2002), however, noted that Ethiopia has begun as a holding together federation in 1991 but later changed into putting together due to the influence of political constellations.

This study reckons the case of Ethiopia as more of *holding together* type as Ethiopia has made a strong shift from a unitary past of over a century. The aim for the shift was to preserve a political and territorial unity of the polity through devolution of power to sub-national units. Adopting federalism was the only alternative to keep the multiethnic communities intact, to create ethnic equality and to discourage separatist tendencies. There was a focus on addressing the socio-cultural, economic and political interests of centrifugal forces (Berhanu 2006; Tsegaye 2009). Thus, the move from unitary structure into a federal structure that considers ethnicity as its organizing principle of devolution exudes predominantly a *holding together* feature

### **2.3 IGR: A Reflection of Model of Federalism?**

IGR is one of the principles that distinguish federal systems from the non federal ones (Trench 2006). It refers to the various ways by which institutions of government work with each other

and with others across jurisdictional boundaries with particular emphasis on financial, policy and political issues (Watts 2006). It is how different orders/spheres of government in federal countries communicate and collaborate with each other. In federal or multilevel arrangements, the different levels generally serve the same people (Elazar 1965; Riker 1964) and IGR is instrumental to this end.

The problem of studying federalism during the 19<sup>th</sup> century arose from the tendency of scholars to focus on original legal structures rather than upon actual political and administrative interactions between governments. During this time federalism was understood predominately in the form of dualism. Dual federalism conceives the two levels-the federal and the regional- as autonomous, independent and separate from each other (Kincaid 2011; Watts 2006). Robert Agranoff (2011) also concurs that this earlier epoch of understanding of federalism was in terms of a parallel set of institutions in federal and constituent units and the two levels are theoretically distinguished and functionally separate; and the lower administrative structures or municipalities were subordinate to sub-national governments. Likewise, Deil Wright (1988) puts this period as the period of coordinate theory of IGR, basically expressing the situation of IGR under dual federalism that lacked meaningful institutions and mechanisms of IGRs.

Cooperative federalism came as a reflection on the practical reality than the constitutionality, particularly in the USA. Contrary to dual federalism or layer cake metaphor, scholars have used the marble cake metaphor that denotes the intermingling of layers rather than separate levels. In this light, the idea that federal, state and local governments basically serve the same people and generally share the same goal (Elazar 1965; Riker 1964) came into the understanding and practice of federalism. Majority of the issues such as environment, urbanization etc have national, state and local level implications (Kincaid 1990) but the institutions and mechanisms of intergovernmental cooperation for resolving those problems that might arise from such issues were not anticipated.

Cooperative federalism was advanced basically as a remedy for social problems. In USA, cooperative federalism had begun in 1890s, got a stronger hold in 1930s and culminated in 1960s. As the political response to policy challenges, cooperative federalism has contributed and supported the transformation of American Society towards the objective of social equity (Watts

2006; Kincaid 2011). Several factors have contributed to the rise of intergovernmental cooperation. Among these, three factors, identified by Watts (2006) and Trench (2006), are worth noting:

The first was accounted by the general increase in the activities performed by governments at all levels; and this led to greater areas of overlap and interdependence. Hence, the IGRs were needed to effectively manage overlaps and interdependences, and minimize intergovernmental competition, friction and conflict. Second, the development of new policy areas which were not envisaged at the time US constitution was drafted. As Kincaid (1990) pinpoints, the issues related to the fields of environment, urban poverty and energy were not emphasized in the federal governance of USA. But these issues became areas where cooperative and complementary IGRs proved to be necessary. Thirdly, the financial arrangements and the mechanisms of bridging the vertical and horizontal imbalances brought the imperative of intergovernmental cooperation. Inasmuch as the revenue raising powers and expenditure responsibilities of governments didn't match, the establishment of processes and institutions of IGR for the periodic adjustment of financial liabilities became necessary (Watts 2006).

Furthermore, John Kincaid (1990) elaborates social equity as a reason for intergovernmental cooperation. He underscores that this could be done through fiscal tools and policy decisions without harming the autonomy of constituent units. According to Ronald Watts (2006; 2008), despite variations in the degree of cooperation, intergovernmental cooperation has become a requirement in all federal systems. He stresses that effective operation of federalism particularly in the areas of finance and social policy requires intergovernmental cooperation. Likewise, the welfare epoch of IGR, one of the IGR models advocated by Agranoff (2011), focuses on the idea that the central purpose of the state must be the improvement of the whole society in terms of social service provisions including health, education, housing etc, thus heightening the significance of IGRs for implementing social policies. Robert Agranoff however stresses on the instrumentality of IGRs than considering them as absolute requirements, and whether taken as means or ends, IGR has become a key feature of federal and / or multilevel arrangements

In sum, cooperative federalism operates from the promise that a relationship between levels of government is grounded on the principle of equality and spirit of partnership. IGR can be called cooperative when the system is based on: 1) political culture of cooperation, mutual respect and

trust; 2) non-hierarchical relation of the equals; and 3) some scope for each unit for policy innovation and experimentation on its domains (Watts 2006). There are a number of common reasons underpinning intergovernmental cooperation. These include: a) improvement of information base for better decision making and reconciliation of policy differences; b) Coordination of policies in areas where jurisdiction is shared or complementary; c) achievement of national objectives; d) Coordinated public sector provisions; e) support for accommodation of differences in terms of reduction of fiscal disparity, improvement of policy capacity etc; f) avoidance of complexity and rigidity to ensure flexibility and adaptation; and g) management of collisions and conflicts without necessarily eliminating competition (Watts 2006; Trench 2006).

**Figure 2.1: Evolution of IGR in Federalisms Continuum**

Dual Federalism	Cooperative Federalism			Competitive Federalism
	Interlocking Relation	Voluntary collaboration	Arm's length coordination	
	Germany	Switzerland	USA; Canada	

(Source: Adopted By the Researcher Based on Literatures Reviewed)

As Figure 2.1 above demonstrates, comparative study of federalism and intergovernmental cooperation reveal a number of variants of federalism across federal systems. At the one end of the spectrum of cooperative federalism is an interlocking federalism which is represented by the case of Germany (Scharpf 1998; Watts 2006). This is an excess form of cooperative federalism with intricate and interwoven patterns of cooperation. It is developed as result of most laws are enacted by the federal legislature but administered by the Länder (Watts 2006). At the other end of the spectrum of cooperative federalism is *arm's length federalism*. Unlike that of interlocking relations, the *arm's length* cooperation assumes a relatively autonomous and competitive nature of the constituent units in legislation and policy making (e.g. USA). However, when the conditions underlying cooperation changed in 1970s in the USA, the pressure to expand national power inherent in cooperative federalism gave rise to coercive federalism (Kincaid 1990, 2002, and 2011). Under this situation US federal government reduced reliance on fiscal tools and focused on “unfunded mandates” for stimulating intergovernmental policy cooperation and

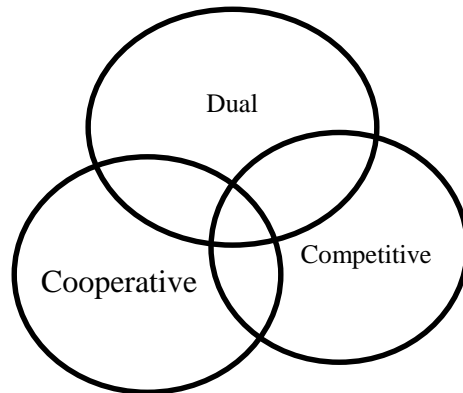
increased its reliance on regulatory tools to ensure the supremacy of federal government. The exposition to this is that the Congress had enacted more mandates, preemptions, conditions of aid, and other regulations affecting state and local governments than ever before. According to Kincaid (2002) the IGR in USA couldn't be explained in any single pattern even over a specified epoch. Instead, IGR in US is simultaneously co-operative, conflictual, competitive, collusive, and coercive.

Further, in between the Interlocking intergovernmental cooperation and "arm's length" cooperation, a voluntary collaboration could be found. Interlocked and arms length IGCs are inherent to the constitutional design of the federations of Germany and USA, respectively. The voluntary collaborations, however, in the case of Switzerland and Australia have been developed amongst a range of formal intergovernmental institutions (Watts 2006; Bullard 2005).

### **2.3.1 Towards New Consensus for Place of IGR**

Kincaid (2011:82) notes that "federalism is uniquely a dynamic mode of democratic governance in which institutional elements are intentionally held in tension, thus making relationships more important than structures per se." But the tendency to replace cooperative federalism by coercive federalism, Kincaid (1990, 2002) evaluates, has undermined "governmental responsibility and public accountability." The states and local governments lack sufficient constitutional or political leverage to alter the system of federal preemption and the burden of "unfunded mandates." Hence, he wants a consensus on the IGRs to comprise three key elements: cooperative equality, competitive efficiency and dual accountability. On the one hand, cooperative federalism often looks competition as yielding to unhealthy conflict. On the contrary, the change of conditions of cooperation has given rise to coercive federalism. Possibly, a good balance of cooperation and competition is what is important in so far as competition is necessary for cooperation and vice versa (Kincaid 2011; Watts 2006). Drawing on the works of Kincaid (2011), this study contends, the place of IGR in federalism and the new consensus on federal theory falls at the intersection of the three circles representing dual, cooperative and competitive elements. Thus, the place of IGR in understanding of federalism increasingly falls at the intersection point between dual, cooperative and competitive models as given by the Chart 2.1.

**Figure 2.2: New Consensus on IGR in Federalism**



*(Source: Sketched based on Kincaid's (2011) Theory of federalism)*

Now there is an argument that dual federalism is obsolete because it never worked in practice. Scholars like Breton (2011), Kincaid (2011) and Watts (2006), however, argue that the original understanding of federalism i.e. dual federalism is not completely obsolete and it is not replaced by cooperative federalism altogether. They concur that some element of duality yet exists for realization of the values of competitive federalism. Thus, between dual federalism and competitive federalism, there is cooperative federalism. The mutual interdependence of governments makes cooperation unavoidable, and interdependence within federal political systems entails both intergovernmental cooperation and competition (Watts 2006; Breton 2011; Kincaid 2011). Hence, the question should center on how much cooperation and how much competition is needed rather than presuming complete isolation.

Remarkably, as the federations move into the 21<sup>st</sup> Century of multilevel governance, globalization and urbanization, the mutual interdependence inherent in all federal systems is being further extended and made complex by widening the scope of embracing both international and local spheres. The overlapping theory of IGR<sup>2</sup> captures that each of the three levels of government has some exclusive area of authority, but there would be a large area that requires the interaction of all the three levels of government. Each level can prove to be dominant on certain issue; no one level is predominant in all instances (Burke 2014:66). This model simultaneously welcomes cooperation, interdependence and bargaining between all levels of

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<sup>2</sup> Deil S. Wright has identified three models of IGR: coordinate, inclusive and overlapping models. See Wright, Diel S. (1988). *Understanding Intergovernmental Relations*, (3<sup>rd</sup> ed.). Pacific Grove, California: Books, Cole Publishing Company.

government (Wright 1978:28-9). Many scholars (Burke 2014; Agranoff and Radin 2014) agree and elucidate the overlapping model as a more realistic and applicable model in the contemporary period.

More importantly, the overlapping model uncovers the dynamic nature of IGR in compounding federal systems (Agranoff and Radin 2014) and /or multilevel governance. This consequently brings the analytical utility of the model to explore IGR and the difference that it can bring to the operation of federalism to the maximum because the complexities of the current era have already been seized it (Agranoff and Rodin 2014: 23). Hence, the overlapping theory can serve as theoretical framework for studies comprising multiple spheres of governments.

Thus, comprehension of federalism has been conditioned by the degree of importance rendered to IGR. As politics and policy emphasis change over time, so do IGR (Agranoff 2011). Therefore, IGR is not only a test to the nature of connectivity between and/ or among spheres but also it reveals the degree of centralization or decentralization in the federal system.

### **2.3.2 Institutions of IGRs**

Institution matters for the study of local governance. According to Bolleyer (2009), an institution is a humanly crafted devise that can enable or constrain interactions. For scholars like Scharpf (1997 cited in Jackson 2009:19) an institution is a context for action with which constellations of actors may interact with one another. Actors interpret institutions with regard to exogenous situations, their own identities, interests and capabilities for action (Jackson 2009:19). Going further, Bolleyer's (2009, 172-73) study examines how the varying levels of institutionalization of IGR operate in federal systems. She notes that some federal IGR mechanisms tend to be formal or rule based while others perform based on informal or conventions/ practices based. The formal IGR stands for the written agreements between governments, and all norms, rules and regulations codified in constitutions or laws. Formal mechanisms or intergovernmental agreements are less frequent but everlasting ones (Elazar 1965, 18). Elazar sees formal IGR agreements as extending the initial compact of the federalism and as devices that affect the functioning of governments.

Theoretically, a number of benefits are in order with regard to formal codification of IGR. In this perspective, recent studies by Jeffrey Parker (2010) and de Villiers (2012) unpack several rationales for formal institutionalization of IGRs. Parker (2010 7-9) identifies six reasons of

institutionalization. These are: first, temporally, it has an advantage of constructing an enduring interaction through creating structures which can sustain beyond the individual participants who have initiated. Second, strengthening an institution and its institutionalization process could heighten clarity of explicit rules and providing the means of enforcement. Third, the institution will have the capacity to reduce the fear of short lived cooperation and may help to overcome the problem of ineffective cooperation. Fourth, formal institutionalization or creation of institutions may help to resolve conflicts of substantive nature. Fifth, Intergovernmental agreements provide tangible procedures that politicians and bureaucrats alike could refer to. Finally, the fact of addressing specific policy goals and the further fact that one level of government possesses the necessary financial resource while others possess the capacity to implement programs require clarity of ends and means and institutionalization is the best way possible for such endeavors.

Likewise, by taking the case of South African IGR Act of 2005 into account, de Villiers (2012: 689-94) succinctly identifies the significance of formalizing IGRs as follows: One, it spells out aim, purpose and process of institutions established for IGR. Two, it makes the convening of intergovernmental meetings into a statutory obligation, not dependent on the discretion of a political functionary. Three, it sets the spirit and psychology of cooperation, consultation and coordination. Four, it affirms that IGR is a constant feature of a multilevel arrangement/federation, not something to be recognized in times of crises alone. Five, formalization reminds that IGR is the normal business of government structure that takes place consistently and regularly, not limited to ad hoc management. Sixth, it has the potential to gear the entire civil service towards awareness of the processes and purposes of IGRs. Seven, it makes IGR to be part of the political and administrative cultures. Finally, it builds team spirit, training and enhances more informal communications. However, such benefits can also be possible with informal mechanisms. The informal IGR continues to operate while formality shapes and regularizes the pattern and nature of informality.

An informal Institution refers to unwritten agreements among officials and professionals (Wright 1988; Boyeller 2009). De Villiers (2012:674) describes the concept of “informal” not as the absence of institutions that are involved in the conduct of IGRs rather as the absence of an explicit constitutional obligation to conduct IGRs. Informality adduces the value of IGR in terms of flexibility and adaptation. They can be understood as the collection of social norms,

conventions and moral values that determine the behavior of individuals and organizations in pursuit of their goals (Ibid; Peters 1999). Daniel Elazar (1965, 18) also connotes informal mechanisms of IGR as meetings, exchange of personnel or expertise and services. As rightly captured by Watts (2006), informality comprises the day-to-day contacts between ministers, officials, or legislators at different government levels. These contacts may be by letter, by telephone or face-to face, directed at exchanging views and information, sustaining relationships and implementing programs. Informal activities are those which do not have full, official recognition or do not comply in some way or other with official procedures or rules and often unregulated (Devas 1999). Many scholars in the field of IGR/ federalism note that the intergovernmental interactions largely involve a low degree of formal institutionalization (Bolleyers 2009; Agranoff 2012; Watts 2006). Consistent with these views, Agranoff (2006) puts IGR as matter of practice without depreciating law that evolves with the change in circumstances, than a strict legal order.

### **2.3.3 Nexus between Formal and Informal IGRs**

Formal and informal IGR “can be usefully understood as a matter of degree” (Jackson, 2009, 3). This is because effective collaboration for federal governance needs both forms of cooperation. The formal institution and processes of IGR cannot determine what succeeds in the day to day interaction. De Villiers (2012: 683) notes that the formal IGR Act of RSA “seeks to strike a balance between the certainty that is brought by formal structures, and the flexibility that is brought by informal and spontaneous interaction between the respective spheres” (de Villiers 2012, 683). As the informal institution has been contributing to the necessary effective collaboration (Watts 2006), it has become inevitable and plays significant role not played by formality. Institutionalization or increasing level of formality transcends individualization (de Villiers 2012). Thus, either formal or informal does not separately make things happen.

Likewise, Bolleyer (2009) argues that the development of intergovernmental agreements further institutionalizes systems of interactions between governments. She underscores that both formal and informal institutions exist, and all contribute to institutionalization of IGR within federal systems. As Helmeke and Levitsky (2004:726-33) note, however, a “good institutional analysis requires rigorous attention to both formal and informal rules.” When the formal institutions guide

administrative relations among governing units, informality helps to create functional coordination of service delivery activities. These scholars unveil four purposes for which informality might be used vis-à-vis formal institutions. These include: complementary, accommodating, substituting or competing roles. In this way, the complementary and accommodating roles of informal institutions coexist with effective formal institutions to produce convergent and divergent outcomes, respectively. In contrast, the substitutive and competing roles of informality prevail where there are ineffective formal institutions. The substitutive role aims to attain convergent goal with that of the ineffective formal institution but the competing ones serve divergent ends to ineffective formal institution.

Allen Trench (2006) espouses IGR as it is about how levels of governments actually function, not just as the formal design of their constitutions. For Trench, IGR could be taken as one of the distinguishing features of federalisms from non federal ones. Even if there couldn't be IGR on strict legal basis of the classical understanding of federalism, practice necessitated intergovernmental cooperation (Agranoff 1994; Trench 2006). Similarly, the comparative lens to the study of IGR by Robert Agranoff (1994: 165-66) strongly concurs with more of pragmatic explanation of IGR in a federal and/ or multilevel systems. In this light, the imperative of program coordination; the involvement of multiple institutions in order to realize the same program and the federal government's statutory authority and financial responsibility that needs to blend with local delivery concerns are some of the reasons that explain the practical utility of IGR.

Much of what scholars (Wright 1988; Agranoff 2012; Trench 2006) depict as a basic feature of IGR in different contexts, especially in the mature federation like US, points to the significance of pragmatic aspect of IGR. Some even went afar to argue that constitution is not a key driving force of IGR (Trench 2006). This view didn't depreciate the importance of the constitutional and legal parameters but stresses on the fact that the question of practice broadens the utility of IGR in federal systems. For Deil S. Wright (1988:15-24), IGR is not confined to the legal / constitutionally stated relationships of levels of government. Instead, it is more of the transcendence of constitutionally recognized patterns of governmental interactions so as to include varieties of relations. The 'human elements' expressed in terms of the attitudes and activities of persons occupying offices also matter in IGR. IGR involves all types of public

officials-elected or administrative who participate in decision making. Moreover, the imperative of interaction of institutions and actors in policy formulation and implementation necessitate IGR, as long as the truth remains as “what constitution divides, policy unites” (Rose 1985, 22 cited in Agranoff 1994).

Furthermore, the recognition and constitutional provision on IGR would not necessarily lead to improvement in performance of the spheres of government. That is why Levy and Tascott (2001; 19) state that poor intergovernmental coordination and integration are frequently problems of capacity and efficiency rather than a problem of procedures. At the same time, IGRs are always dynamic and evolve over time to accommodate changing social, economic and political relations. Thus, the attempt to codify IGRs, whilst they might bring general legal precision to the process, will not necessarily relieve intergovernmental tensions and may, in practice, aggravate them. This is because the most contentious issues in IGRs are generally of political and technical nature. Efforts designed to support IGRs will need to maintain a flexible framework for promoting greater cooperation between spheres of government. In the words of Watts (1999:36 cited in Levy and Tascott 2001, 19) fostering a political culture of cooperation and mutual respect is more significant than the legal technicalities provided by the constitution. IGR needs constitutional basis but it wouldn't be possible to set the legal base for every IGR.

On balance, as the question whether IGR should be more of law than politics or vice versa has no easy answer, it will be the contention of this paper that a proper combination of formal and informal IGRs and in fair degree of institutionalization speaking to the context improves governance.

#### **2.3.4 Factors Affecting Level of Institutionalization of IGRs**

Despite contextual differences, IGR is ubiquitous in all federal arrangements. This emanates from the inevitable fact of interdependence between levels of governments (Watts 2008; Simeon 2002, Trench 2006), as a result of complexity of policy agendas, and the impossibility to draw clear lines of responsibility (Simeon 2002). Though it has now become one of the defining corollaries of federalism, IGR was not a major concern during the formation of older federations- USA, Canada and Australia (Wright 1988; Agranoff 2011; Simeon 2002). Neither had they anticipated the overlapping of responsibilities between levels of governments. The newer

federations like South Africa appeared to have learnt from the older ones and have taken up IGR into the realities of governance in complex, interdependent and rising challenges of the contemporary period (Agranoff 2004, 2011).

IGR not only varies from country to country but also it varies across different policy areas within the same federal system. Although the key indicators that explain comparative IGR comprehensively is yet to be studied. Richard Simeon (2002: 92-111) identifies the dimensions and practices along which IGR varies, and the factors that explain the variation. He has summed the dimensions of variations ranging but not limited to degree of institutionalization/formalization, balance between executive and legislative bodies, balance between cooperation and conflict, intergovernmental institutions for decision making processes, mechanisms of dispute settlements and the place of local governments in IGRs.

A number of scholars do concur with what Richard Simeon identifies as the key factors that explain IGRs (Simeon 2002; Trench 2006; Bolleyer 2009; Watts 2006). First, context matters. This denotes the extent to which IGRs are built into the formal governing structures and the mechanisms by which this is mandated by the constitution as well as how the IGR operation is governed by procedures and legal frameworks. The level of formality could be attested by looking into the constitutional provisions that shape the overall structures and character of the federal system, and the more specific institutions developed to foster coordination of IGRs. Equally, one needs to look into whether the institutions are fluid and ad hoc in the sense they come and go depending on changing circumstances. For example, the IGR in Canada and Australia remain ad hoc and fluid (Simeon 2002:93).

A related factor to the overall institutional arrangement is related to how the federal system itself is designed and the balance of power among governments. Whether the relationship among the units is among equals or hierarchies lead to a different sort of IGR. In this vein, Simeon (2002; 102) broadly distinguishes two principles of designing federations. The first is the dualist principle in which each tier of governments are responsible for legislation and implementation in a specified division of powers. The older federations like USA and Australia have followed this design but the emergence of *de facto* concurrency makes IGR necessary in such systems. Federations like Germany and South Africa are built on the principle of concurrency and shared responsibilities. Herein, IGRs are integral to the federal design right from the outset.

The second principle is the balance between executive and legislative IGR and whether states are represented equally in the second chamber. In this case, if states are not equally represented in second chamber, both the policy coordination and political accommodation falls on the executive (Simeon 2002). Broadly speaking, IGR is mainly performed within the executives (President, PM, premiers, governor and officials in bureaucracy). Whether the legislature plays an important role in IGR depends on the composition, power and the relation of the members to the executive branch. Even the legislative federalism assumes that most IGR do take place among executives; however, the key concern is how the elected members of federal and provincial legislatures measure, oversee and debate on how their governments are doing. The involvement of legislature in IGRs would mitigate “democratic deficit” in IGRs (Simeon 2002). What is clear from this discussion is the need to analyze how legislative and executive IGRs operate in states.

The third is related to the party system. Federalism affects the dynamics of party system and the party system affects IGRs, In the case of Canada, for instance, the Conservative party discourse of “open federalism” is one that rejects institutionalized intergovernmental collaboration while the liberal government’s focus on “deep federalism” that signifies the institutionalization of intergovernmental collaboration and cooperation (Doberstein 2011). IGR is the function of the nexus between the national, provincial and local branches of political parties (Watts 2001; Simeon 2007). The degree of the integration in the federation can be accomplished by party channel. If parties are regionally divided, the integration of the national party will be weak. If the party at the center has the same ideology and supported by the parties across the federation, the party channel accomplishes the integrative tasks. The meaningful regional autonomy depends on whether the party system provides room for differing opinions and differing policies (Frederickson and Nice 1995).

The fourth is related to the analysis of the intergovernmental institutions as decision making bodies. In this perspective, scholars (Bolleyer 2009; Simeon 2002; Watts 2006) put intergovernmental decision making practice on a spectrum. On the one end of the spectrum are the informal intergovernmental institutions that predominantly involve a mere exchange of information, ideas and a forum for discussion. These are the day-to-day informal contacts between ministers, officials, or legislators in different governments. These contacts may be by letter, by telephone or face-to face, directed at exchanging views and information, sustaining

relationships and implementing programs (Watts 2006). In the middle of the spectrum, as Simeon (2002, 101) notes, is the intergovernmental processes that emphasize on bargaining, negotiation and persuasion but the participating institutions /actors remain responsible for their respective legislatures and electorates. At the other end of the spectrum is the intergovernmental institution that can pass formal decisions binding on all the partners.

Simeon has also added that the IGR institutional arrangement relies on the nature of the society in which it is embedded. In the context of a relatively homogenous society with predominant national identities like US, Australia, Germany, the IGR is relatively free of conflict and public controversy; and it is mainly about administrative coordination and resolving problems in the public realm. In contrast, in contexts wherein territorially based ethnic/ linguistic divisions are deeply entrenched, Simeon (2002, 102) estimates, IGR is prone to conflict and controversy due to competing visions and aspirations. Here IGR goes beyond that simple administrative collaboration and involves accommodation of diversity.

Lastly, IGR can be analyzed in relation to the place and role of local governments (IGs). This starts with the assessment whether LGs are one of the building blocks of the federal arrangement in order to partake in the broad structure of IGRs. Most of the studies on IGR, especially comparative IGR, focus on the relations between federal and provincial governments or horizontal inter-provincial interactions (Agranoff 2012; Simeon 2002). It is at this level that the practical utility of IGR in federalism can be explored, and it is also the focus of this thesis.

## **2.4 IGR Approach to Urban Governance**

Broadly, three reasons justify the significance of IGR lens to UG. The first is the concept of urban governance itself. The second is the multilevel nature of the research on urban governance. The third is the place of urban local governments in the IGR schemes of federal systems, and the experience of federal systems in utilizing IGR solution to the urban issues. The subsequent sections below describe these justifications for the selection of IGR view to the analysis of urban governance in federal systems.

### 2.4.1 The Concept of [Urban] Governance

Governance has many meanings. For some, governance is about the blending of resources and networks between actors for meeting mutual demands which they cannot gain independently (Peters and Pierre 2005; Mossberger 2007). For others, governance is about non-hierarchical, informal and extra-constitutional activity even cutting across geographic boundaries and transcending jurisdictions (Pierre and Peters 2005; Feiock 2004). Herrschel and Newman (2002:29) define governance as “permeability between organizations and building the capacity to get things done.” Similarly, Pierre (1998) captures governance as informal interactions for generating cooperation in the formulation and implementation of public policy. It is the process by which decisions are made, implemented and how the formal and informal institutions and actors play key roles in public service delivery (Abdul Rashid et al 2009:1027). Furthermore, according to UN Habitat (2004:15), governance is a process oriented concept that follows the progress in “decision-making, decision taking and implementation.”

The study of governance should not be limited to normative understandings alone. Governance also comprises analytical and empirical aspects. On the one hand, the analytic framework provides the variables to be studied and directs the researcher to look beyond the local city and explore those institutions, mechanisms and processes through which key actors coordinate their actions and resources in the pursuit of collectively defined goals. On the other hand, the empirical framework comprises a set of key issues that has to be studied (Pierre 2005:454).

More often than not, studies focus on what governance constitute than what governance *per se*. Towards this end, the essence of governance is to achieve public purposes through cooperation and collaboration of institutions and actors (Peters & Pierre, 2000; Rhodes, 1997; Mossberger, 2007). Burgess (2006:256) connotes that governance involves building consensus, efficiency and legitimacy. Likewise, Brinkerhoff *et al* (2009: 1-2, 4) view governance as incorporating the core functions of delivering public goods and services effectively; managing political participation and accountability, and assuring security. Mossberger (2007) captures governance as the achievement of public purposes via collaboration, coordination of state and non-state institutions and actors. Moreover, the policy document of UNDP (1997) asserts governance as the collaboration of the state, private sector and civil societies and effective good governance could only be ensured by the interaction of these relevant institutions.

Unlike government, governance is horizontal and flexible, emphasizing on decentralizing virtues of local cooperation and to be less confined by formal boundaries (Savitch and Vogel 2000: 161-162). In this dissertation, the concept of governance is understood as institutional and functional cooperation across jurisdictional boundaries and sectors. It underscores that the cooperation of institutions and actors is central to the concept of governance in general and urban contexts in particular.

### **Urban Governance**

UN Habitat (2004:4) has identified five interdependent principles of good urban governance. The first is the principle of *effectiveness* which includes issues of *efficiency, subsidiarity and strategic vision*. This principle measures the effect of political and institutional design on urban public services delivery. The second is the principle of *equity* that measures the inclusiveness and sustainability of access to basic urban amenities. The third is the principle of *accountability* that is closely intertwined with the issue of *transparency, rule of law and responsiveness*. It particularly calibrates the mechanism of controlling governments, fighting corruption strategies, independent audit and the code of conduct. The fourth is the principle of *participation* as key means of promoting representative democracy based on inclusive, free and fair municipal elections. The fifth is the principle of *security* which is attributed to the mechanisms of conflict resolution.

The main purpose of governance as it relates to urban contexts of multilevel systems pertains to the need to analyze interactional systems with respect to the political organization of power and public policy-making and implementation (Kubler and Schwab 2001: 6). Cooperation takes the centerpiece of urban governance processes under contexts of multilevel jurisdictional arrangements and complex urban issues. It has become uniquely important to urban areas of federal systems inasmuch as the rapid pace of urbanization brought a number of unanticipated challenges against jurisdictional boundaries. In a nutshell, urban governance encompasses the study of urban institutions, politics and policies (Mossberger and Stoker 2001; Stoker 1998).

Different literatures also unveil the effect of cooperation on effective urban governance. Urban governance is the “integration of efforts between urban authorities, private sectors and community”(Abdul Rashid et al 2009:1028) whereas Pierre (2005:449) defines urban governance as the pursuit of collective goals through an inclusive strategy of resource

mobilization. In multilevel or federal systems, urban governance represents city and its neighboring relations. Besides, as the diverse and complex issues of urban neighborhoods cannot be addressed by a single municipal government of the city (Duchacek 1975; Elazar 1975; Stoker 1998), urban governance relies on the cooperation among the interdependent stakeholders (Stoker 1998) in and around the city. In this sense, as Abdul Rashid et al (2009:1029) espouse, urban governance is carried out in the pursuit of collective actions through mobilizing cooperation, consensus, partnership, networks, interaction, social capital, empowerment and accountability in urban policy processes.

More interestingly, the comprehensive notion of urban governance as provided by UN Habitat [2002: 14] is worth quoting:

[...] it is the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens.

The concept of Governance is understood as it is about power relationships and accountability. It answers the questions such as: who has the influence? Who decides? How citizens and other stakeholders have their say? How decision makers are held accountable? Here, “relationship” is at the center of the concept of governance analysis. Partly, it was with this notion of governance that IGR lens to urban governance is taken as framework of this study. The IGR perspective to urban governance searches for processes and mechanisms through which significant and resourceful actors coordinate their actions and resources to improve governance.

#### **2.4.2 Multilevel Urban Governance Theory (MLUGT)**

A number of scholars argue that a single level analysis is inadequate to explain urban governance processes (Sellers 2005; Pierre 2005; and Geirgig 2008). As a remedy to a single level unit of analysis, MLUG theory is provided as a broader framework for analyzing urban policy and politics (Geirgig 2008). MLUG focuses on the institutions and actors in the city and beyond encompassing even the transnational influences also (Sellers 2005). Further, the theory is a more open and a parsimonious account that does not make any pre-judgment about the mix of actors partaking in urban issues (Pierre 2005).

According to the MLUG framework, the approach to the study of urban governance has to do justice with regard to the national, regional and local (city) influences. That was why Seller (2005,436-439) argued that urban comparativists have to:

Look for local agency and local structures as sources of the substantive content of and the political influences on governance. Here separation of what is accounted by local urban from what is not accounted by local is necessary; what is accounted by supra-local as well as the combination of local-supra local. For instance, implementation of national policies within cities to operation of national parties and movements, both supra-local and local choices are essential to local choice. The national institutions need to be considered as part of the urban governance.

Similarly, Geirsig (2008, 68) states:

If we want to understand the dynamics of urban political structures, processes and decisions, we will have to look beyond the urban borders and take into account the way a city is embedded within the broader political, economic and social contexts.

Moreover, UN Habitat<sup>3</sup> states that effective multilevel governance is possible with the well-defined spheres of government (national, regional and local) and appropriate decentralization policies. To understand urban governance, it is the contention of this thesis, examining the institutions, processes and practices of IGRs in the city is important in so far as cities are “dependent upon and influenced by national and regional political economies”(Kantor and Savitch 2005:136). Agranoff (2012) also confirms that LGs are inextricably linked vertically to states and to their general governments through ranges of national programs, legal and fiscal considerations and horizontally linked with associated LGs through partnering, contracting or other.

No doubt, IGR is within the bounds of the MLUG framework. Both on accounts of federalism and multilevel arrangement, IGR can be presented as a framework for systematically studying urban governance within federal and/ multilevel systems.

### **2.4.3 Urban Local Governments in IGRs**

A number of reasons can be adduced for the increasing roles of local governments in IGRs. Local governments do not only bear the burden of carrying out mandates of federal and sub-national governments’ (Agranoff 2012) but also they perform much of the governance activities (Grindle 2007). They shoulder dual responsibilities of meeting community needs on the one hand and implementing higher-level programs on the other hand (Bennett 1984 cited in Agranoff 2012). IGR integrates LG in federalism in important ways that overcome any legally subordinate status as they have become policy implementers, and local/urban generally remain at the level of

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<sup>3</sup> See: <http://unhabitat.org/governance/>

analysis that is closest to individuals (Sellers 2005, 420). The imperatives of policy and programs have led LGs to become part of the system of IGRs (V. Ostrom 1985 cited in Agranoff 2012). Robert Agranoff (2012, 1) unfolds:

LGs are inextricably linked vertically to states and to their general governments through ranges of national-state programs, legal and fiscal considerations and horizontally linked with associated LGs and NGOs through partnering, contracting or other forms of externalization.

It has been through IGR that local governments have become primarily linked to their national governments over the past century (Agranoff 2012). Increasingly, the provision of public service and financial constraints are the key rallying points for the IGRs (Nunn and Rosentraub 1997, 207). That is why Geldenhuys (2008, 88-90) expresses the IGR as the “nerve system” and if this “system is not working properly, there will be ineffective service delivery. Furthermore, IGR helps to meet issues of effective administration by sharing professional knowledge and skills among officials (Frederickson and Matkin 2009; Agranoff and McGuire 2003). This in turn reduces managerial and technical incapacities across the spheres of governments (Germa and Warner 2013). De Villiers (2012:674) summed that the institutions and mechanisms of the IGRs help to implement policies and programs, maximize the standard of service delivery and optimal utilization of scarce resources.

The process of urbanization<sup>4</sup> and factors stemming from it add another impetus to participation of the LGs in IGR (Agranoff 2012). In general, urbanization puts pressure on the extant service deliveries and heightens socio-economic and political cleavages (Kübler 2003) requiring IGR as institutional, processual and instrumental mechanisms of resolving urban problems.

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<sup>4</sup> Urbanization embodies multiple meanings and is often viewed in terms of what it comprises. On the one hand, urbanization can be understood as a socio-cultural process where in cities are considered as social artifacts that differ from its rural counterpart. On the other hand, urbanization can be viewed as a political and administrative process because these factors often act as initial stimulus for establishing urban centers and influence the city growth thereby. Moreover, the process of urbanization is strongly linked to industrialization and economic activities, and urbanization is essentially a product of industrialization and economic growth. See: Expert Panel of GPH, 2011, *Sociology in India*, Gullybaba Publishing house; Christain Tettey, 2005, ‘Urbanization in Africa in relation to Socio-economic Development: A Multifaceted Quantitative Analysis’, PhD Thesis, the University of Akron; Michael Hill, 2003, *Rural Settlements and the Urban Impact on the Countryside: Access to Geography*, Gray publishing, UK; Lious Wirth (1938): *Urbanism As A Way of Life. American Journal of Sociology* 44, p. 1-24.

#### **2.4.4 Urban local Governments in IGRs of Multinational Federal Systems**

Here, two categories of multiethnic federations-mature and emerging- are selected and discussed as these federations could provide some lessons with regard to the role of IGR in urban governance of the federal system of Ethiopia . On the one hand, urban local autonomy and cities in IGR systems of mature and highly urbanized federations of Switzerland and Canada are discussed. On the other hand, urban local autonomy and cities in IGR systems of emerging and rapidly urbanizing federations of India and South Africa are described.

##### **Switzerland**

Urbanization has been concomitant with Swiss industrialization, and it has drastically transformed the socio-economic and territorial structure (Kubler et al 2003). As of 2012, 74% of the Swiss population lives in urban areas. Some cantons like Basil 100%, Geneva (98.7%) Zurich (92.4%), Zug (83.2%) Baselland (82.6%) and Ticino (82.5%) are highly urbanized. About half of the urban population lives in the agglomerations of the five major cities of Zurich, Basel, Geneva, Bern and Lausanne (FSO, 2014). This reality has informed the urban policies in Switzerland.

The process of urbanization has given rise to socioeconomic and political cleavages, and policy makers have faced confrontation with the actors who are difficult to ignore. Most urban areas in Switzerland have the feature of shrinking of the city center and enlarging of the rich suburban. This has put core cities into financial difficulties because the wealthier taxpayers move to the neighboring communes. In contrast, the core city holds average and less resourced population who are sensitive to social policy while the suburb is dominated by wealthier population (Kübler *et al* 2003).

Swiss citizens have strong feelings of attachment to municipal government (Bulliard 2005; Kübler *et al* 2003). Nonetheless, the institutional changes have rarely addressed the issues of municipalities /communes in Switzerland. The federal design has been inadequate to solve urban problems, as the traditional rules and practices put strong focus on Cantons (Kübler *et al* 2003). The Federal Constitution has made no reference to municipalities up until the Constitutional revision in 1999. Now, Article 50 of the federal Constitution of 1999 reads: “the autonomy of the Municipalities is guaranteed within the limits fixed by cantonal law.” In 1999 Constitution,

Cantons exercise all rights that are not provided to the confederation<sup>5</sup> (Article 3 of the 1999 Federal Constitution). All tasks not under federal or cantonal rule fall to the municipalities.

The principles of subsidiarity<sup>6</sup> and municipal autonomy are the key guiding principles for the constitutional revision of 1999 (Andreas 2007). Scholars like Andreas (2007) and Vatter (2004) highlight the possible interventions of the higher level government to increase co-operation between the lower units and to coordinate and ensure comparable services. To this effect, the basic principles including cooperation, consensus, negotiation, subsidiarity are already inbuilt in the constitutional and democratic practices of the Switzerland (Andreas 2007) and one would argue that IGR in the country has been guided by the same corollaries.

The level of municipal autonomy varies from canton to canton because the power of municipalities is determined by the Cantonal Constitution. Looking into this relation between Canton and municipalities, Bulliard (2005) puts Switzerland as a decentralized state or holding together federation, and Swiss municipalities are instruments of political and administrative decentralization.

Local politics in Switzerland has become more pragmatic towards problem solving. As the study by Andreas (2007) shows, only 60% of the municipal representatives has affiliation with the national parties and 30% of the members of local executives do not have party affiliation.<sup>7</sup> Hence, the politicians at Cantonal or the Confederation levels hardly intervene in the recruitment processes of the local leadership (Andreas 2007). Politicians look after the interests of the municipalities because if they want to be re-elected they should not dissatisfy their electorate. In fact, political career in Switzerland starts from the municipal level. Furthermore, the trends of voter turnouts have been greater for local election than for the supra-local elections, and this reveals that that local election is by no means secondary (Andreas 2007).

In Switzerland, intergovernmental fiscal transfers play little role. Swiss municipalities enjoy decentralized authority and receive fewer grants in aid because they can cover 87% of their

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<sup>5</sup> Article 3 Swiss Federal Constitution: the Cantons are sovereign except to the extent that their sovereignty is limited by the Federal Constitution. They shall exercise all rights that are not vested in the Confederation.

<sup>6</sup> Under the notion of subsidiarity, all activities not explicitly assigned to higher political levels remain within the scope of municipal authorities.

<sup>7</sup> Each municipality, like each canton, has a directly elected executive by the citizens, and almost all executive bodies combine members from different parties. Moreover, the bigger municipalities have an elected parliament. See Andreas (2007).

spending (Bullaird 2005). Thus, the fiscal autonomy and direct democracy are strong arguments for making local government accountable to their citizens (Andreas 2007). The confederation can provide incentive for inter-municipal cooperation while Cantons set forth regulations or directives that aim to promote inter-municipal coordination and harmonization.<sup>8</sup>

Federal government takes inter-municipal cooperation as a prerequisite for rendering financial and knowledge supports for programs related to cities agglomeration. This incentive by the federal government aims to bring vertical collaboration in urban policy and has helped to resolve the age old conflict between center-city and neighboring communes (Kubler *et al* 2003:275). In practice, federal government also acts as a mediator between cantons and cities. The direct contact between the municipalities and federal government is rare and barely formalized. However, the cooperative bodies like the Associations of the Swiss Municipalities and the Association of the Swiss cities work as lobby organizations. They participate in the pre-parliamentary consultation procedure involving Experts' Commission and other consultative bodies (Andreas 2007; Kübler *et al*, 2003).

Compared to the Confederation, which is a legal creation of Cantons by the coming together of the cantons, the Cantons are the key to intergovernmental cooperation (Andreas 2007; Vatter 2007). Swiss municipalities are subject to Cantonal supervision though this authority is limited to legality of decisions that municipalities take (Andreas 2007; Bulliard, 2005, 129). Municipalities or communes are active participants in the horizontal system of IGR rather than the vertical ones. Urban topics have been discussed in the cooperative bodies such as Inter-Cantonal Agreement and Inter-Cantonal Conferences. Municipalities' widely involve in cooperation at the policy implementation stage and purpose oriented inter-communal cooperation for implementation of policies in urban areas. The cooperative bodies like Union of Swiss Cities, Union of Swiss Communes and Regional Urban Platforms help in policy implementation (Kübler *et al*, 2003). Social affairs are mainly regulated at federal level but cities must implement and finance social programs without having much voice in the policy formulation processes (Kübler *et al*, 2003:272).

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<sup>8</sup> Art. 129 Tax harmonization: 1. The Confederation shall set out principles on the harmonisation of the direct taxes imposed by the Confederation, the Cantons and the communes; it shall take account of the efforts towards harmonisation made by the Cantons.

As the Confederation usually consults cantons, cantons regularly consult the communes before deciding on legislative matters that concern them; and cooperation is the underpinning principle for the relations between Canton and Communes. At both federal and cantonal levels, municipalities have mechanisms of collaboration. At the federal level, the Union of Swiss Towns and the Association of Swiss Communes, which constitute the chosen representatives of the Canton for municipal affairs and lobby groups, do play important tasks of collaboration (Bulliard 2005).

The Confederation has increasingly recognized the urban centers as “the driving forces of the national economy and strengthening the position of Switzerland within Europe means strengthening the Swiss city network” (Ladner 2007; Kübler et al 2003). Hence, the federal urban policy has been promoting cooperation between cities, cantons and the confederation in order to bring solutions to the challenges of urban areas. For example, in 2001 the issues of recognition of agglomeration and lack of policy coordination have given rise to creation of conference of Swiss Agglomerations that comprised: the confederation, Conference of Cantonal governments, the Union of Swiss cities and the Union of Swiss municipalities (Andreas 2007). In conclusion, it can be said that Switzerland has not gone through recognizable strengthening of urban local governments but has undertaken different efforts to address problems of urban spaces. The principles of subsidiarity, municipal autonomy and the mechanism and institution of IGR have been developed to meet vertical and horizontal collaborations for resolving problems of urban governance.

## **Canada**

Canada was about 13% urban when they adopted confederation in 1867 and this figure increased to 81% in 2011.<sup>9</sup> The population of Canada is heterogeneous with two official language groups, many small aboriginal nations and an increasingly diversifying urban population (Watts 2008; Simeon 2002). The foundation of Municipalities predates the formation of Canadian federation *per se*. They were constituted of small and scattered population whose life was primarily based on agriculture (Murry 2006; Lazar and Seal (2005). The Constitution of Canada (1982), however, marks the subordination of local governments to provinces (Young 2013). Apart from

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<sup>9</sup> See: Statistics Canada : <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo62a-eng.htm>

section 92(8) of the Constitution that places municipalities under the provincial governments, no specific reference is made to municipalities. The creation of municipalities in Canada does not aim to bring democratic local self government but are predominantly considered as tools for service delivery and meeting provincial objectives (Lazar and Seal 2005). Municipalities have powers delegated to them by their respective provincial legislation (Hoehn 1996 cited in Murray 2006). Increasingly, mechanisms like charters, declarations and agreements between the municipalities and provinces have been used to empower municipal government and portray them as the legitimate unit of government (Lazar and Seal 2005, 29).

Unlike other industrialized countries, many of the municipal functions have been performed and administered by provinces in Canada. For example, school boards, hospitals and most other health services are not under the jurisdiction of municipal government (Young 2013:1). Though the recognition and value of municipal government have been shown an increasing attention across the provinces of Canada, the power and authority that municipalities hold are not the same under all provinces (Lazar and Seal 2005). Thus, the security of existence of municipalities and the powers granted to them have been a subject of debate in Canada's federal system.

Canadian municipalities mainly struggle with two conflicting roles: Achieving provincial objectives and democratic responsibility to the communities (Lazar and Seal 2005). Due to their subordinate position within the federal dispensation, they focus on functional goals than operating as spheres of local governance. Consequently, Canadian municipalities have increasingly been partaking in IGRs to address their governance and public service delivery issues.

Cities and urban politics have already become an arena for the contestation between federal and provincial demarcations of power. The IGRs in Canada are not binding and no legal framework governs them. Instead, all intergovernmental agreements are "political commitments whose implementation is highly dependent on the momentary interests of the governments involved (Bolleyer 2009:174). For example, in order to bolster the resources of local governments and cement the partnership between municipality and federal government with regard to policy making in cities, the liberal government had advocated the New Deal for Cities and

Communities from 2004 to 2006. But this deal was later repealed by the Conservative government (Young 2013, 14).

The real power of municipalities have been constrained due to inadequate revenue source to meet their expenditure responsibilities (Slack and Bird 2006), and municipalities have been grappling with “deteriorating infrastructure, housing shortages and public transit challenges” (Murray 2006: 3). Though cities have no any real voice in Canadian federalism, the advocacy for more municipal decentralization has shown increase. The constitutional inferiority and lack of robust IGR institution in Canada does not prohibit municipality’s participation in the IGR system. Young (2013), however, notes the participation of municipality in IGR has become important in the situation of weaker municipal autonomies.

There are three types of IGRs in which municipalities participate: between municipality and federal government, between municipal and provincial government, and between municipalities. Canada’s Federal Constitution does not create direct relations between federal and municipal/local governments. However, the IGRs between municipal and federal governments account for significant area of interaction. The Federation of Canadian Municipalities was founded in 1937 as key intergovernmental institution towards this end. This institution has broad agendas including lobbying for federal and provincial funds to finance unemployment relief, infrastructure rebuilding, housing, promotion of urban Aboriginal settlements and urban environmental matters as well as publicizing municipal revenue shortfalls (Lazar and Seal 2005, 40-41).

IGR between federal and municipal governments has been a contested terrain in Canada’s political system because municipalities are subordinate to provinces (Young 2003; Lazar and Seal 2005). Some provinces like Quebec and Ontario strongly discourage the IGR between municipal and federal governments. They prefer to be active agents for mediating the relations between federal and local affairs because IGR between federation and municipality goes against provincial autonomy. In contrast, provinces like Manitoba and British Columbia have been open to the direct interaction between federal and local governments (Lazar and Seal 2005, 41).

In Canada, provinces have a final say regarding municipal autonomy and situation of governance therein. Provinces generally have the power to supervise municipalities, though this

role has shown decline in recent times (Murray 2006). There are a number of organizations for tripartite cooperation including Infrastructural Programs, partnership for Supporting homeless Communities and Green Municipal funds. In the case of infrastructural programs municipalities propose projects but the federal and provincial government's agree and decide on it especially for the source of financing the projects. The municipal governments can manage and implement under the supervision of provincial governments (Young 2013). In spite of establishment of these organizations, Canada lacks the institutional frameworks guiding the collaboration of the three levels (Slack and Bird 2006).

Robert Young's (2013, 5) recent report on multilevel governance and public policy in Canadian municipalities notes that there are instances where shared partisanship facilitated agreement, and others where partisan differences impeding intergovernmental coordination. But the largest effect that the party structure has is through its systematic absence at the municipal level. Except for big cities in Quebec and British Columbia provinces, there are generally no political parties at municipal level. The lack of recognized intergovernmental channel has made sporadic municipalities' involvement in IGR as well as dependent on the relationship between the Mayors and MPs and/ or provincial ministers. This mechanism of IGR has been hardly stable and predictable.

## **India**

Article 40 of Constitution of India states that Panchayat be endowed "with such powers and authority as may be necessary to enable them to function as units of self government." Arora evaluates the spirit of the constitutional framework vis-à-vis the reality of local governments in the multilevel government structure. He notes that there has been lack of interest on the part of the state governments to develop the third tier of government. Little efforts have been made to transfer power and resources as suggested by the Constitution. The key politicians and bureaucratic interests and even members of state legislature had shown reluctance to develop panchayat institutions and local political leadership. Thus, the lack of commitment on the part of the state governments to build local self governance has dwarfed local governments in India.

In India, as Arora (2002) noted, there was a general consensus from the outset on the need to have strong center in order to hold the nation together. But a number of factors including

liberalization of the economy and coalition of parties at the federal level have made the federation less centralized. The constitution of India puts urban local governments within the legislative competence of the states (Aijaz 2006). Arora notes that the pre 1992 Indian devolution is limited to the legislative and administrative jurisdictions of states. In 1989, there was an attempt to introduce constitutional bill through the 63<sup>rd</sup> Amendment known as Municipality or a Nagarparlika Bill in order to strengthen urban local governments. It was however rejected by the parliament. The government of India introduced another bill named the 73<sup>rd</sup> Constitutional Amendment in 1991. This was again rejected on the basis of an encroachment to the rights of state governments. The 74<sup>rd</sup> amendment mandates a framework of local self government institutions which grants constitutional recognition to multilevel structure of governance. This has come into effect in 1994 after the states had modified their panchayat laws consistent with the new framework, and many scholars (Agranoff 2012; Aijaz 2006; Nallathiga 2005) note that the 74<sup>th</sup> Constitutional Amendment Act (CAA) of 1992 has been playing a significant role for the constitutional recognition of all types of local governments.

Prior to the 74<sup>th</sup> CAA, urban local governments had subordinate relationship to state level governments. The states legislature was “empowered by the central government to decide on the structure, functions and powers to be entrusted to the local governments” (Aijaz 2006, 10). Through the 74<sup>th</sup> amendment, the Indian central government has tried to set up municipalities based on the principles of democracy and decentralization (Aijaz 2006, 8-10). This amendment provides for three categories of municipalities: municipal corporations, municipal councils and Nagar Panchayats. The municipal corporation is for larger urban areas, the municipal councils /committees are constituted for smaller urban areas while the Nagar Panchayat has been constitutional for areas in transition from rural to urban. Not all states of India have all these three types. Some states do not have municipal corporation and / or Nagar Panchayats because they may not have the condition to establish them as well as the criteria for doing so varies from state to state (Article 243Q; Aijaz 2006, 8-10). The CAA envisages, Sellate (2006) notes, that municipalities in India shall be representative, service and development oriented in their performance.

Like other rapidly urbanizing federations, India has faced severe pressures on service delivery and the governance of urban spaces. A number of problems confronted urban local governments

including excessive official control, meager resources, lack of capacity and commitment and inadequate control of local bodies over services. Moreover, the change of party system has profoundly altered the functioning of the Constitution over the years including the municipal autonomy and the relationship municipalities have with state and/ or the union governments (Aijaz 2006). In order to improve service delivery capacities of urban local governments / public agencies and institutions, several reforms and innovations have been carried (Sellate, 2006).

Notably, the enactment of the Constitutional Amendment of 74<sup>th</sup> is a major achievement in strengthening LGs in India (Aijaz 2006). It has put a benchmark for discussion on urban local government institutional, legal and administrative frameworks. The 74<sup>th</sup> CAA has been adopted for the primary objective of granting institutions of self government and delivery of services (Sellate 2006; Nallathiga, 2005; Aijaz 2006). Though the new effort targets to bring democratization and decentralization of political authority to municipalities and to make them more representative and service oriented; the primary processes of devolution for decision making has been reserved for state government. State governments hold the responsibility of making legal frameworks and municipal laws guiding local government empowerment and functions (Sellate 2006).

Some of the provisions guaranteed by the 74<sup>th</sup> CAA<sup>10</sup> worth noting: First, it stipulates for the reservation of seats and leadership positions for deprived communities and women (Article 243-T). Second, State Election Commission shall be established in order to supervise, direct and control the preparation of electoral rolls and conduct elections to local bodies. Through independent State Election Commissions, Regular Elections every 5 years would be conducted (Art. 243ZA). Thirdly, it provides for establishing State Finance Commissions once in five years and this commission must recommend financial share of LGs. State finance Commission must review the financial position of urban local bodies and make recommendation regarding devolution of resources from state to local bodies and to suggest measures to improve their finances. Likewise, the Central Finance Commission has to also recommend for the share of local governments from central revenues (Article 243Y).

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<sup>10</sup> The constitution India has set the general responsibilities of municipalities in 12<sup>th</sup> Schedule.

Practice, however, is different from legal frameworks (Sellate 2006). Sellate (2006) criticizes that the CAA provides rules of neither local self governance nor the principles that underscore the devolution of fiscal powers which have been left to states. Despite the fact that CAA forces states to devolve powers to LGs in order to enable them function as institutions of self government, the establishment of democratically elected municipal government is still a challenging task in most of the Indian States.<sup>11</sup>. Hence, urban local governments are merely implementers, and the state governments are reluctant to decentralize meaningful powers, functions and resources to municipalities. The worse of the matter is the urban local governments are accountable to state governments rather than to electoral constituents. Urban local governments have no autonomy in deciding executive, levy and collect taxes and managing personnel.

In order to respond to the contextual factors each municipality has power to draft local byelawson various provisions. This however is based on the comprehensive guide of municipal act produced by state legislature (Aijaz 2006). The realization of the municipal functions consistent with the 12<sup>th</sup> schedule didn't materialize due to lack of municipal resources to discharge them. The municipalities could not deliver substantial services for escalating demands. The municipalities in most states could not cope up with the service demand. Consequently, many of the functions have been delivered by state governments or left undelivered, and urban local bodies are left with regulatory and maintenance functions including garbage collection, inner-city road maintenance, registration of birth and death etc (Sellate 2006; Aijaz 2006). Thus, the diverse municipal Acts enacted by states didn't address the primary objective of municipality local self government as prescribed by the Constitution.

In a nutshell, the problem of urban governance in India stems from the subordinate position of municipalities under states; lack of clear legal/ functional frameworks for self governance; and lack of the institutional mechanism i.e. IGR for evaluating state to city relationships as well as accountability.

## **South Africa (SA)**

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<sup>11</sup> Urban local governments are governed by the provisions of the State municipal Acts 13. Every State has its own municipal Act. The State legislature is empowered by the central government to decide on the structure, functions and powers to be entrusted to the local governments, following the 74<sup>th</sup> Amendment

South Africa provides a good case with regard to the municipalities in IGR which originates from the constitution itself. In this case, section 40 (1-2) of the 1996 Constitution not only creates three spheres of governments-national, provincial and local but also laid down that the three spheres are distinct, interdependent and interrelated. Theoretically, unlike other contemporary and even older federations, LG/municipalities in SA are recognized as a key player of cooperative governance, democracy, development and nation building (Agranoff 2012; Geldenhuys 2008).

Prior to 2005, IGR was predominantly informal and spontaneous. Now, SA recognizes the IGRs in terms of resolving practical challenges of cooperative governance. Geldenhuys (2008) notes, three big Acts in SA demonstrate the municipalities' involvement in IGR. The first is the Municipal Structures Act 1998(Act 117, 1998) which aspired to establish new and legitimate democratic structure with developmental vision. Second, the Municipal Systems Act 2000(Acts 32 of 2000) describes core principles, mechanisms and processes that are necessary for municipalities to achieve their goals in the public sector. It nurtures effectiveness and transparency in the spirit of being fundamentally developmental in an environment of non-racial democracy. Thirdly, the municipal finance management Act 26 of 2003 explains the treasury norms and standards for the local sphere of government (Geldenhuys 2008).

Apart from the Constitution, IGR Framework Act 13 of 2005 signifies the governments' earnest approach to developing IGR in SA. This act deals with the requirement to create the necessary institutional framework of IGR for all spheres of government actions. It establishes various intergovernmental forums wherein municipalities partake. For example, at the apex of IGR Forums is the President's Coordinating Council (Section 6-8 of the IGR Act). This is the body where matters affecting all spheres are discussed. Besides, in the meetings of national and provincial ministers of line functions (MINMECS), all municipalities can participate. Accordingly, each has MINMECS-Members of provincial council meet with representative of LGs (section 9- 15 IGR Act 2005). The other forum that recognizes the municipalities in IGR according to the formal Act is the Premier's forum, and this forum is the meeting between provincial premiers and representatives of LGs within the respective province with regard to matters that affect both spheres (section 16-23 IGR Act 2005). Nonetheless, the mechanisms and processes of IGR have not been converted to formal institutions. The enactment of the 2005 Act

rather relied on the informally practiced IGR prior to it. It also acknowledges the continuation of informality where need arise (de Villiers 2012).

Furthermore, South Africa has set a framework for LGs to organize themselves and make their voices heard and this organized local government has non-voting seats in the 2<sup>nd</sup> chamber (NCOP). They have representation in different institutions and processes in Financial and Fiscal Commission and Budget Forum. The statutes often require consultation with organization of local governments (Geldenhuys 2008). According to the Constitution<sup>12</sup>, LGs in South Africa participate in the processes of designing transfers. Intergovernmental fiscal transfer could only be made after the provincial, organized local government (SALGA<sup>13</sup>) and the Financial and Fiscal Commission has been extensively consulted as well as their recommendation considered. For instance, SALGA represents LGs in Finance and Fiscal Commission- constitutional body that advises government concerning the equitable division of nationally raised revenue between spheres of government<sup>14</sup>. As well, SALGA is a member of the Budget Forum, a statutory intergovernmental forum in which case the minister of finance consults with his/her counterparts in the provinces (Steytler 2005).

Both national and provincial governments have the power to supervise<sup>15</sup> LGs in South Africa. Both must monitor the performance of municipalities so as to ensure that municipalities discharge their developmental and service delivery responsibilities. Strong supervision, however, comes from national government because it is the national legislation that determines the basic structure, operational system and financial management of municipalities (Steytler 2005). As Steytler (2005:203) observes, a province may intervene if municipalities does not, or cannot, approve a budget or a revenue-raising measure giving effect to the budget, or implement a financial rescue plan, by doing so in place of the municipality. In terms of local autonomy, LGs in South Africa have the freedom to use the revenue they received based on the principle of equitable revenue sharing among the three units. Hence, the LG may use this revenue for the purpose and preferences they desire. Apart from receiving transfers in the form of equitable revenue shares, LG also receive conditional grants from the national share. But the freedom to

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<sup>12</sup> See, Constitution of the Republic of South Africa 1996, s. 229 (5) and 214 (2).

<sup>13</sup> SALGA, a voluntary body representing all nine provincial LGs, represents LGs' interest via participating in the formal intergovernmental structures.

<sup>14</sup> See, Constitution of the Republic of South Africa 1996, s. 163(iii); s. 220, 221.

<sup>15</sup> See, Constitution of the Republic of South Africa 1996, s.155 (6) and (7).

use this conditional grant is limited due to the strings often attached to it (De Visser, 2006). The supervision of LGs by the national government is usually carried out through the conditional grants it grants to them (Heymans 2006; Steytler 2005).

In sum, South Africa appears to have learned from the weakness and problem of municipal government and their participation in IGRs. Comparatively, the case of South Africa reveals clear legal and institutional frameworks for self governance of municipalities and their intergovernmental cooperation. The comparative clarity in the 'legal and institutional frameworks' for municipal autonomy and local governments participation in IGR system of South Africa have not proved efficient urban governance. Many municipal governments are bankrupt and citizens are unhappy with the failures in service delivery – whatever the clarity in legal frameworks.

### **Conclusion**

This study took IGR approach to urban governance because of three main factors. The first is that IGR is not only one of the bases that define federalism but also it is the institutional solution to the matters of concern for the federation along the vertical and horizontal jurisdictional arrangements. The second is that the management of urbanization as one of the internal forces impacting federalism touches the city, neighborhood and upper level governments. Hence, the institutions and principle of IGR can bring the efforts of multiple jurisdictions in the management of urbanization altogether. The third is that IGR is already implied in the concept (urban) governance as long as governance is conceptualized as the interaction between governments across jurisdictional boundaries and sectors in order to determine how things are done and services are provided.

Further, the comparative experiences of some selected federal systems have also revealed IGR as institutional and pragmatic device for managing urbanization and urban governance issues. The involvement of municipal governments in the IGR, for example, in mature federations like Canada has been a result of experience than institutional design. South Africa fully recognizes urban local governments as one of the building blocks of the federation. Others like India and Switzerland partially set the framework for self governance while others like Canada have left municipalities to provincial governments. Despite the idiosyncrasies from across the contexts, in all above cases, the IGR institutions have emerged or on the process of emerging in response to

practical realities of urban spaces. That being said, the federalization and urbanization processes make the institutions and processes of IGR a relevant field of study to be explored in the urban settings. The point is that a single municipal government alone cannot be blamed for the problems of governing urban spaces. The federal and provincial governments alike have responsibilities for urban governance because of the imperative of policy formulation and implementation, and attaining national and/ or sub-national objectives. In a nutshell, the comparative assessment revealed that urban governance has increasingly become a function of adequate municipal autonomy and sound IGRs.

## CHAPTER THREE

### 3 Urbanization and Urban Administration in Pre 1991 Ethiopia

#### Introduction

As it will be superficial to discuss about the urban governance and IGR in federal system of Ethiopia without having a clear understanding of the historical account of urbanization in the pre 1991 Ethiopia, this chapter highlights the evolution of urbanization processes and urban centers prior to the adoption of federalism in Ethiopia. It considers how the political and economic contexts that have influenced the administration of urban spaces. It also sketches the different conceptualizations and imaginations about urbanization and urban spaces under different regimes in the pre 1991 Ethiopia.

#### 3.1 An Overview of Urbanization and Urban Centers in the Pre-1991 Ethiopia

The processes of urbanization in Ethiopia cannot be fully understood without looking at its historical trajectory. Several scholars have approached the study of urbanization of Ethiopia chronologically (Assefa 1993; Getahun 2007; Kebede 1994). However, Berhane (1994) has placed the political history of urbanization broadly into two epochs: Urbanization in Abssinia (before the conquest of Southern areas) and Urbanization in Ethiopia (commencing from southern conquest by Menelik). Assefa (1993) has analyzed urbanization by classifying Ethiopian history into pre-Italian, Italian, Post-Italian (Imperial regime and post Revolution/ Derg Regime) epochs. Taking these analyses into account, this section classifies and discusses the urban formation and urbanization of Ethiopia by dwelling on periods pre Menelik, Menelik, Italian occupation, Haile Silasse, Derg and the Contemporary (federalism and decentralization) histories.

In doing so, a number of issues ranging from urban origins, key drivers of the urban formation, conceptualization of the urbanization processes, factors determining the urban/ local administration, and the relationship between the political capital and the urban cities/towns are assessed. Herein, the particular emphasis is given to the contextual factors like economic, social and spatial processes; and the mechanisms and institutions of relationship between the apex government and urban local administration that influenced the status of urban spaces in Ethiopia.

### 3.1.1 Pre Menelik Period

Özden and Enwere (2012) and Myers (2011) caution all scholars who study urban Africa. If African urban researchers borrow the concept of urban as narrated by Europeans and restrict the emergence of urbanization to the 19<sup>th</sup> century European colonization of Africa, they may not grasp the roots and processes of urbanization in Africa through such external accounts alone. Hence, those who confine urbanization and urban formations to the end of 19<sup>th</sup> century or to the advent of King Menelik would be using inadequate framework set by Europeans for the study of Ethiopian urban centers.

According to Horvath (1976), towns like Axum, Lalibela and Gondor had existed in Ethiopia before the close the 19<sup>th</sup> century and prior to Menelik's assumption to power. These towns were either residences of the Christian feudal elites or Muslim trading centers providing services for the caravans of slaves and for the gold and ivory passing through Ethiopia. Possibly, three different perspectives exist about the way urbanization has occurred prior to the close the 19<sup>th</sup> century in Ethiopia. Akalou (1967) notes that urban centers of Ethiopia during this epoch owe their origin to the political and military powers of the ruling elites rather than to economic activities or to religious preeminance. The chief locus for the Ethiopian towns was the *Ghibi* (palace) and not the *gabaya* (market) or the *beite Christian* (church). In contrast, the second perspective equates urbanization with the foundation and existence of the settled capital city, Addis Ababa. Mesfin (1976) argues that urban centers were only brief episodes in the long and essentially rural history of Ethiopia, and the urban formation and subsequent processes of urbanization were responses to the foundation Addis Ababa; and in a way this account renders the emergence of urban centres to the Menelik regime. The third perspective presented by scholars like Getahun (2007) takes a different position with regard to urban formation and urbanization during the pre-Menelik period. Particularly, Getahun rejects the theory of emergence of urbanism and urbanization during this epoch exclusively to the Northern part of Ethiopia. He argues that the southern part of Ethiopia, areas later conquered Menelik, had their own urban history. Apart from a number of urban centers such as Axum, Adwa, Gondor and Asmara which emerged because of political and commercial situation in the North, Getahun's study catalogues a number of urban centres in Southern Ethiopia before Menelik's conquest including Harar, Bonga, Jiren, and Soddo. By the time the conquest came, towns like Jimma and

Harar had already evolved into dynamic urban centers. He, however, notes that the rapid growth of urban centers in Southern Ethiopia was also the result of political and military developments during the last quarter of the 19<sup>th</sup> century and early 20<sup>th</sup> century.

Getahun also argues against the view that attributes the emergence and growth of urban centres to the result of Menelik's military conquest. He has pointed out that there were settlements from which regional princes, chiefs and warlords ruled their domains before the Menelik's conquest. He shows the preexisting social, market/economic and cultural factors which had already commenced the urban formations before the emergence of Menelik's garrison towns. Hence, there remains a debate over the evolution of urbanization, key drivers for the urban formations, subsequent processes of urbanization, and its implications for the contemporary urban reality in Ethiopia.

### **3.1.2 Menelik Period (1889-1913)**

Menelik was being held responsible not only for the present geographic boundaries of Ethiopia but also for the foundation of the capital city-Addis Ababa (1886/7) and several urban centres. During his regime, urbanization was accelerated by the establishment of new urban centers and the growth of the already existing ones. Menelik, impelled by the imperial policies of 'modernization and centralization' (Teshale 1995), undertook a series of military conquests particularly against the south and south western territories, establishing the hegemony of the Shawan kingdom and resulting in the establishment of a series of garrison towns that performed the political, economic and military functions for the King. These urban garrison towns had the authority to exploit the resources from the conquered periphery and transferred it to the center, Addis Ababa (Gutema 1996; Berhane 1994) and became responsible for control of "newly conquered territories" (Berhane 1994, 102).

The power relationship between the capital and urban spaces had operated along core-periphery model. A number of institutional mechanisms were employed to build Addis Ababa's dominance over the periphery. These, among others, included the *Gult* land tenure system, appointment of governors, establishment of garrisons, *naftegn* (Gun carrying soldier of Menelik) and the churches (Berhane 1994, 123). Specifically, the king's control over the urban towns was performed through the systematic registration of urban land and the issuance of the title deeds to individuals

(Berhanu 2002) not from the local community. Further, the control of garrison towns was performed by the soldiers, administrators and priests (Teshale, 1995, 46). These controlling institutions were populated through the migration of people from the north, particularly Amharic speaking population, which destroyed the preexisting socio-economic and cultural values of the local communities. Consequently, urban spaces of Ethiopia became the domain of the imperial regime.

As a consequence, urban spaces were dominated by one language and one ethnic group, and the process of state formation meant Amharization of the country in general and urban spaces in particular. Simultaneously, the process of urbanization brought about marginalization of the other ethnic communities' and their traditional institutions in the conquered areas of the South (Getahun 2007). Moreover, the urban formation and processes of urbanization during Menelik regime was led by force (garrisoning) and through the spread of imagery of 'Christian kingdom of Ethiopia' (Shimelis 2013). Thus, Menelik's period put an important land mark regarding urbanization in Ethiopia.

### **3.1.3 Italian Period (1936-1941)**

In pre Italian period, the urban centers were highly scattered and the process of urbanization had lacked a clear pattern (Assefa 1993, 62). New types of economically oriented urban centers were built during the Italian period. Some of the urban centers like Kombolcha, Sandafa and Assosa were founded outside the orders of feudal or regional chiefs (Kebede, 1994) while others like Sabata, Alem Gena, and Sululta were newly founded during the Italian period (Assefa 1993, 65).

The transportation sector, wherein the Italian impact was strongly felt, immensely contributed to the growth of urbanization in Ethiopia (Berhane 1994, 104). In their very brief stay, Italians had brought "improvement to the infrastructure system and the rapid growth of existing towns" (Assefa 1993, 65). Italians were busy building roads in order to overcome the topographic obstacles for the easy control and economic exploitation of the county's resources. Apart from transport networks, they improved communication services, construction of buildings and establishment of factories necessarily meant for urban work (Gutema 1994, Assefa1993). Moreover, a number of rural push factors including 1) the patriotic resistance against Italian colonial rule were active in the rural environments; 2) the traditional institutions and rural lives

were disturbed by the war which forced people to migrate to towns in order to find jobs in the towns. Nonetheless, the urban formation and urbanization processes were superimposed on the traditional/ indigenous urban centers. Hence, the urban formation and urban administration once again were exposed to top down alien rule.

### **3.1.4 Emperor Haile Selassie Period (1930-1974)**

Much of the 20<sup>th</sup> century history of the Ethiopia was dominated by Emperor Haile Selassie. He ruled Ethiopia first as a regent for 14 years (1916- 1930) and later as the Emperor from 1930 to 1974. Like his predecessors', the Emperor Haile Selassie followed policies of centralization and modernization but with greater determination and practice (Asnake 2009, 55). Unlike his predecessors, the emperor has introduced the first written constitution of Ethiopia in 1931. The primary purpose of this written constitution was to consolidate centralization of power, neither guaranteeing separation and limitation of power nor enshrining civil liberties (Clapham 1969 cited in Asnake 2009, 56). The Emperor's reign was interrupted by the Italian occupation of Ethiopia from 1936-1941. After the defeat of the Italians in 1941, the Emperor recovered his throne. He soon introduced the Decree 1 of 1942 for his grip on centralized power, and this Decree brought unprecedented levels of centralization in the history of the country (Markakis 1974).

Italians laid remarkable ground for the centralized administration of the Emperor. The Emperor used the model and structures begun by Italians (Bahru 2002 cited in Zemelak 2014). In 1942, the Emperor centralized the appointments for provincial governors and local administrators. He abolished the hitherto hereditary claims for offices of provincial and local administrations and the appointees would become agents of the Emperor (Zemelak 2014, 94).The urban administrations were defined first by Decree 1/ 1942 and later by the proclamation of 74/ 1945.<sup>16</sup> They categorized urban spaces into municipalities and towns.<sup>17</sup> As the assessment of Zemelak (2014, 98) reveals, the proclamation established the Municipal Council having seven members. These members were elected from property owners of the municipality, and from the members

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<sup>16</sup> See: decree 1/1942 and proclamation 74/ 1945.

<sup>17</sup> See: Article 6 and schedule A and B of Proclamation 74/ 1945. According to Schedule A of the proclamation designated limited number of urban centers as municipalities: Addis Ababa, Dire Dawa, Harar, Gonder, Dessie and Jimma. The rest- about 100 of the urban centers was labeled as towns. See: Zemelak 2014, p. 98.

of the central ministries.<sup>18</sup> The Mayors and City Officials of the urban administrations-both municipality and town- were directly appointed by the Emperor upon the recommendation of the Ministry of Interior.

During this period, Municipalities were given the power to impose and collect property rates, trade and professional license fees, market fees and municipal service fees.<sup>19</sup> These were own revenue bases to finance the functions given to the municipalities including water, electricity, sewage, health, firefighting, street maintenance etc. However, Zemelak (2014) has rightly identified the different mechanisms that were put in place in order to control the municipality and ensure its subordination to the center. One, the revenue base for collecting finance was designed in a way that the municipality could not generate adequate finance. Two, the members of the municipal council selected by the center would be property owners who could levy limited land tax in order to protect their interests. Three, there were only limited human resources to collect municipal finances. Even more, the municipalities had limited fiscal authority because the municipal budget, rates and fees had to be approved by the Ministry of Interior.<sup>20</sup> In doing so, Municipalities and towns were subjected to central control and subordination.

Notably, urbanization was perceived as building the nationhood and carrying out the modernization project (Shimelis 2013). Yet, this modernization project was a top down approach that went against the rights of social diversity in the country. As the assessment of Zemelak (2014, 101) shows, the Emperor's legal reform in 1942 on urban administration did not give any coherent authority to the municipal official i.e. the Mayor. Instead, many provincial governors had assumed mayoral positions.

Subsequently, urbanization had undergone a fundamental metamorphosis especially in the 1950s and 1970s. Until about the end of WWII, less than 3% of the population was urban. By 1960, this figure had increased to 6% and in 1984 to 15% (Assefa 1993, 65). As Zemelak (2014, 101) notes:

[T]he economic, political and cultural marginalization of the ethnic communities of southern...continued after the 1942 reform on urban administration. The communities in the region were not allowed to administer themselves according to their custom and tradition. Their traditional rulers and

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<sup>18</sup> Article 3/2/ of and Proclamation 74/ 1945

<sup>19</sup> Article 11[1-4] of and proclamation 74/ 1945

<sup>20</sup> Art 11/5 of proclamation 75/1945.

institutions were abolished; or where they were allowed to exist, played only an informal support role.

In a nutshell, notwithstanding the spur of urbanization, the urban centers lacked any concrete authority during the reign of Emperor Haile Silasse. Moreover, the growth of urbanization during this time was overwhelmingly conceived as the growth of, Addis Ababa city (Eshetu 1976), and no equivalent emphasis was paid to other urban centers in the country. This approach did not only imbalance urbanization but also paved the way for the dominant position of a single urban center in the country viz. Addis Ababa.

### **3.1.5 Derg Regime (1974-1991)**

Two issues viz., lands to the Tiller and nationalities question served as the rallying point for the Radical Students' movement against the imperial regime since the beginning of 1960s. These were the basic questions that led to the downfall of the imperial government by the popular revolution of 1974. Subsequently, Derg/the military government had to respond to the underlying causes-land right and nationalities question-that led to the 1974 revolution. Land was an economically critical and politically contested resource, reflecting the age-old antagonism between a landed aristocracy and the peasantry. Towards this end, Derg immediately made a decision in 1975 that automatically ended tenancy. This has been considered as a radical measure that the Derg/ the military regime took upon coming to power (Asnake 2009; Lovise 2006). Based on its Marxist theory, the military government/Derg intervened as the custodian of public properties like land. The remarkable impact of the Derg regime on the urban space was unleashed by the land policy. Derg nationalized all land and outlawed private ownership of land except the right to continue to own individual buildings for residential purposes (one dwelling per family, but not the land associated with them) by its proclamation No. 47 of July, 1975 (Berhanu 2006).

Derg's period was characterized by direct government intervention and control of the economic and social affairs. Inevitably, government ownership of urban land ensured effective control over the type, location and manner of all developments in urban areas. Land for housing was supplied freely to individuals and housing cooperatives and the rest of the land beyond the housing sector were under the government control. Both the urban land rents and the roof taxes were set at very low levels (Berhanu2002; Solomon 1994).

People’s participation in the resettlement programs, villegization, collectivization and cooperative societies greatly impacted the urbanization processes during Derg period. The number of towns having greater than 20,000 population increased from 14 in 1970 to 28 in 1980. Small towns with population of 5000 increased from 76 in 1970 to 147 in 1980. Despite unprecedented urban population growth, there was a steady and fast decline of urban economic growth. This was because of the urban system’s failure to carry out its conventional functions which included delivery of goods and services to the community (Assefa 1993, 107) and the urban dwellers’ associations were mere political instruments for controlling day-to-day life of residents and conscription of the youth (Ghebrehwet 2012).

**Table 3.1: Number of Urban Centers across Periods**

Year	Total population	Urban population	% of urban	Total Number of Urban Centers	Remark
1938	12,000,000	657,002	5.4	63	-
1967	23,667,400	1,807,329	7.6	158	-
1975	27,102,100	3,195,880	11.8	183	-
1984	42,184,958	4357500	10.3	297	First census
1994	58,865,400	9019800	15.3	-	Second census
2007	73,918,505	11 956 170	16.2	>925	Third census

(Source: Kebede 1994; CSA 1984/1994/2007)

Derg created the cooperative societies of urban dwellers as the institution for implementing urban policy. The urban dwellers association had served as the tool of control by the Regime, and was particularly utilized for the elimination of the rivals of Derg like Ethiopian Peoples’ Revolutionary Party (EPRP) (Zemelak 2014, 110). At the top, the Ministry of Public Works and Housing administered the urban land and the cooperative society of urban dwellers was created to assist the ministry in implementing the urban land policies including registration of urban

houses. The Ministry among others was given the power to establish, register and delineate urban/municipal boundaries.

In principle, the urban lowest administrative divisions' *kebeles*<sup>21</sup> could use the revenue they collected to finance a number of functions including roads, primary education, basic health, and registration of houses, birth, death, marriage etc. The urban kebeles had the power to collect urban land taxes and house rents (Zemelak 2014). In practice, the *kebele* were obligated to transfer all the money they collected to the central urban dwellers' association, which made each *kebeles* dependent on the grant from the upper level government. In this way, the financial arrangement had served as one of the tools that made urban administration subordinate to and controlled from the center. The center had dictated the urban affairs and the socio-economic organization of the urban community.

The Derg government failed to implement basic urban policies due to the internal political tensions in the country (Berhanu *et al* 2015). Upon seizure of power in 1974, the military government declared the equality of the country's ethnic groups and promised self determination through regional autonomy (Asnake 2009, Lovise 2006). Nonetheless, the Derg's apparent Marxist and a non-discriminatory policy towards ethnic groups, however, were to allow, and even to stimulate, cultural articulation of ethnicity, but it suppressed political expressions of it (Lovise 2006, 246). As in Emperor Haile Selassie's (1931–1974) period, the military Marxist regime of Mengistu Haile Mariam or the Derg (1974–1991), had lived with issues of inequality based on ethnic identity, cultures and languages. The regime lined up with the perceived superiority of the Amharas as the ruling group since the establishment of the modern state at the end of the 19th century (Lovise 2006). Also, Markakis (2011, 227) considers that Derg brought direct control from the center than any of its predecessors. Thus, Derg failed to deliver its promise of self determination for ethnic groups. Instead, the nationality groups became more suppressed and less empowered, and this had further ignited the politicization of ethnicity on a larger scale. Consequently, ethnic based liberation movements became the rallying points for the opposition against the Derg. Thus, there was neither the basic improvement to the urban administration nor protection of rights of ethnic communities during the military government/Derg period.

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<sup>21</sup> Kebele refers to the lowest administrative subdivision in an urban administration

## **3.2 Theoretical Perspectives Underpinning the Pre-1991 Urbanization of Ethiopia**

The section points out the theories that are helpful for the understanding of urban administration and the processes of urbanization prior to the adoption of federalism in Ethiopia. Towards this end, the evolutionary theory, modernization theory, Marxist theory, urban bias theory and center periphery theory are looked into as they help explain urbanization. The aim of the section is to level the background for the IGR perspective to urban governance and place of urban local government in IGR for the present urban context of Ethiopia.

### **3.2.1 Evolutionary Theory**

The studies on urbanization in Ethiopia during the pre-1991 Ethiopia by and large focus on the origin as well as factors and patterns of urbanization. Interestingly, Shimelis (2013) underscores that there have been differing perspectives regarding Ethiopia's urbanization and Ethiopian urban historiography. For the predominantly rural people in the pre-19<sup>th</sup> century Ethiopia, urban centers were synonymous to royal courts, trade centers, religious centers and capitals of the regional powers. Much of the historical account of urbanization agrees with the theory of evolution of urban centers in the Northern part of Ethiopia (Berhane 1994). However, there has been contradiction about the origin, meaning and nature of urbanization in the country particularly in the Southern areas conquered by Emperor Menelik.

The debates on the political history of urbanization in Ethiopia points to how the underlying causes of urbanization in the Southern part of country in the post late nineteenth century are interpreted. In this perspective, Shimelis (2013:187) unveils that:

[The] historiographical fault line is the way post-late nineteenth century urban development in the southern half of Ethiopia is interpreted—as a consequence of northern conquest and occupation. Such an approach has produced a paradigm that privileged the space organizing principles and traditions of the dominant, predominantly northern Ethiopian, culture. The role of local dynamics, before and after the conquest, in the foundation and growth of southern towns is ignored, and towns of the south are presented as mere reflections of northern urban centers.

Consequently, the analysis of urbanization has been subjected to competing perspectives: one that subsumes complexity and heterogeneity under a single dominant “urban” history and the other that prefers to focus on the experiences and cultures of separate fragments of urban spaces.

Specifically, the causes and processes of urbanization in the Southern/South western parts of Ethiopia have invited varied perspectives.<sup>22</sup> For example, according to Tesema (1993, 678) the major factor for the development of towns in the first half of the 19<sup>th</sup> century were consolidation and centralization of the administrative extension of resource base, increase in agricultural production and the flourishing of trade. Unlike the rural spaces, urban spaces were centers of imperial and military administration, and products of conquest. They were spaces where feudal lords lived, supported by appropriation of the large amount of land they possessed.

From the outset, it can be argued, urban origin/formation was never predominantly a result of communities of manufacturers, traders or craftsmen but of urban conquerors' land ownership. Scholars have identified a wide spectrum of processes, activities and forms of social organizations that have shaped the urban system of Ethiopia (Kebede 1994; Berhane 1994). Berhane (1994:83), for example, has succinctly summarized seven different factors that have shaped the urbanization of Ethiopia. These were: 1) Menelik's Conquest of Southern territories and the land tenure system and the garrison towns that it established; 2) the Italian Occupation 3) road and railway construction; 4) Coffee production, large scale farming and marketing; 5) centralization of administration 6) industrialization and 7) Migration.

Thus, the history of urbanization and establishments of urban centers in Ethiopia had been the consequence of geographic, economic and political factors (Getahun 2007; Yirgalem 2008), and the processes of urbanization and urban administration need contextual analysis, as urbanization cannot be explained in a single source evolutionary perspective.

### **3.2.2 Modernization Theory**

The modernization theory holds that urbanization is concomitant with industrialization, if not the consequence of it. The more industrialized a society or a city is the more urbanized it becomes (Özden and Enwere 2012, 107). Özden and Enwere (2012, 107) note that there are two analytical perspectives to the city: evolutionary and functionalist approaches. While the evolutionary

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<sup>22</sup> Similar to the impact of colonization in Africa which has caused the distorted understanding of the urbanization in Africa before the colonial advent, the case of southern Ethiopia had been subjected to polarized urban history. Urbanization in Africa has been widely misconceived as having been the result of colonization. It is claimed that the Africans did not have the political sophistication and organizational ability to build urban cities but rather lived in isolated settlements prior to the colonial era (See: ÖZDEN, Chigozie ENWERE 2012, 106).

approach analyzes the social changes that stimulate urbanization as unidirectional, progressive and gradual, the functionalist logic stands for the systematic and transformative changes of the society that would give rise to change from traditional role functions to modern ones.

Those who took Menelik as center of the urbanization process in Ethiopia considered that urbanization was a transformative change of the society from traditional to the next stage of modernization. However, urbanization in Ethiopia is not concomitant with industrialization. That was why scholars like Eshetu (1976) has noted that Ethiopian experience of rapid rate of urbanization, regardless of the level of industrialization it has attained, should be explored carefully by paying attention to those factors that caused urban Ethiopia.

The fundamental assumption underlying the modernization theory is that urbanization would be glue for creating the modern nation-state of Ethiopia, which must be accomplished through territorial expansion/conquest and political centralization (Shimelis 2013; Zemelak 2014). Particularly, Shimelis (2013) considers that the metaphor of ‘city as the nation’ takes urban structure and urban design as imperial monumentality. This imperial monumentality captures urban structures as spaces of control, reminders for the might of the state, and revealers of the “ideals of law, order, and government” (Shimelis 2013:175).

Obviously, the metaphor for the urban habitat as a nation state aims to homogenize the histories of the city and wants to give priority to a particular narrative-cultural, political or economic- of the city, in a way that disregards the urban diversity. Moreover, the modernist project and nation-state conception of Ethiopia has not only created the dominant urban core (primate city theory<sup>23</sup>) but also made the other urban centers subject to control from the core. Consequently, urban local officials were subordinate and work on the principle of obeying the order from the center, and the pursuance of relationship between the center and urban local was generally characterized by hierarchical and exploitative.

Modernist and city as nation perspectives, led to concentration of infrastructural facilities and utilities in the urban centers. In doing so, the politicians have favored the place where they live- especially Addis Ababa since its foundation (Shimelis 2013, 184). In a nutshell, the “urban”

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<sup>23</sup> This theory focuses on single core center as a manifestation and imagination of the city as nation. It was in this perspective that too much focus had been put into the urbanization of Addisa Ababa that by far surpasses the other urban centers in the country. Primate theory goes beyond mere urban bias of the politician and policy maker but it dwells on the overwhelming focus on single urban core.

challenge of Ethiopia stems from or is a manifestation of the predicament of a modern nation-state project as well as an unconventional process of urbanization that was largely shaped without industrialization.

### **3.2.3 The Marxist Theory**

The Marxists hold that the events and practices that happened in the past came to shape decisively the actions of humans and social classes at present and well into the future. Particularly, scholars like Mazrui (1978, 523) underscore that Marx was pro-urban in the sense that Marx had a “supreme contempt for the peasantry, and saw it as primarily a reactionary force in history. Instead, the proletariat was conceived as an urban force, and the final destiny of mankind was entrusted into its hands.”

There is no ultimate interpretation of the Marxist understanding of the urbanization process, and it is difficult to bring together the different interpretations of Marxists on the urban question. The more recent proponents of the Neo-Marxist approach like Manuel Castells (1977) hold that the urban system is not separate from the total system, and the urban system is constituted by three levels: the economic, the political and ideological. For Harvey (2012), another Neo-Marxist, the notion of the space takes an important place in the interpretation of the urbanization process as reproduction of labor, power and ‘accumulation of capital.’ Both Castells and Harvey see the city as having been created by the forces of capitalism. Contrarily, Chen and Orum (2003,44) consider that Marxists or Neo-Marxists over emphasize on the economic institutions while paying little attention to other institutional forms such as urban local governments or cultural institutions that could exercise power over the life of cities and their residents.

Prior to the Revolution of 1974, the idea of Marxism Leninism was pervasive among the politically active sections of Ethiopian society. During the 1970s and 1980s, virtually all the contending political forces of Ethiopia were influenced by the Marxist thought. In particular, the military government (the Derg) that took power soon after the fall of imperial government considered itself as dictatorship of the working class (Proletariat) and declared Ethiopia as a socialist republic where market forces must be deliberately repressed and socialization of the production and distribution processes be pursued (Asnake 2009). Also, the regime had a policy of urban bias inasmuch as Proletariat was basically an urban force based on the Marxian view.

The military government intervened as the custodian of public property in urban land allocation, which is based on grant (not lease) system (Stebek 2013). Through the socialist economic policies such as urban and rural land nationalization, urban housing cooperative development etc. the Derg urban policy was trying to bring an urban system mainly constituted by the working class.

### **3.2.4 Urban Bias Theory**

Urban Bias Theory (UBT) was formulated by the development economist, Micheal Lipton (1977/1989). The work of Michael Lipton (1977/1984) on ‘Why Poor People Stay Poor: Urban Bias in World Development’ has been well known for putting together a more systematic account of rural-urban relations in developing countries. His original idea-which was generated after an extensive field work in rural India-was that ordinary small-farmers in countries like India, hardworking, rational and innovative, were unable to secure a fair return for their efforts because of systematic policy discrimination against the countryside.

The Urban bias policy was widespread in developing countries in 1950s and 1960s, when a new ideology of urban-industrial development took hold. During these periods, the developing countries favored a distorted allocation of resources for industrialization and urban life, and they discriminated the agricultural sector. According to Lipton, the urban bias was evident in the provision of education and health-care resources, and in the broader geography of public spending decisions. Many developing countries in the 1950s and 1960s were inclined to define development as a form of structural transformation, and practically attempted to equate agriculture with the countryside and industry with urban- towns and cities.

Though some observers criticize the UBT as a reductionist conception of politics, the theory helpful for careful identification of policies and plans that are made by and for urbanites (Wilson 1977), the significance of the theory is yet persistent and unfolding in developing countries. The strong side of the Lipton’s UBT is that it clearly points out the victims and beneficiaries of the (development) policy. It elicits adequate understanding of the favorable conditions and the deliberate spatial policy made for urban life vis-à-vis rural livelihood. The theory captures the implications of urban policy on the rural life.

The urban bias policy was strongly felt during Emperor Haile Selassie's rule in 1950s and 1960s. The rapid and mostly informal process of urbanization, unconventionally not concomitant with the industrialization and economic growth, was itself perceived as superior. The bias towards urban was also guaranteed by providing basic social services in towns/urban centers, making the rural population to think urban as superior place for modernity and better human life and the impact of this policy still pervades in an urban space than in rural habitats. The material support that sustained urban dwellers was predominantly drawn from the countryside. The myth of "city as nation" had led to the state policy of urban bias for the political significance of the urbanization process, and the political and policy decisions led to the concentration of infrastructural facilities and utilities in the urban centers. Hence, the policy of modernizing the nation-state in Ethiopia was perceived as pro-urban, authenticated by a relatively improved urban life.

Thus, the UBT framework is of help for analyzing the wider national policy framework as well as for analyzing the interaction between the city/urban and the neighboring (mostly rural) environs. It helps to investigate the influence of the urban policy on its hinterland, inasmuch as these places are not only interconnected but also cannot properly function without one another.

### **3.2.5 The Center-periphery Theory**

As the original work on the center periphery theory entails, the dominance of power at the center serves the core to maintain the core's advantage, and institutions would be crafted in order to dominate the periphery. The mode of relationship is designed in a way that make the peripheries passive, dependent on center, and the core as active and with coercive power over the periphery (Friedmann 1972, 330). The concept of Core and Periphery relationship is based on unequal distribution of power and resources between the Core and the Periphery. By this mode of spatial relationships, power becomes asymmetrical and exchange of relations non-reciprocal. In this perspective, the Core consolidates its dominance and organizes the dependence of peripheries through several mechanisms including administrative staffing, resource distribution, etc. For example, three sets of processes create structures that help the Core to enforce its decision and control over the Periphery. The first is that the core forms cadre at the periphery that is responsible for execution of core's decision. Secondly, the core creates the institutions and organizations for controlling the Cadre. The third is the formation of transport and

communication network that help the Core to control flow of goods and information (Hilhorst 1971 cited in Berhane 1994, 33). In the case of Ethiopia, Berhane (1994, 146) identifies four main factors by which the Core and Periphery mode of relationships were carried out in order to shape the urbanization processes in general and the dominance of Addis Ababa in particular. These include: Migration, centralization of power, denial of local self rule, and allocation and adoption of modern technologies and infrastructures. In a sense, the focus of urban policy and urbanization process were concentrated in the political capital which in consequence dwarfed the other urban centers of Ethiopia. Urban local officials were subordinate and work on the principle of obeying the order from the center, and the kind of relationship between the center and urban local was characterized by hierarchical and exploitative features. These processes, respectively, influenced the settlement pattern, the spatial organization of decision making, the distribution of economic activities and the social and cultural patterns of the country (Berhane 1994, 146).

## **Conclusion**

In the pre 1991 Ethiopia, urban administrations were simply agents of the central government and the urban administrators were persons deputed by the center, entrusted with the main responsibility of collecting taxes and maintaining security. The urban administration and the process of urbanization were devised to serve centralization and consolidation of power at the center. Moreover, relationship between the center and the urban areas was characterized by domination of the center, hierarchical power relations and subordination of the urban settlements. It was partly this non-beneficial kind of power relationships which existed between the center, province and localities that later led to the collapse of unitary state of Ethiopia in 1991

Urban theories have an input for understanding of contemporary urban areas and urbanization in Ethiopia. First, the evolutionary theory tells contradictory stories of the urban space and about urbanization. The first story is Addis Ababa centered which takes the dominant urban culture into account, and tends to replicate the same evolution of urban habitat throughout the country. The second narrative gives a differing explanation for the evolution and the underlying forces of urbanization particularly for the Southern part of Ethiopia. This view considers the significant impact of Menelik's reign on the pace of urbanization in the country but it rejects the argument that there was lack of urbanity or the roles of the socio-economic, cultural and local administrative factors that accounted for the foundation of urban origins prior to the regime.

This view, therefore, gives emphasis to the case based analysis of the urbanization processes than agreeing on anyone dominant cause in the evolution of every urban space of Ethiopia.

The Modernist theory upholds the view that the ‘city is the nation’, and Addis Ababa was portrayed as the nation, a dominant center representing the entire country. The theory had apparently favored the rapid pace of urbanization, short of the concomitant level of industrialization as well as economic growth. Through the modernization lens, there was an imagination of the ‘city as the nation’ which not only favored the other urban spaces as well but also suppressed the socio-cultural diversities in all places. Modernization was, however, experimented by imposing an assimilation policy, and in the process the urban habitats were taken as showcases for the nation state project with the predominant focus on the capital, Addis Ababa. The policy had significantly encouraged the migration of people from the Northern parts to the conquered southern parts of Ethiopia with severe repercussions for the urban demography till now. The modernization perspective also left the legacy of an urban bias favoring urban life and exacerbating rural poverty. The imagined superiority of the urban to rural in the social psychology of the people must also be attributed to the same cause.

However, the core-periphery model had operated on the bases of hierarchical and exploitative relationships between urban centers and rural hinterlands. The center had focused on the core through allocation and adoption of modern technologies for material and infrastructural developments.

Basically, the urban centers and the processes of urbanization in Ethiopia were strongly linked to state characteristics. The successive regimes from above had situated the municipalities as instruments for their political goals and for meeting their objectives. Urban centers, therefore, had not become avenues of strengthened local institutions and capacities and improved service deliveries. In contrast, these functions of the municipality and the municipal governance altogether were relegated to secondary importance, and the rights of the ethnic communities to self rule were not materialized.

## CHAPTER FOUR

### 4 IGR and Urban Local Government under the Federal System of Ethiopia

#### Introduction

This chapter first locates IGR in the broader institutional debates on federal design of Ethiopia. It then identifies the basis and emerging arguments for stronger institutionalization of IGR. It also pinpoints the factors influencing the level of institutionalization of IGR in the federal system of Ethiopia. Since the thesis took the IGR framework to urban governance, it discusses the place of urban local governments in the federal system of Ethiopia, thereby highlights the overall relationship between the urban local governments and upper level governments.

#### 4.1 A prelude to the Ethno Federalism of Ethiopia

Three important and interrelated factors can be taken as the historical and ideological bases for the adoption of ethnic federalism in Ethiopia in 1995. The first is the opposition to the centralization of modern Ethiopian state at the end of the 19<sup>th</sup> century. The modern state formation of Ethiopia was based on the policy of centralization to bring about a nation-state formation. The process has brought, especially upon the conquered southern territories and the suppression of ethno-cultural diversities to face the language/ cultural identity of the ruling class, which in turn led to the support for the fight against the center from the peripheries.

The second is related to the land to state and land to people relationships in Ethiopia. One of the rallying points behind the popular movement against the imperial government during the 1960s was the popular demand for “land to the tiller.” It was in an attempt to respond to this popular request that the military regime has abrogated the land tenure system of the imperial regime, and it further abandoned the private ownership of land. The present EPRDF government, by and large, affirmed a similar position of ownership of land in Ethiopia.<sup>24</sup>

The third and apparently more significant rationale for the introduction of federalism in Ethiopia is the ethnic or nationalities question. Since the end of the 1960s, the problem of ethnic inequality and unequal relationships was articulated through the propagation of Marxist-Leninist

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<sup>24</sup> See Article 40 of the FDRE Constitution.

ideology (Asnake 2009). Hence, the promotion of ethnic diversity through a federal system has become the official state ideology and a legitimate form of political organization (Dereje 2011, Lovise 2006). Based on these backdrops along with the official view of the EPRDF, federalism is/was a response to the legacy of the ethnic domination and marginalization and the need to rectify the historical injustice and ethnic inequality performed in the name of the modern nation-state formation in Ethiopia. Hence, when the EPRDF came to power (1991), the ethnic self-determination has already become the governing principle.

#### **4.2 The Design of Ethiopian Federation**

Since 1991, Ethiopia has granted autonomy to the nation, nationalities and people (here after ethnic groups). Both the Charter of the Transitional Period (1991-94) and Proclamation No.7/1992 have affirmed the right of self-determination to the ethnic groups. According to Proclamation No.7/1992, fourteen regional states were created and all ethnic groups are granted the right to exercise self-determination by either controlling regional government or by establishing a distinct territorial entity in the form of a *Woreda*. Article 39(5) of the Constitution further states: "Nation, Nationality or People" as "a group of people who have or share large measure of a common culture or similar customs, mutual intelligibility of language, belief in a common or related identities, a common psychological make-up, and who inhabit an identifiable, predominantly contiguous *territory*." Article 39(3) of the Federal Constitution of 1995 explicitly states the right of ethnic group "to establish institutions of government in the territory that it inhabits and to equitable representation in the state and federal governments."

The federal design of Ethiopia inextricably links ethnicity with territory. It assumes that every ethnic group is found inhabiting a territorially defined geographic area. Towards this end, as Van Der Beken (2009) puts, both federal and regional constitutions follow the same logic i.e. the right of ethnic groups can best be protected by means of a separate territorial control. Here, territorial boundary follows ethnic boundary.

Ethno-territorial institutions are meant for accommodation of diversity and self-governance of ethnic groups. In terms of the linkage between territory and ethnicity, the case of Ethiopian federalism exhibits a unique approach. David Turton (2003) has noted that Ethiopia has gone farther than any other African state. Similarly, Yonatan (2012) argues that Ethiopia represents an

extended institution of territory for the accommodation of ethnic diversity. Though the fruits of ethno federalism have yet to be seen fully, the design of ethno territoriality has at least helped to prevent large scale ethnic conflicts (Asnake 2009). By rendering territorial autonomy to territorially concentrated ethnic groups, ethno federalism has been facilitating the chance of political participation and representation of minorities. Of the nine federating units<sup>25</sup> of Ethiopia in regional states like Oromia, Amhara and Tigray, the logic of territorial solution has helped to reduce ethnic conflicts since these regions have absolute regional majorities (Van Der Beken 2007).

Secondly, the design of regional territorial autonomy has enabled ethnic groups to use their languages as official languages at the regional level. This assuages the feelings of ethnic groups towards the imposition of Amharic language on all ethnic groups. The regional states with clear ethnic majority at the regional level like Oromia, Amhara, Somali and Tigray have secured the benefits of territoriality. The heterogeneous regional states like Southern Nations, Nationalities and Peoples, however, granted such rights for sub-regionally concentrated ethnic groups.<sup>26</sup>

Thirdly, in the realm of multiparty democracy, the design of territorial autonomy has the advantage of political socialization that helps to familiarize the hitherto marginalized groups to be aware of and participate in the governance practices. More often than not, the design of territorial autonomy has given the chance for politicians of different ethnic backgrounds to appear in the federal institutions. A number of people have also got the opportunity to partake in the ethnic self rule. Fourthly, ethno territoriality serves as stimulus for inter-ethnic party coalition among the ethnic parties in the form of Ethiopian Peoples' Revolutionary and Democratic Front (EPRDF).

One of the key limitations of the logic of ethno territoriality is related to the precondition that autonomy is available only to territorially concentrated homogenous group. This condition does not address the right of geographically dispersed minorities (Van Der Beken and Yonatan 2013). On the one hand, the territorial institutions established with the dominant ethnic groups owning

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<sup>25</sup> Article 47(1) of the Federal Democratic Republic Constitution of Ethiopia.

<sup>26</sup> Lahra Smith depicts the case of *Siltie* as an example of peaceful institutional and legal design that met ethnic right in the region. She suggests the case as the successful procedural and institutional mechanism for addressing the rights of territorially concentrated ethnic group at sub-regional level. See: Lahra Smith, 2007, Voting for an Ethnic Identity: Procedural and Institutional Responses to Ethnic Conflict in Ethiopia, the *Journal of Modern African Studies*, 45( 4.), 565-594.

the regional states like Oromia, Amhara, Somali and Tigray do not meet the rights of all individuals in the regions. On the other hand, the regional states like Benishangul Gumuz and Gambella have formed two categories of populations: indigenous and settler communities. For instance, though the Benishangul Gumuz Regional State state constitution guarantees the territorial autonomy of each of the indigenous ethnic groups, the lack of coherent and distinct territoriality of some communities challenges the self rule/ governance of these communities. The principle of ethnicity and its inextricable relationship with a defined territory have raised tensions between indigenous ethnic groups as well as amongst native and settler communities (Berhanu 2006). Similar challenges have been found in Gambella regional state also (Dereje 2006).

A number of studies on Ethiopian federalism debate on ethnic citizenship versus civic citizenship (Redie 2011; Asnake 2009; Lovise 2002). Redie (2011), however, argues that both civic and ethnic models could be relevant where the civic model serves the national model while the ethnic model serves the sub-national model. These studies tend to reveal that ethnicity and its inextricable relation to territoriality makes people to be loyal to ethnic identity which in turn reinforces distinctiveness than unity. Particularly, the urban contexts are inherently migratory and fluid where the stable and territorially distinct identity of an ethnic community gets blurred, making urban management infinitely a complex issue.

Previous studies have proposed alternative institutional solutions to bridge the lacunae in the *ethno-territoriality* principle of the federal design of Ethiopia. These proposals of federal institutional designs can be categorized into three: non territorial federalism, geographic federalism and compositional federalism. The subsequent sections briefly present the institutional design proposals.

### **4.3 Alternative Proposals of Federal Institutional Designs**

#### **4.3.1 Non Territorial Federalism (NTF)**

The idea of NTF is rooted in the view that ethno cultural identity rarely limits itself to territories, although territory plays an important political role for its full realization (Bryan 2006; Coakley 1994). Leger (2014) traces the root of the idea of non territorial autonomy to the Austro-Marxists

who advocated social democracy. By this perspective, nationalism was understood as matter of declaration of the citizens, and it is not necessarily connected to territory. This was basically a state centered understanding of nations and hence mirrors the purview of civic nationalism than the ethno nationalism.

The principle of non territorial autonomy guarantees the rights of accommodation of diversity in the realms of protection and preservation of the identity of ethno-cultural groups such as language, education and religion.<sup>27</sup> Likewise, NTF envisions that membership in a federal entity is determined by community identity, not by place of residence (Bryan 2006:267). The concept of territorial federalism and non territorial federalism need not be mutually exclusive, and they can coexist. According to Bryan, NTF can ideally complement territorial federalism but it does not replace territorial autonomy. Even if the principle of NTF may not be part of the original federal idea for a given federation, it can become a creative and “custom tailoring federalism” (Bryan 2006). Thus, the rationale for the acceptance of NTF emanates not only for complementing the territorial autonomy principle but also to carry the premise of what Bryan (2006) calls “deep federalization” i.e. inclusive federalism that can bring about a political landscape where all ethnic minorities can meaningfully participate in power sharing.

Comparative studies on the subject reveal that the introduction of NTF serves contextual realities of the polity in question. In the case of Belgium for example NTF has been introduced as a compromise for settling rival territorial claims, and to resolve the problem of ethnic groups lacking geographic contiguity (Erk 2015; Bryan 2006). Bryan (2006:247-48) provides a good account on the imperative of the combination of territoriality with non territoriality in the federal system of Belgium. In this view, the NTF has been a “context of choice” in that it allows individuals to structure and choose their public and private lives free from ethno linguistic tensions. Inasmuch as people tend to exaggerate perceived threats to their ethno linguistic borders, the principle of personal federalism heightens psychological freedom for peaceful multiculturalism. Bryan underscores that though the NTF may hold divisions among people living in the same territory, but it may be a less evil than a purely territorial one.

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<sup>27</sup> See the preface to the book by Mollay, Tove H., Osipov, Alexander and Vizi, Balazs Ed.(2015), *Managing Diversity Through Non-Territorial Autonomy: Assessing Advantages, Deficiencies and Risks*, Oxford University press, UK

As part of the institutional solution to the gap in the ethno federalism design of Ethiopia, some scholars like Van Der Beken (2009) argue for the inclusion of complimentary non territorial federalism that can help for bringing complete ethnic rights all across the federation, as there are minorities who couldn't secure their rights by the principle of territoriality *per se*. Likewise, Asnake (2014, 601-2) notes that ethnic "territorial autonomy by itself is not enough" for the governance of Ethiopian cities. Some kind of innovative and complimentary multicultural policy and power sharing as the non territorial autonomy at both sub-national and local levels would be important.

In the context of Ethiopia, the ethnic groups who own territorial autonomy are clear. What is unclear is the identification of groups who can be granted non territorial autonomy, as the claims for such autonomy require voluntary and coherent self identification of membership into a group advocating ethno cultural rights like language, education and religion.<sup>28</sup> On the one hand, as the study by Bryan (2006) uncovers, the non territorial strategy practically requires everybody to specify his/ her membership into either territorial or non territorial group.<sup>29</sup> Contrary, the implementation of non territorial ideas should not transform personal choice into compulsory membership. The application of NTF, in the case of Ethiopia, cannot be free from this ambivalence.

To what extent is the non territorial strategy relevant for the urban contexts? In Ethiopia, ethnic right is not provided with reference to urban or rural territories. The fact that ethno federalism does not fit well with urban migrants need not make it obsolete, as it primarily promises the territorial autonomy for ethnic communities. Since, in urban contexts the institutions of ethno federalism does not work for other diversities beyond territorial ones. Consequently, the federal design has created more cleavages for which it has not yet innovated institutional solutions. The NTF goes beyond mere right based protection and requires a sense of groupness and individuals who could identify themselves with a given cultural group in order to be entitled to such a right.

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<sup>28</sup> "If the non territorial federal entities are based on the concept of ethnic group, they may have jurisdiction over cultural matters; typically, education, use of language, arts, media, religion and so on. The territorial entities may have jurisdiction over non cultural matters such as: roads, highways, regional economic policy, transportation, resources use" See: Bryan 2006, p. 217.

<sup>29</sup> For example, French speaking persons enjoy self determination in the French territory-Wallonia, and also in the bilingual territory Brussels. However, he or she does not have French community autonomy in the Dutch speaking territory, Flanders. See: Bryan 2006

Like territorial autonomy, the non territorial autonomy needs distinct jurisdiction as well as community appropriate to its application.<sup>30</sup> Moreover, the design of non territorial federalism is not something that can be done at the lower administrative units but experiences show that it should be part and parcel of the overall federal dispensation. Under such circumstance, it may be difficult to adopt for fear of the Pandora box it would open up.

What is increasingly becoming clear from the debate on non territorial autonomy is that it is beyond institutional completeness and cultural autonomy, as it stresses on state centered view of the nation and civic nationalism. Thus, the complementary proposition demands a good account of how to design the balance between state centered/civic nationalism and ethno-cultural centered/cultural/ ethno nationalism. Otherwise it would be difficult to be taken as the most imaginative solution to coexistence and governance of diversity.

#### **4.3.2 Geographic Federalism**

As the classical work on federalism and geography by Ramesh Dikshit(1971:106-107) unfolds, federalism is not only "the most geographically expressive of all political systems" but also "no government has ever been called federal that has been on any but regional basis" of social groups. The existence of regionally grouped diversities is the basic geographic premise of federalism. Although it can hardly be expected that territorial boundary line coincides with social groups, the major diversities on which the federation is based must be territorially arranged or the society cannot be federal. Dikshit (1971:107) signifies the link between federalism and geography as:

The particular problem of federalism is to find solution to government questions in complex interactions of spatial differences and similarities. Federalism is therefore essentially a product of geography, and the essence of federalism lies not in its constitutional structure but in geography of its society.

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<sup>30</sup> "If the non territorial federal entities are based on the concept of ethnic group, they may have jurisdiction over cultural matters; typically: education, use of language, arts, media, religion and so on. The territorial entities may have jurisdiction over non cultural matters such as: roads, highways, regional economic policy, transportation, resources use" (Bryan 2006, 217)

The essential nature of federalism should be sought in the shading of forces of economic, political, cultural that have made it necessary, not legal parameters (Dikshit, 1971:107). At this juncture, a fundamental question that could be raised in relation to geographic federalism model for multiethnic federalism is: What is geographic federalism? Are geographers going to partition the country in to administrative zones considering human activity, the contour, temperature, climate, rivers and lakes? Is it geography of ethnic groups or geography of administration that matters? Is geography dissociated from socio-cultural groups a supreme value of federalism? Inasmuch as Ethiopia adopted ethno federalism in order to achieve two important promises: pacification of interethnic relations and granting autonomy for an ethnic group (Tsegaye 2009; Asnake 2009), geographic suitability and administrative convenience were secondary to the cause of ethno nationalism. In fact, De Visser *et al* (2012, 272) comment on the salience of ethnic factor in the context of Ethiopia as:

Excluding ethnic factor and drawing internal boundaries merely based on geographic or administrative criteria would have made the federation no different from other federations that deny the political salience of ethnicity in their society and that are often underlined by strong integrationist and assimilationist dispositions.

For one thing, geographic model reduces the ethnic politics as if this was nonexistent. For another, geographic model proposes an easy solution for the management of a complex and diverse society, and this logic is fundamentally indifferent to political sensibilities in unitarism. In a nutshell, the geographic logic is a contradictory institutional solution to resolve the pathology of ethnic federalism, and this proposition hardly speaks to a complex urban habitat.

### **4.3.3 Compositional Federalism**

The third perspective, Compositional federalism argues for the redesigning or resizing of the larger regional states based on a mix of factors that range from ethnicity to geographical location, administrative convenience, economic and resource capacity, effective service delivery etc. (Wondwosen and Zahorik 2008; Alemante 2003; Asnake 2009). Basically, it is for reducing the size of relatively larger regions like Oromia, Amhara and Somali (Asnake 2009; Solomon 2008). This compositional proposition agrees to the importance of regionalism and local identities which were known prior to the adoption of federal set up and which would bring an institutional

incentive for intra-ethnic competition as well as the salience of several identities for group competition (De Visser *et al* 2012, 275).

Asnake (2009), for example, proposes the resizing of some of the bigger regional states like Oromia, Amhara and Somali into equivalent sizes because this mechanism could reduce the adverse impacts of employing ethnicity as an essential tool of regulating ethnic conflicts in Ethiopia. Solomon (2008, 291) also suggests the need to reorganize the regions into “manageable sizes” reflecting *inter alia* comparable economic resources and administrative convenience. Ghebrehiwet (2012, 255), however, cautions the ineffectiveness of this proposition short of ethnic primacy as it undermines the political choice of many ethnic based political forces. Instead, he argues for “pursuing effective and balanced regional economic development policy” in order to bridge the economic asymmetry among the constituent units. Given the historical trajectory of urbanization and ethnic politics in Ethiopia, the making and unmaking of territorial units on the basis of composition factors-resource base, population, area and so on would be susceptible to a more ethnic politics and the logic hardly answers the urban question.

Nonetheless, as already hinted, the federal system of Ethiopia by and large has been criticized with regard to the gap in delivering its promises. In this line, this study contends, Intergovernmental Relation (IGR), both in principle and through practice, can be presented as institutional devise for meeting the promises of federalism in Ethiopia. For both constitutional and extra-constitutional justifications as well as to refrain from pathological understanding of federalism for any ethnic queries, the IGR perspectives could be worth researching. Therefore, the reminder parts of the chapter dwells on the IGR approach to study Ethiopian federalism in general and urban governance in particular.

#### **4.4 The IGR under Ethiopian Federal System**

##### **4.4.1 The Basis for IGR in Federal System of Ethiopia**

Few studies on IGR system of Ethiopia primarily examine the vertical relationship that exists between federal and state governments as well as the horizontal relationships between/ amongst states. The extant institution of IGR has been dominated by the executive and party system and does not fulfill the basic parameter for being a robust institution of interaction. These studies converge with the same suggestion that formalizing of the legal/ institutional framework of the

IGR system is an urgent one<sup>31</sup> (Asssefa 2009; Haileyesus 2014). The emerging debates on the IGR system appear to have reached consensus with regard to the need for certain level of institutionalization. The question that one may ask goes as: Are there adequate constitutional and practical bases for the move towards stronger institutionalization of IGR system in Ethiopia? The subsequent sections dwell on this.

Under the federal system of Ethiopia, the constitution does not explicitly stipulate the principles that guide the IGR systems. Nonetheless, there are a number of constitutional provisions that prove the necessity of IGRs in the federal system of Ethiopia. The starting point on this is the Preamble of the Federal Constitution itself. This prelude of the federal constitution states that the nations, nationalities and people of Ethiopia have entered into an agreement to rectify the wrong and unjust historical relationships between them, promote their shared interests, ensure democracy, peace and sustainable development, and committed to and convinced to live as ‘one economic and political community’ in order to create sustainable, and mutually supportive conditions for ensuring respect for their rights and freedoms and for the collective promotion of their interests.<sup>32</sup> The gesture of this Preamble puts IGR with the double task of performing as a device for governmental relations and interethnic relations.

Similarly, under Article 88(1 and 2) of the federal constitution, the levels of government-federal and /or the regional state governments- have the duty to promote and support the People’s self-rule at all levels based on democratic principles. At the same time, the government i.e. federal or the regional has the duty not only to respect the identity of Nations, Nationalities and Peoples but also has the duty to strengthen ties of equality, unity and fraternity among them. These functional responsibilities could also be used as the device for ensuring the commitment to ethnic diversity, and to strengthen the interethnic unity.

The other is a constitutional division of power. The method of division of power follows the exclusive<sup>33</sup>, residual<sup>34</sup> and concurrent<sup>35</sup> strategies. The constitution clearly establishes two levels

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<sup>31</sup> Report on the national consultation workshop on Intergovernmental policy formulation in Ethiopia prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations Held on 22 March, 2015 Ghion Hotel, Addis Ababa, Ethiopia.

<sup>32</sup> Preamble of the Federal Democratic Republic of Ethiopia Constitution.

<sup>33</sup> See Article 51 and 52 for exclusive federal and regional state powers list, respectively.

<sup>34</sup> The residual power, the power which are not explicitly given to the federal government and not concurrent belongs to regional states, is reserved to the regional states. see: Article 52(2) of the FDRE constitution

of governments.<sup>36</sup> It also obliges each level of government to respect each other's constitutional powers.<sup>37</sup> The federal constitution establishes a symmetric federalism in that the powers, functions and prerogatives given to the constituent units are uniform. Hence, the member states are equal. The constitution has already established some element of dual federalism. In this case, Article 51 lists the exclusive powers of the federal government while Article 52 grants the exclusive competence of the regional states. Both the federal government and regional states have legislative, executive and judicial powers over their respective jurisdictional limits. However, as per articles 50(9) and 94(1) the federal government can delegate its powers to the regional states as may be necessary, and "unless otherwise agreed upon, the financial expenditures required for the carrying out of any delegated function by a State shall be borne by the delegating party." Moreover, the constitution puts the power over land as intersection point for the two levels -Federal and Regional governments. On the one hand, according to Article 51(5) of the federal constitution, the Federal Government can "enact laws for the utilization and conservation of land and other natural resources, historical sites and objects." On the other hand, the regional states have the power to "administer land and other natural resources in accordance with Federal laws."<sup>38</sup>

The other possible base for IGR in the federal constitution is economic, social and developmental policies. The broad economic, social and development policy, strategy and plan are the competence of the federal government.<sup>39</sup> The regional states<sup>40</sup> have the power "to formulate and execute economic, social and development policies, strategies and plans of the State." In addition, "the establishment and implementation of national standards and basic policy criteria for public health, education, science and technology as well as for the protection and preservation of cultural and historical legacies" is granted to the federal government. The economic, political, social cultural and environmental objectives outlined by the federal constitution comprise the inevitability of IGRs between the federal and regional states.<sup>41</sup> However, the constitution did not clearly stipulate the extent of power of the federal government

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<sup>35</sup> Article 98 of the FDRE constitution.

<sup>36</sup> Article 50/1 of the Federal Constitution.

<sup>37</sup> Article 50/8 of the Federal Constitution.

<sup>38</sup> Article 52(2(d) of the FDRE constitution.

<sup>39</sup> Article 52(2) of the Federal Constitution.

<sup>40</sup> Article 52(2(c)) of the FDRE Constitution

<sup>41</sup> Article 88 to 92 of the FDRE Constitution.

and the areas of power that should left to the regional states. Hence, the policy competence of the federal government over the broader issues have not only given the dominance of the federal government in the policy making but also the same can be one of the key rationales for the arguments of institutionalization of IGR as far as the policy implementation is concerned.

The other constitutional bases for IGR are already put in relation to the power given to the House of Federation (HoF). By virtue of Article 62 and 48 of the federal constitution, the HoF is mandated at least to conduct some aspect of IGR. According to Article 62 of the federal constitution, HoF is composed of the nations, nationalities and peoples/ethnic groups, not regional states. It provides one representative for each of the ethnic groups of the country irrespective of their size, while the bigger ethnic groups would have one additional representative for each one million of their populations.<sup>42</sup> Unless we may expect the voices of regional states to be heard through the ethnic groups' representatives, the HoF is not established for and as the intergovernmental institutions of sub-national governments. However, if all the ethnic groups would secure separate regional state status, as stipulated by the Constitution Article 47, the HoF may automatically represent both the ethnic group and regional states interests at the same time.

The HoF shoulders important powers<sup>43</sup> for making a decision on self rule of ethnic groups as well as promote the equality of the Peoples and “consolidate their unity based on their mutual consent.” The House finds solution to disputes or misunderstandings that may arise between States.<sup>44</sup> Moreover, as per Article 48(1) of the federal constitution, there is a ground for the horizontal relationships between the regional states for resolving potential boundary/border disputes that may arise. If the disputant regional states fail to reach agreement, the House of the Federation as a federal institution has been given the power to decide on such horizontal disputes on the basis of ‘settlement patterns and the wishes of the peoples’ concerned. Furthermore, HoF determines the division of revenues derived from joint Federal and State tax sources and the subsidies that the Federal Government provides to the Regional States.<sup>45</sup> The House can order

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<sup>42</sup> Article 61(2) of the Federal Constitution.

<sup>43</sup> Article 62 (2 and 3) of the Federal Constitution.

<sup>44</sup> Article 48(1) and 62 (2 and 3) of the Federal Constitution.

<sup>45</sup> Article 62 (7) of the Federal Constitution.

Federal intervention if any State, in violation of this Constitution, endangers the constitutional order.<sup>46</sup>

In practice the House<sup>47</sup> has employed both formal and informal forums of IGR. Particularly, the formal forums are of two kinds: Forum of Speakers and a Joint Forum of the Federation and Regional States. The Forum of Speakers is composed of speakers of both the Federal Houses and Regional State Councils. The participants of Joint Forum of the Federation and Regional States include the members from the Federal and Regional States, and other stakeholders such as intellectuals, invited guests and so on. In this forum, any of the participants can forward views as legitimate member of the forum. Most of the forums are chaired by the Federal officials while the role of participants from the Region is mainly forwarding reflections on each of the agenda. But the IGR forums of the HoF appeared merely as general meeting than appropriate consultative forum of IGR. The forum appears to allow for different perspectives to be raised in the forum but the dissenting opinion is discouraged. The party line controls the dissenting opinion, and failure to attend the forum will not entail any consequence, and the decisions are binding. Thus, the HoF cannot be a sole coordinator and facilitator of IGR as it cannot reflect the Regional States interest, and the ruling party /EPRDF have controlled the institution.

The assessment of the legal basis for establishment of MOFA shows that IGR was not an explicitly provided role of the MOFA under the first Proclamation No. 256/200. However, the subsequent Proclamations No. 471/2005 and No. 691/2010 have increasingly mandated MOFA to play as IGRs institution. Under Art 21 (1) and (6) of proclamation 471/2005 MOFA has got the power to cooperate with concerned federal and regional state organs in maintaining public order, serve as a focal point in creating good federal-regional relationship and cooperation based on mutual understanding and partnership and thereby strengthen the federal system. Under Art 14 (1) (e) of proclamation No. 691/2010, MOFA is focal point of IGR between the federal and regional states. The informant from MOFA<sup>48</sup> also confirms that IGR is one of the key

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<sup>46</sup> Article 62 (9) of the Federal Constitution.

<sup>47</sup> Mr. Aschalew's presentation on the National Consultation Workshop on Intergovernmental Policy Formulation In Ethiopia, prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations held on 04 March, 2015 Dire Dawa, Ethiopia

<sup>48</sup> Mr. Tsegabirhan, Director of IGR in MOFA Report on the national consultation workshop on Intergovernmental policy formulation in Ethiopia, prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations held on 04 March, 2015 Dire Dawa, Ethiopia.

departments and the department has key functions including: conduct research on IGR; support the creation of IGR based on mutual consent and benefit between different regional states; design the guideline for the interaction between the governments; give advice and support for the realization of harmonious policies, strategies and plans support and advice for the establishment of institutions that facilitate IGR between federal and regional states; and facilitate for the creation of forums IGR.

Article 89(4) of the Federal Constitution provides a guarantee for extending special assistance to the Nations, Nationalities, and Peoples least advantaged in economic and social development. In this case, the MOFA has been shouldering the task of assisting relatively less developed regional states including Somali, Afar, Gambella and Benishangul Gumuz as a commitment to equitable development and bridging the regional disparities. In this line, Haileyesus (2014) argues that the only solution to deal with the challenge of *de facto* asymmetry is through appropriate mechanism and institution of IGRs. The *de facto* asymmetric nature of the federation is, therefore, one of the key reasons that call for stronger institutions of IGRs.

The institutionalization of IGR through MOFA has however been criticized. Studies reveal that the regional states consider the Ministry as another avenue for consolidating the federal/centers dominance (Asnake 2009), and remarks that MOFA lacks effective political leadership to coordinate IGR nationwide (Assefa 2009). It hardly stands as formal institution of IGRs as it seldom replaced the prevalent party based and informal IGR in Ethiopia. That is why Assefa (2009) connotes even the name ‘MoFA appears to be a misnomer’ as its performance so far has little to do with the proper sense of IGR. There is uncertainty whether the same institution continues to perform at times partisanship changes, but the MOFA appears as response to the fact that the practical demand of IGR cannot be escaped even in context of inadequate legal and institutional framework to govern it.

#### **4.4.2 Arguments and Benefits of Institutionalization of IGR**

Considered largely as a holding together federalism, the federal system of Ethiopia needs a more structured and formalized interaction amongst the governing units. In a holding together federation, the processes of decentralization are what brought the federation into reality. If the

institutions, processes and mechanisms of IGRs are not clearly defined, there will not be a guarantee specifically for the autonomy of lower order of governments. In this sense, IGR can serve as a device for elaboration on jurisdictional boundaries as well as for balance of concerns of self rule and shared rule.

The recent “Workshop on Intergovernmental Policy formulation in Ethiopia prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations attests the need for formalization of IGR system. According to the views from the participants, the pattern and channel of informal IGRs have been vague and primarily utilized for crises management. Many key actors have only limited understanding of the IGR and how the federal system works.<sup>49</sup> In this perspective, IGR can be at least instrumental to understand the values of federalism and how jurisdictions operate in a federal system of Ethiopia.

In Ethiopia, the long tradition of political culture of unitary state has left all roles uncertain as to what exactly is expected of the multiple levels under a federal setting. Inasmuch as the IGR has not been somehow defined by legal or some kind of policy framework, the levels of government are not acting as partners of intergovernmental cooperation but the interaction has been characterized by hierarchy. Against this backdrop, coherent IGR institutions and forms could pave the way for a federal political culture of cooperation. The key rationale behind IGR framework targets the setting of principles, guidelines, objectives, memberships, regularity of forums to set up sustainable institutions of IGRs.<sup>50</sup>

So far, the dominant party system has managed what would potentially be intergovernmental disputes. The IGR have been smooth in Ethiopia because the EPRDF and its affiliated ethnic parties have enjoyed a monopoly of power at all levels of government (Alem 2005). Assefa (2009) raises the question of sustainability of the extant IGR as it is predominantly carried out by the party channel. He also evaluates the IGR in terms of the lack of accountability and clear institutions that follow up the activities and evaluate the operation of IGR- horizontal or vertical. The actors and institutions have to know how and why they engage in IGRs and / or not engage

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<sup>49</sup> IGR National Policy Framework workshop Held on 22 March, 2015 Ghion Hotel, Addis Ababa

<sup>50</sup> Participant’s view at IGR technical committees’ workshop organized by Forum of Federations, Dire Hotel December 22-24, 2014 Adama.

in IGR schemes. Assefa (2009) contends that the mechanism and practice of IGR has to be transformed from party politics to the formal institution and laws because this determines the effectiveness and stability of the federation.

A number of benefits of institutionalizing IGR frameworks have been identified by the technical committee on the study of IGR in Ethiopia.<sup>51</sup> These include but not limited to: One, it helps to identify the coherent and underlying philosophy of intergovernmental partnership. Two, the institutional framework articulates objectives of IGR forum, the participants of the IGR forums and set up an institution that can run and lead IGRs systems and procedures. The framework will not only identify the roles and responsibilities of IGR forums but also ascertains the formality and regularity of the IGR forums. Three, formalization entrenches the IGR laws and policies of cooperation and spirit of partnership with regard to overlapping and concurrent responsibilities. Four, the formal and sustainable IGR forums build team spirit, partnership and cooperation among the intergovernmental decision makers. Five, it paves for setting integrated strategic plans among the units. Six, formalizing or institutionalizing IGR through legal or policy framework would save the potential challenges that may happen due to the change of government or the ruling party. In a way, it contributes for development of democratic institutions that transcend the life of a given political party or regime, and thereby creates peaceful environment for the resolution of intergovernmental disputes

In a nutshell, the argument for formalization centers on the view that it could bring greater certainty, predictability, effectiveness, transparency, accountability, sustainability and respect and trust for the balance between self rule and shared rule. These points are basically what constitute the need for effective governance in the system.

#### **4.4.3 Factors Influencing Institutionalization of IGR**

Broadly, as the comparative works on the IGRs reveal, the parliamentary system of government facilitates for the executive dominance in the IGR schemes of federal countries. The parliamentary form of government in Ethiopia also epitomizes the dominant effect of the executive in the IGR system (Assefa, 2009; Haileyesus, 2014; Zemelak, 2014), as the executive

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<sup>51</sup> Report on the national consultation workshop on Intergovernmental policy formulation in Ethiopia, prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations held on 04 March, 2015 Dire Dawa, Ethiopia.

and legislative organs are fused together. Many observers, however, put the structure of the leading political party, EPRDF as the key factor (Paulos 2007; Vaughan 2003; Lovise 2002) determining the operation of federalism. The party system along with the federal competence over the legislative and national policy frameworks have made the regional states of Ethiopian federation to ‘implicitly serve as agents’ of the center because it is the center that has been providing them the strategic directions, standards, policies and funds. Meanwhile, the constituent units are unable to show up their peculiarities in making the federal policy. Moreover, the effect of dominant party system has reflected as the intermixing of party activities with the realm of public administration and service delivery- inseparability of governmental functions from party activities (Lovise 2001:104) and the nature of dominant party system does not ensure the party members and public officials accountable to the public.<sup>52</sup> Since the dominant party operates on the basis of ‘democratic centralism’, one can hardly observe the party making IGR debates.

The other key factor is related to the commitment to accommodation of diversity. Arguably, unlike any other federation, the task of IGR in the federal system of Ethiopia is unique in some respect. It merely is not a governmental relation but it is an inter-ethnic and/or intra-ethnic relation in so far as the fundamental principle for governmental arrangement relies on the same factor, ethnicity. In this sense, ethnic groups must be taken as central to institutions of IGRs.

The legacy of unitary state and hierarchical political culture and upward orientation of actors have influenced interactions between levels of governments in Ethiopia. The political culture (within EPRDF and outside) and orientation of actors that could support the strong institutionalization of IGR and cooperative federalism is a critical ingredient for developing effective IGRs. Still there is a misconception with regard to the nexus between IGR and federalism. The key decision makers could not consider IGR as the necessary component of the federal system *per se* in order to develop the appropriate political culture for the federal democracy. That is why some observers<sup>53</sup> caution that if an IGR proceeds as it works now, there will be a propensity to forget federalism and the way governments should interact under the constitutional framework of the federal polity. Beyond the political actors, IGR involves all types

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<sup>52</sup> In centralized party system, many party members develop rampant pursuit of their private interests and this in turn threatens the party ability to control its members. See, Elazar, Daniel, (1987), *Exploring Federalism*, Tuscaloosa, Ala.: University of Alabama Press, p.218.

<sup>53</sup> Technical Committees’ Research Report on the national consultation workshop on Intergovernmental policy formulation in Ethiopia prepared by collaboration of House of Federation and Ministry of Federal Affairs with the support from Forum of Federations Held on held on Dire Hotel December 22-24, 2014 Adama.

of public administrators who participate in decision making. Hence, the attitudes and activities of persons occupying offices do matter. To what extent are the key political actors committed to pursue coherent institutionalization of IGR? What incentives for cooperation are there for those to believe in the change of the status quo with regard to the way IGR operates in the system?

For example, the case of South Africa reveals that the system constitutionally commits itself to build cooperative governance.<sup>54</sup> However, as Steytler (2011) shows, the codification of IGR has gone beyond constitutional provision on cooperative governance into coercive ones. To this cause, the hierarchical political culture and orientation of the actors and the dominant party system have given raise to the constitutionally unintended IGRs. Here, the commitment of the political actor and underlying governance culture influences the IGRs desired in certain context. The codification or design of IGR policy will not yield any fruit unless and otherwise supported by the necessary political culture of cooperation and commitment of the actors.

Another challenging factor for institutionalization of IGR is related to the degree of institutionalization required. IGR is already understood as an institutional/legal mechanism and a pragmatic tool for the interaction of the multiple institutions/ actors across sectors and jurisdictional boundaries. The debate over institutionalization of IGR in the federal system of Ethiopia<sup>55</sup> is whether legislation should be enacted to provide for a formal framework for the conduct of IGRs or whether intergovernmental institutions and processes should be allowed to develop spontaneously over time as the need arises. Indeed, the key challenging issue ahead is how to achieve balance of functional relationships between the formal (rules of the game) and informal (norm of the game) IGRs.

The critical question is how could EPRDF develop IGR that moves beyond party channel? If one of the reasons to focus on IGR framework is related to the view that the existing party channel is inadequate for resolving IGR issues, the solution should not be limited to the making and unmaking of IGR by EPRDF. In this sense, the IGR framework need to incorporate the different perspectives and interests and this may enable the IGR institutions to withstand institutional changes or change of governing coalitions.

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<sup>54</sup> Article 41 of the 1996 constitution of the Republic of South Africa.

<sup>55</sup> Ibid.

#### **4.5 Urban Local Government (ULG) under the Federal System of Ethiopia**

After the onset of new political system in 1991, Ethiopia has gone through two phases of decentralization. The first phase of decentralization began during the Transition Period (1991-94) and extended to 2001/2. During the Transition Period, the nations and nationalities had the authority to establish their self governance starting from the district level.<sup>56</sup> In this period local governments were generally de-concentrated administrative units under the regional state governments without autonomy (Zemelak 2014, 135). The second phase of decentralization was embarked in 2002 with a realization that local governments have become key institutions of decentralization, democracy and development. To this end, the Regional Constitutions were revised to decentralize some political, administrative and financial powers to woreda governments' governments so as to conform to the national policy, Sustainable Development and Poverty Reduction Program (SDPRP).

As Kassahun and Tegegn (2006), in their study of decentralization in Ethiopia point out, the District-Level Decentralization Program (DLDP) has brought many governance related issues including block grant transfer from regional states to districts/ municipalities, redeployment of skilled and experienced personnel/functionaries to serve in local government sector offices, increased budgetary planning autonomy, expanded freedom of operation in terms of raising and utilizing resources originating from own sources of revenue.

The Municipal Decentralization of Ethiopia in 2001 centered on the mobilization of “own-source revenue and capacity to address the needs of cities and towns, thus freeing the regional states to move away from rural development priorities. In order to achieve these objectives, each regional state has reformed the legislative, intergovernmental fiscal systems and municipal capacities by which municipalities were asked to function. Moreover, municipal decentralization was considered as an essential step for the realization of Agricultural Led Development Industrialization (ADLI) because cities could provide market, service and investment opportunities for rural development.

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<sup>56</sup> The preamble of the Transitional Charter Proclamation No. 1/1991.

Except for the capital city, Addis Ababa, the Federal Constitution does not explicitly mention urban local governments. Nonetheless, the Constitution implicitly envisages two ways of establishing local units. On the one hand, local governments can be established for the purpose of self rule.<sup>57</sup> In this line, local government territorial units can be formed for the sake of granting self governance rights to territorially concentrate ethnic groups within a given region. On the other hand, local government can be set for the sake of administrative convenience and public participation.<sup>58</sup> Put differently, the Federal Constitution hints the creation of the local governments for either ethnic autonomy or administrative convenience.<sup>59</sup> Zemelak (2014, 129-32) classifies local governments into ethnic and regular ones. His classification stems from Article 39(3) and 54 (4) of the Federal Constitution, respectively. It is apparent in this view that the classification of local governments into ethnic and regular ones is a matter of degree of emphasis on ethnic self governance.

The Federal Constitution does not mention the word “local government.” Instead, the constitution talks about “other administrative units” than the federal and regional government levels.<sup>60</sup> In the same article that addresses “other administrative units”, there is a clause that states “adequate power shall be granted to the lowest unit of government.” Two, the Federal Constitution does not mention “other administrative units” or “lowest units of government” and/or ethnic self rule in relation to urban contexts. Given the federal set up is designed in such a way that it follows the fundamental principle of granting territorial autonomy for territorially concentrated ethnic communities, it would be difficult to look into administrative units outside of this governing principle.

The regional state or other territorial units stand for the self governance/determination right of the ethnic group owning the region/the territory. The local administrative units established by such upper level governments cannot detach themselves from ensuring the same right. Inasmuch

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<sup>57</sup> Article 39(3) of the Federal Constitutions states: “Every Nation, Nationality and People in Ethiopia has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits and to equitable representation in state and Federal governments.” Besides, the spirit of Article 88(1) of the Federal Constitution hints the self rule rights of local governments. It states, “Guided by democratic principles, Government shall promote and support the People’s self-rule at all levels.”

<sup>58</sup> Article 50(4) of the Federal Constitution envisages: “State government shall be established at State and other administrative levels that they find necessary. Adequate power shall be granted to the lowest units of government to enable the People to participate directly in the administration of such units.”

<sup>59</sup> The case of the federal capital city, Addis Ababa, which has been granted special legal status, is as per Art. 49 of the Federal Constitution and it is not part of this purview.

<sup>60</sup> See Article 50/4 of the Federal Constitution.

as the lower units are created by and for the self governance of the ethnic group in question and, of course, by the regional ethnic political party, every such unit cannot be analyzed without considering the ethnic factor. Moreover, every ethnic group that did not secure the status of regional state is a potential regional state.<sup>61</sup> Under such context, the governing units which are now below regional state but function for the self governance of specific ethnic groups must shoulder two tasks: one, ensure the self governance of the nationality in question, and two, establish their own lower administrative units for ensuring the self rule of the territorially concentrated ethnic group(s) in question.

#### **4.5.1 Relations of Urban Local Governments to Regional and Federal Governments**

The federal constitution explicitly divides power between the Federal and State Governments; the States have established a further division of authority between the State and local governments. It is the regional state government that is authorized to define the power and function of urban local governments. Article 52 (2) of the Federal Constitution stipulates that regional states have the power “to establish a state administration that best advances self-government, a democratic order based on the rule of law, to protect and defend the federal Constitution.” Article 52 (1) of the constitution provides “all powers not given expressly to the Federal Government alone, or concurrently to the Federal Government and the States are reserved to the States.” It is also important to note that implicit provisions on the lower administrative units appear as the principle and logic of the state to local devolution; and not for establishing federal government supervision over local units. The urban local governments are the legal creation of ordinary statutes, not of regional constitutions (Zemelak and Yonatan 2012). Hence, it appears that urban local governments are primarily under the competence of regional governments.

However, the regional governments cannot simply form local governments as lower administrative units short of democratic principles, but they have the duty to establish such governments on the basis of democratic principle.<sup>62</sup> Zemelak<sup>63</sup> has commented on why local government was not explicitly included in to the federal constitution. He notes:

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<sup>61</sup> See Article 47/2 of the Federal Constitution.

<sup>62</sup> See Article 88(1) of the Federal Constitution.

<sup>63</sup> Reporter’s interview with Zemelak Ayele on 10 January, 2015 at <http://www.thereporterethiopia.com/>.

In the Ethiopian case, around the time when the Constitution was being drafted there was a debate as to what should be included regarding local government in the Constitution. Some people argued that local government should be expressly recognized in the Constitution. Others said that if we recognize local government expressly, the federal government would get a leeway to interfere in regional governments' affairs. The compromise was to leave local government to the regional states but make sure that regional states don't just establish mere administrative system with no democratic elements. Rather they suggested putting implicitly that regional states are required to establish democratically constituted levels of government.

Although the extent to which federal government regulates urban local government need policy specific analysis, federal government has influenced local governments through the dominant party system, formulation of general policies on national, social and economic matters<sup>64</sup> and through enacting proclamations like urban land lease and urban planning (as discussed under Chapter 7). The subsequent section also reveals the increasing focus of the federal government on the urban agenda under the different national policies of Ethiopia.

#### **4.5.2 National Policy Frameworks and Urban Ethiopia**

Starting from 1991 up to 2001/2, the “urban agenda” in Ethiopia remained dormant. At times, the ruling party's prime focus was on rural agenda emphasizing the policy of Agricultural Development Led to Industrialization (ADLI). This was because much of the proportion of the GDP and political constituencies came from these areas (UN Habitat 2008). It was also consistent with the development discourse of the period which advocated the focus on rural development by subsiding focus on the hitherto urban biased development policies in Ethiopia, as suggested elsewhere for emerging economies.

As already hinted above, commencing from 2001/2, the EPRDF government has increasingly taken up the urban agenda into the fore. First, though the Sustainable Development and Poverty Reduction Program (SDPRP 2001/2- 2004/5) was not a robust policy that fully addressed the urban problems in Ethiopia, it has outlined clear government strategies to reduce urban poverty by ameliorating the situation of urban development and management. It specifically dwelt on the range of issues for resolving urban problems: strengthening urban governance, infrastructural provisions, addressing housing problems, improving land management, strengthening employment opportunities, and addressing urban environmental problems. Moreover, the programme had acknowledged the need to enact context specific legal and institutional

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<sup>64</sup> See FDRE Constitution, Article 51/2.

parameters for administering urban spaces (MoFED, 2002). The SDPRP admitted the prevalence of “poor urban management, lack of infrastructure, and inadequate service delivery” (MoFED, 2002: 125).

Secondly, unlike SDPRP, the Plan for Accelerated Sustainable Development to End Poverty (PASDEP 2005/6 to 2009/10) boldly embodied the “urban agenda.” PASDEP constitutes two important packages for urban poverty reduction: the Urban Development Package and the Urban Good Governance Package. It underscores the view that urban development and good governance are inseparable, and good urban governance is instrumental to build sustainable urban development. PASDEP has admitted the inadequate attention granted to urban areas as opposed to their increasing contribution to the country’s GDP.

On the one hand, this policy framework<sup>65</sup> has recognized the potential contribution of urban centres to the national development. On the other hand, PASDEP considers principles of good urban governance as the base for urban development (MoFED 2005/6). Nevertheless, the UN Habitat (2008) report criticized that the policy hardly gave attention to urban local democracy because many of the municipal officials were appointed by the supra-local governments and were not elected popularly. Hence, the problems of participation and lack of accountability were pointed out as impediments to urban governance.

The third is the first Growth and Transformation Plan (GTP 2010/11 - 2014/15). It was built on what was provided by PASDEP and considered both urban development and good urban governance packages. As the policy matrix of the GTP illustrates, reducing urban poverty was taken as the key task of urban related endeavours. Towards this end, the main objective of the Ministry of Urban Development and Construction concentrated on Integrated Housing Development (IHD) programme which had multiple urban poverty reducing benefits such as reduction of slums, creation of jobs and empowering women by granting housings (MoFED, 2012 :60-61). The GTP proclaimed to ensure provision of urban infrastructure services and aimed to build the capacity of city/town administrations through implementing good urban governance packages along with suitable environment for urban life. More than any previous

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<sup>65</sup> Under PASDEP, the urban development package constitutes five pillars including expansion of Micro and Small enterprise, Housing Development, Land and Infrastructure Provisions, Social services and urban planning and environment. See: MoFED 2005/6, *Ethiopia: Building on Progress: A Plan for Accelerated and Sustained Development to End Poverty*, MoFED volume I.

policies, the GTP positioned urban centres as “growth poles” that needed effective and efficient governance as well as comprehensive reform with regard to urban service delivery and financial administrations. Moreover, the GTP II((2015/16-2019/20) even detailed out the key urban issues and implementation strategies on virtually all major urban including ensure urban good governance, urban land development and management, reducing mismatch between housing demand and supply, urban leadership and urban managers capacity building activities etc.

Indeed, first, a major turnaround of urban policy by the Ethiopian Peoples’ Revolutionary Democratic Front (EPRDF) government came after leadership crisis in the Tigray People’s Liberation Front (TPLF) and rioting in Addis Ababa in late 2000 and early 2001. Secondly, the victory of opposition party, CUD over major urban centers in 2005 elections has impacted the EPRDF’s policy towards urban governance and development. Lastly, the ideology of developmental state also has its implications on policies dealing with urban governance and development. The urban growth has now become a recurrent issue in Ethiopia, with the increasing importance of urban politics as well as the increasing contribution of the urban services sectors.

### **4.5.3 Municipal Fiscal Autonomy**

Presently, there are more than 160 Urban Local Governments established for medium and large sized urban centers in Ethiopia (MUDHC 2014:38). As for the regional city proclamations,<sup>66</sup>urban local governments (urban administration as some states like Oromia calls them) are now responsible to provide both “state services”, such as education, health, justice, and security, as well as “municipal services”, such as urban roads, drainage, solid waste collection and disposal, and sanitation. State functions in different sectors are financed through regional block grants, similar to the practices regarding Woreda. All municipal functions are expected to be funded from own revenues.

The general sources of municipal revenues such as urban land leases, housing rental incomes, service fees, small scale penalties and issuing licenses are meager and non lucrative.

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<sup>66</sup> See, for example, the proclamation No 65/2003 for the establishment of urban administrations; the Proclamation No 69/2007 for Establishment, Organization, Definition, Powers and Duties of Urban Centers, BGNRS LISAN HIG GAZETA, Assosa

Municipalities enjoy full retention of own-revenues from direct and indirect tax sources to finance the municipal functions but not state functions (like education and health) (Zemelak and Yonatan 2012). Yet, cities are often required to redirect revenue generated from municipal service to finance state functions, which are generally underfunded” (Zemelak 2014:189). This revenue is not even sufficient to meet the municipal function as there are increasing service demand generated from rapid urbanization (ULGDP II 2014, 4). Hence, municipalities depend on the transfer of revenues from their respective regional governments. The grants cover wage and salary expenditure without empowering local authorities and communities to make allocation decisions (Yilmaz and Venugopal 2008).

The amount of conditional grants transferred to them is determined by the regional governments without direct participation of municipalities in deciding the amount of distributable pool and the distribution formulae. The consequence of this situation brought a mismatch between formal functions granted and owns sources of revenue(Garcia and Rajkumar 2008).Under such financial powers, urban local governments cannot take full measures on matters that demand decision such as strategies to reduce urban poverty and improve governance situations.

In practice, the overwhelming volume of revenue came from the transfers, and the grants or subsidies were predominantly used for recurrent expenditures covering wage and salary expenditure without empowering local authorities and communities to make allocation decisions (Yilmaz and Venugopal 2008). This makes the local units rely on the regional state fund for capital investments. Further, the other aspect that makes urban local government dependent on or influenced by the regional state is related to budgeting discretion. By and large, urban local governments can prepare their budgets stating their revenue and expenditure responsibilities. Such budgets in principle shall be endorsed by their respective municipal councils. Contrary, the process of preparing and approving the budget in practice is under the supervision of regional governments; and this has been limiting the power over planning and budgeting of urban local governments (Yilmaz and Venugopal 2008). Thus, the fiscal factor is another dimension by which the upper level government controls the urban/ local government.

#### 4.5.4. Design of the Municipal Governance Model

In Ethiopia, the other institutional design by which the regional states influence the urban local government is through the architecture of municipal governance model. The design of municipal governance model shows the relationships between the legislative, executive and administrative bodies within the city, and how these municipal institutions are connected to the neighboring and upper level governments.

Based on the internal municipal structure and functional interconnections between the Council, Mayor and Manager of municipal institutions, three models of municipal governance have been identified: Council-Mayor; Council-Manager and Commission.<sup>67</sup> Each of the models has some peculiar organizational characteristic, strength and drawback. Firstly, the council-mayor model is composed of an elected mayor and the elected municipal council (Minas 2001, 127). Here, the power of the mayor could be strong, weak, moderate or shared in relation to the power granted to the municipal council.<sup>68</sup> If the mayor appoints and dismisses the personnel; vetoes council actions, initiates the budget process and maintains substantial control over the budget, the municipal governance model has strong mayor. The converse will be the case if these prerogatives are not there for the mayor.<sup>69</sup> In the council-mayor model, the council is meant to balance the power of especially strong mayor. If the council retains the power over appropriations, the purchasing processes and contracting procedures, request audits and investigations on the executive department, endorse appointments by the mayor, and limit the mayor's ability to dismiss personnel, then the council has got the power to balance the power of the Mayor.<sup>70</sup>

The explicit aim of this model is to safeguard against potential abuses of power and political patronage at the same time it offers an opportunity to build professionalism through mayoral appointment of qualified personnel. Likewise, Meheret (1998) notes that the Council Mayor model renders a single point of accountability and collective responsibility of mayor and the council to their constituency/ electorate. In so far as both the Mayor and the Council are selected

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<sup>67</sup> See: National Civic League, (2003), Model City Charter, 8<sup>th</sup> edition, Denver. <http://www.nlc.org/build-skills-and-networks/resources/cities>.

<sup>68</sup> [archive.cgr.org/.../Models of City Government](http://archive.cgr.org/.../Models_of_City_Government)

<sup>69</sup> *Ibid.*

<sup>70</sup> *Ibid.*

by the voting power of electorates, the mayor and the council are compelled to work cooperatively in order to secure the vote counts in serving the community. The drawback of this model, however, is that it has the tendency to exacerbate partisanship and political patronage (making of political appointments and dismissals if partisan wishes are unmet) and may undermine professionalism<sup>71</sup> (Meheret 1998; Hiruy 2001).

The Council-manager is a model to depoliticize municipal politics, weaken the hold of political party machines and to meet the strong emphasis on professional public management (Milway 2003).<sup>72</sup> It has a benefit of allowing the city council to concentrate on legislative issues, without dealing with administrative matters. As well, the model may build merit-based municipal public services with a good performance orientation (Milway 2003; Meheret 1998). The manger is expected to recruit and to appoint qualified staff in the different departments of his/her administration, and this would be done with limited political pressure on the manager and the permanent staff because he/she is judged on the basis of performance rather than loyalty to powerful politicians (Ibid). The drawback of this model, however, is that the city manager is not as accountable and responsive to citizens as he/she is not an elected person. Hence, the council-manager model lacks strong support for local democracy.

Further, the Commission model is the oldest but the most unpopular city government model.<sup>73</sup> As the name implies this is the city government established by commissioners who are elected for leading separate service delivery departments. In this model, the city council is actually a “commission” and the members serve as commissioners/administrative heads to each of the city departments. One of the commissioners may be given the title of Mayor but it is mostly symbolic.

The model has an advantage of reaching at quicker decisions because each of the commissioners can make quick decisions focusing on a service area they are responsible for. There would not be delay actions as in the other models. For seeking and maintaining their positions, the commissioners may exert their maximum political influence to acquire sufficient resources to

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<sup>71</sup> See: National Civic League, (2003), Model City Charter, 8<sup>th</sup> edition, Denver; <http://www.nlc.org/build-skills-and-networks/resources/cities>.

<sup>72</sup> <http://www.nlc.org/build-skills-and-networks/resources/cities>.

<sup>73</sup> *Ibid*.

carry out the tasks of the department (Meheret 2001). The drawback of this model, however, is that department heads often fall into satisfying their narrower interests of their own departments rather than acting in holistic city perspective (Ibid). By this model, the commissioners' focus on the political aspect than professionally managing the sector departments, and the competition between commissioners for the political reputation has reduced the significance of the council-commission form of city government (Hiruy 2001; Meheret 1998). The rationale for the diminishing importance of these models is.<sup>74</sup>

In the case of Ethiopia, there was no clearly established model of municipal governance during the first decade of the federation (1991 to 2001). According to institutional and legal frameworks for urban local government authorities mentioned in the national decentralization policy of the 2000/1, all regional states have enacted legislations creating urban local governments (or city) authorities. The city proclamations by and large have adopted a municipal governance model that follows the elected council, elected mayor, Mayor's Committee and city manager system (MUDHC 2014, 29), and this model follows the council-mayor model.

## **Conclusion**

This chapter first justified how IGR approach can be a framework for studying urban governance under federal system of Ethiopia. It has shown that IGR can be taken as institutional innovation in order to bridge the practical gaps in the implementation of federalism especially at urban/city level. It argued that IGR can bring solution to the governance question without obliterating the fundamental premise of the federal design of Ethiopia. In the Ethiopian federal system, urban local governments hold the lowest status. They have largely gained their current status through changing phases of decentralization and national policy frameworks, not explicitly secured in sub national constitutions. On the one hand, the federal government through its legislative power, national policy competence and through the dominant party system tends to regulate the urbanization process and governance of urban spaces. On the other hand, urban local governments are legal creations of regional governments', and they make primary relationship with their respective regional states. The chapter has showed that it has been the regional state

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<sup>74</sup> *archive.cgr.org/ModelsofCityGovernment*

that determines the legal status, municipal governance model and financial autonomy of the urban localities.

Increasingly, both the academics and practitioners converge on a view that the IGR system of Ethiopia needs some level of formal institutionalization. Towards this end, constitutional principles, extant IGR practices and the comparative IGR experiences of federal systems strongly support the proposal for institutionalization. Yet, whether the arguments of stronger institutionalization of IGRs in Ethiopia should include urban local governments is blurred as long as the debates and efforts towards institutionalization centers on the vertical IGR between federal and state governments, and horizontal IGR between the regional states.

## CHAPTER FIVE

### 5 Governance of Adama City: Regional Factor, Municipal Autonomy and Intergovernmental Influence

#### Introduction

This chapter describes the governance of Adama city incorporating the regional factor, municipal autonomy and intergovernmental influences. It first illuminates the regional context in which the city of Adama is embedded. It then provides the evolution of Adama as an urban habitat and as an outcome of the changes of the overall political and economic systems of Ethiopia. It sketches how the municipal institutional reforms have impacted the municipal governance and how the Adama's relations with ONRS and neighboring local governments are redefining themselves. The chapter concludes by disclosing the main factors that determine effectiveness of the institutional governance of the city of Adama.

#### 5.1 Historical Overview of the Region

All the successive imperial regimes from the mid 19<sup>th</sup> century to 1991 aimed to undermine the ethnic factor in a bid to build the Ethiopian nation-state. The ethnic identification was deeply felt and remained as an undercurrent till 1960s (Smith 2005; Merera 2007).. The present shape of Ethiopia was therefore the result of the efforts made in the last quarter of the 19<sup>th</sup> century. Menelik's conquest and the expansion of the Shawan kingdom (1889 to 1913) took the credit for the consolidation the geographic boundaries of modern Ethiopian state. But the same cannot be said with regard to the inclusion of newly incorporated areas of the south particularly the Oromo into the essence of the modern state formation. The Oromos were not included in equal terms in the economic, political and social life of modern Ethiopia (Ibid)

In the last quarter of the 19<sup>th</sup> century, Menelik not only saw the consolidation of the historic Abssinian kingdom under one rule but also its expansion beyond Shawan to the Southern Ethiopia, by bringing the south people and their territories that were not previously brought under the Shawan rule (Yonatan 2008; Merera 2007). Scholars agree on two facets of Menelik's conquest on Oromo areas and the wider South: land alienation and *Amharazation*. First, following the conquest and the control of the new areas by Menelik, the land was taken from the hold of the Oromo and two third of the land was divided among the warlords, church and agents

of the state of Menelik. The remaining one third was left for local population. The Southern people who were non Amharas were reduced to tenants, and their lands were given as crown lands to the Amhara settlers (Smith 2005; Keller 2005). The system, therefore, introduced an alien land tenure system of peasant-lord relationship and unequal ethnic relations (Ibid; Lovise 2002, 3).

Second, through the policy of *Amharazation*, the Oromo people were forced to speak Amharic, converted to Christianity and change their name into Christian/Amharic names. Regardless of the diversity of the population of the conquered areas, Menelik imposed Amaharic –the language of the ruler as *lingua franca*. Besides, the Monarch put Orthodox Christianity as the religion of the Ethiopian state. In a nutshell, the Menelik reign had imposed the rigid class system of the ruler and the hierarchic Shawan Amhara culture was superimposed upon the egalitarian Oromo culture (Smith 2005; Teshale 1995 cited in Yonatan 2008, 340)

Emperor Haile Silassie (1930 to 1974) further consolidated his power and the policy of nation-state. The Emperor reorganized provincial administrations under the control of the Ministry of Interior, making the traditional regional rules obsolete; the absolute power of the Emperor abolished the traditional regional autonomy. The Provincial boundaries were redrawn to reduce the power of the aristocracy. Administrators at all levels were simply made employees of the Ministry of Interior (Keller 2005, 90).

Emperor Haile Silassie intensely continued the process of building the nation-state along a single ethnic or language group, the Amahara. Hence, like the Menelik reign, the control and exploitation of the subordinate populations, particularly the Oromo, forcibly continued. Land alienation of the Oromo and the wider south was maintained, and the administration of the south was controlled by Amhara aristocracy as well cultural and linguistic domination of the Shawan Amhara (Markakis 2011; Yonatan 2008).

However, the Emperor took up the idea of modernist project of the Ethiopian state (Shimelis 2013) but the Emperor's modernization revolved around an educated elite from the Abyssinians-predominately Amhara and Tigre (Keller 2005,92). The Oromo elites and education of the same were seen as a threat to the Ethiopian nation-state and was perceived as culturally subordinate

(Ibid; Smith 2005). Hence, the social policy of the Emperor completely ignored the genuine multinational identity of Ethiopia.

The Oromo question was one of the major issues confronting the imperial and military regimes. The Oromo demanded for social justice and its leaders asserted that the Oromo nation had a right to self determination (Keller 2005). The Oromo were incorporated into the Ethiopian empire in the end of the 19<sup>th</sup> and early 20<sup>th</sup> centuries. The most favored among the Oromos were only those leaders who chose to become totally assimilated into dominant culture of Amhara, to follow Orthodox Christianity, and to change names to Amhara names etc (ibid). The highland administrators assigned by the emperor (*naftagnas*) saw the Oromo as mere subjects. Hence, in the distribution of scarce resources, the needs and rights of Oromo were merely put to secondary importance. Thus, the quest of the Oromo should be seen in terms of how the the imperial regime built the Ethiopian empire with complete exclusion of the Oromo.

The post WWII situation along with the modernization attempts of the Emperor crystallized the ethnic consciousness among many subordinate Ethiopian populations (Keller 2005); and the Oromo is the major part of such groups. When the Imperial regime was overthrown by the 1974 revolution, it was hoped that the new regime would resolve the two socio-economic causes that led to the revolution: '*land to the tiller*' and *nationalities question*. The Military Socialist Regime, the Derg (1975-1991) like its predecessors, failed to address the national political integration in general and the Oromo question in particular. First, Derg was praised for its nationalization of land and abrogation of the Lord and tenant relations. This land reform made all land in Ethiopia the property of the Ethiopian People including properties in urban areas (Lovise 2002). The land reform addressed the historical grievances of the various ethnic groups in much of the South, including the Oromo (Merera 2007). Second, the decree on equality of region and separation of church and state was also considered as part of the new regime's response to religion based inequalities during the imperial period. The same cannot, however be said with regard to the rights of nations and nationalities or ethnic groups. The imperial state was ethnocratic, and so did the Derg.

With the ideology for building the nation and concentrated power in his hand, Derg Leader, Mengistu, replaced the monarchical absolutism with military Marxism. He continued the centralization of power and denied a role for the regional forces. Mengistu, Derg did not make

any radical break from the Imperial era on the nationalities question (Lovise 2002, 4-5). Merera (2007, 90) observes, “ethnic nationalism was seen as the most serious threat to revolution.” Merera went on to observe that from day one to the coming to power; Derg had applied a military solution to all societal problems, including the national equality and self rule. Consequently, the ethno nationalists like EPLF, TPLF, OLF and WSLF had to struggle and face the military measures of the Derg.

In both the imperial and military regimes the Oromos were the largest effectively excluded ethnic group in the process of building the modern Ethiopia nation-state formation (Merera 2007; Smith 2005). There were no actual policies designed to facilitate the political integration of the periphery including the Oromo into the modern Ethiopian state (Markakis (2011). In this perspective, the attempt of the modern state formation of Ethiopia was punctuated as a failed project of the center to make the citizens of Ethiopia to feel a primary allegiance to the state than to a particular group (Keller 2005, 87).

Consequently, the rise of the Oromo nationalism in the 1960s along the oppressed people was the result of the experience of subjugation and conquest at the hands of Amhara governors and administrators in Oromo lands during the regimes of Menelik and Haile Silassie (Keller 1995; Smith 2005). Up until the radical shift of state-society relations in the 1990s, the Oromo and the other wider Southern places had shouldered the imposed Shewan Amhara political class, Amhara language and the Orthodox Christianity for a century. Hence, for the Oromo and the Oppressed nationalities of Ethiopia, the down fall of the military regime in 1991 and adoption of federalism was not just removal of a regime but a radical shift of state –society relationships.

## **5.2 Oromia Regional State under the Federal System of Ethiopia**

Oromia National Regional State (ONRS) is one of the regional states of the Ethiopian federation.<sup>75</sup> Oromia is not only the largest area in the Ethiopian federation but also strategic at the middle part of the country. The region is inhabited by the Oromo as dominant and absolute majority. It is also a single largest ethnic group in Ethiopia. The region shares boundary with all regional states except the regional state of Tigray. The region, as clearly expressed by the

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<sup>75</sup> Article 47(1) of the FDRE Constitution.

Regional Constitution of Oromia, is established for self determination of Oromo people, and the sovereign power in the region resides in the people of the Oromo Nation.<sup>76</sup> The regional constitution, however, does acknowledge the existence of ‘other peoples’ in the region.<sup>77</sup>

The Constitution of ONRS defines the Oromo nation as those “who can speak the language of the Oromo people, who believe in their common Oromo identity, who share the large measure of common culture as Oromos and who predominately inhabit a contiguous territory of the region.<sup>78</sup>” Moreover, the working language of the regional state of Oromia is Afaan Oromoo, the language of the Oromo.<sup>79</sup> According to the Constitution of Oromia, ‘any Ethiopian resident in the region and who speak the working language of the region has the right to be elected and employed to any public office in the region.’<sup>80</sup>

The Article 49(3) (b) of the Constitution of Oromia grants to Caffee the power to establish additional administrative structures on the bases of the number of population, area and socio-economic activities. These lower administrative units below the regional state are the implementing bodies and the law making power of the region is dominated by the *Caffee* (Regional Council). Currently, Oromia regional state has 19 zones, 265 rural districts and over 6,253 rural *Gandas* and over 43 reformed urbancenters.

Scholars like Getahun (2012) and Asafa (2010) note that the urban system of Ethiopia had put the Oromo community into marginalization and loss of their culture and identity. In this light, the position of the Oromo in the urban places can be evidenced by reading the ethnic and demographic composition of the urban places of Oromia.

According to CSA (2007, 244-245), the Oromo constitutes 87.83% of the ONRS, and the rest 12.17% is accounted by the population with non Oromo ethnic identities. The People with Amhara ethnic identity accounts for 7.2%, and the remaining are accounted by ethnic groups having less than 1% each. In addition, about 67% of the urban population of the region has Oromo ethnic identity.

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<sup>76</sup> Article 8 of the Revised ONRS Constitution 2002

<sup>77</sup> Article 2/2 of the Revised ONRS Constitution 2002

<sup>78</sup> Article 2 and 39/6 of the Revised ONRS Constitution 2002

<sup>79</sup> Article 5 of the Revised ONRS Constitution 2002

<sup>80</sup> Article 33 of the Revised ONRS Constitution 2002

The ONRS has many urban centers. As of the 1994 population and Housing Census of Ethiopia, out of 855 urban centers, 373 were accounted by Oromia. This figure has increased to over 560 urban centers in total of over 900 urban centers as of 2007 Population and Housing Census. According to the most recent census of 2007, the urban population of Oromia accounts for about 3.32 million. The CSA survey report (2011) showed that in the Oromia Region 3.86 million people, about 13%, live in urban areas though the rate of urbanization is galloping at 4.6%.

**Table 5.1: Population by Urban-Rural and Mother Tongue of Oromia**

Mother Tongue	Urban	Rural	Urban + Rural	% Share of the Urban	% Share of the Rural	%share of the Total
Afaan Oromoo	2,028,022	21,467,342	23,495,364	61.13	90.67	<b>87.04</b>
Amharic	1,031,550	1,420,756	2,452,306	31.71	6.00	<b>9.08</b>
Gedeogna	8,890	227,710	236,600	0.27	0.96	<b>0.88</b>
Guragiegna	80,255	83,092	163,347	2.42	0.35	<b>0.61</b>
Sidamigna	3,831	49,240	53,071	0.12	0.21	<b>0.19</b>
Hadiyigna	6,675	36,176	42,851	0.20	0.15	<b>0.16</b>
Tigrigna	18,319	22,247	40,566	0.55	0.09	<b>0.15</b>
Somaligna	25,934	118,229	144,163	0.78	0.50	<b>0.53</b>
Other	113,984	251,681	365,665	3.43	1.06	<b>1.35</b>
<b>Total</b>	<b>3,317,460</b>	<b>23,676,473</b>	<b>26,993,933</b>	<b>100</b>	<b>100</b>	<b>100</b>

(Source: Population and Housing Census for Oromia Regional State, CSA (2007: 288-289)

The size of the population who has Oromo ethnic identity and the number of the population who speak the Afaan Oromo language as their mother tongue in the region is almost the same. But the same cannot be said with reference to the urban and rural spaces. Of the total number of rural population in Oromia, 91% speak Afaan Oromoo as mother tongue. But the figure is not the same for the urban Oromia. More than 60% of the urban Oromia speaks Afaan Oromo while 30% speaks Amharic as mother tongue, and the rest 10% is accounted by several mother tongues spoken in the region. Furthermore, the most recent Population and Housing Census of 2007, shows the religious affiliation of the population of accounts 30.39% Orthodox, 47.55% Muslim, 17.71% Protestant, 3.29% traditional, 0.45% catholic and 0.60% other (CSA 2007, 329).

### **5.3 Adama City: Local Autonomy and Intergovernmental Influence**

#### **5.3.1 Urbanization of Adama: Ethnic and Demographic Contexts**

Adama is located in the upper Awash River basin in the South Eastern Shoa. The city is in proximity to and at an optimal distance of 100 km from both federal and Oromia regional capital, Addis Ababa/Finfinnee. It is found within the rift valley system, situated on the flat land surrounded by ridges and hills on every side except in the southern direction (Adama City Socio-Economic Profile 2016).

The foundation of Adama as urban center is primarily associated with the establishment of a railway station in 1916. The historical records on the town show that Adama town originated on the land allotted to Railway Company. The railway route between Djibouti and Addis Ababa took twenty years (from 1897 to 1917) to completing the construction. This naturally gave rise to the emergence of many railway stations, which later transformed into urban centers like Dire Dawa, Matahara, Awash, Mojo, Bishoftu, Aqaqi and others (Getahun 2007; Gutema 1996; Addisu 2006). Historians have also recorded the preexistence of different commercial centers like Wanji, and Bofa and different trade routes from Arsi and Bale which converged in Wanji and took all the way to northward as far as the present day Addis Ababa (Gutema 1996). Hence, prior to the construction of railway station in 1916, Adama already had the necessary preconditions that could help the urban formation: surplus food and preexisting trade routes (Ibid).

Gutema (1994, 118) has noted that the Oromos were essentially inhabitants of the Adama and its vicinities before the close of the 19<sup>th</sup> century. Different Oromo subclans mainly Arsi, Jille, Karayyyu, Galan, Gimbichu and Obori were the inhabitants of the region prior to the expansion of the Kingdom of the Shawa in the last quarter of 19<sup>th</sup> century. Particularly, the Arsi Oromo who used to inhabit South East Shawa including the present Adama and its vicinity resisted fiercely and fought against the swallowing of their territory and rule into the Shewan Kingdom from 1881 to 1886 (Gutema 1996, Markakis 2011). The area south of the Qachama ridges or present day location of Adama was always a zone of conflict between the highland Oromo clans and the Arsi but the balance of power over the area was with the Arsi before they fell into the hands of forces of Menelik after a fierce resistance (Ibid 1996 27-29). King Menelik II gave the most extensive land grant (both the produce and the labor on it) known as *Rist Gulta* to his wife

Taytu and *Dajjasmach* Garmame. Consequently, the followers of Garmame and Taytu- largely from North Shawa and Gonder -had settled in Adama. From the beginning there was increasing migration of the Amhara population to the Adama from the surrounding rural areas who were the major benefactors of military successes of Menelik in the region during the last quarter of the 19<sup>th</sup> century. Soldiers, war veterans and various officials were newly given pieces of land in the vicinity of Adama, and these people naturally settled in the town (Gutema 1996, 25).

However, first major urban transformation of Adama was effected during Italian occupation (1936-41), (AMPRP 2004).<sup>81</sup> Prior to the Italian occupation, Adama's function was mainly for the purposes in connection with transport and the daily living of the workers of the railway company. But the Italians had established the municipal office and the water supply for Adama. It was primarily by the urban plan, prepared by Italians in 1938 for the first time, that the old Adama incorporated the surrounding traditional markets including *Wanji, Bofa and Sagno Gabaya*. The Italians saw Adama as an important strategic regional center for central and southern parts of Ethiopia. In their plan, Adama was imagined as a military, administrative and commercial hub for the region. Further, they connected the town with many of their provincial centers by telephone, telegraph and radio networks (Addis 2006; AMPRP 2004; Gutema 1996). During the occupation period the major consequence was the alienation of the local people from accessing land, and land was owned by the Italians and land lords who were loyal to the Italians (Addisu 2006, 38).

Emperor Haile Silassie refashioned the Italian vision of Adama (Gutema 1996). In 1944/5, four important events took place with regard to Adama: 1) the municipality got legal personality<sup>82</sup>; 2) the Emperor decided to transfer Adama from Harari region to Shawa; 3) Adama was made an administrative capital of Erar and Karayyu *Awuraja*<sup>83</sup>, Adama district and Chorre sub-district; and 4) Adama was renamed as Nazreth<sup>84</sup> on the occasion of the Emperor's visit to the town where he had got a new palace constructed. Several interpretations were given with regard to the change of name of the urban space: One interpretation posits that the emperor was surprised by

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<sup>81</sup> <http://www.adamacity.gov.et/future2.htm>

<sup>82</sup> Proclamation No 74/1945, A Proclamation to Provide for control of Municipality and Township Programs.

<sup>83</sup> Subordinate administrative units below the provinces and above the districts(woreda)

<sup>84</sup> Similar praxis of name change was performed against other Oromo urban centers including Waliso to Gyon, Bishoftu to Debre Zeyit, Ambo to Hagere Hiyot, Chiro to Assebe Teferi etc. See, Gutema (1996).

the endowment of the area in terms of cereal crops and livestock brought to the town from the surrounding agricultural areas. The Emperor appears to have compared the town with the real Nazareth of Israel. The second interpretation is that the policy of change of name was already an established spatial principle of converting place names from non-Semitic and Oromo names to Semitic or Biblical Christian names. The effort was simply to de-Oromize the city (Socio-economic Profile of Adama 2016). The third interpretation points out that it was a signal for incorporation of the area into the Shewan Christian Kingdom.

Later, the different modernization projects to achieve import substitution policy of the Emperor had served as pulling factors in the urbanization of Adama. Large scale mechanized farms in Awash valley in 1960s; Koka Hydro electric power construction from 1958 to 1960; Galawdiwos School in 1948 and Haile Mariam Mamo Hospital in 1964 were some of these projects (Kebede 1994; Gutema 1996). Derg regime continued the suppression of local community in and around Adama, and the urban growth of Adama declined for a while because of the restrictions of mobility and state control of the market and urban functions.

Since acquiring the municipal status in 1930s, Adama was serving as the administrative center across change of all regimes. Table 5.2 shows that the status of Adama was susceptible to different changes of status and roles under different regimes. Significant was the period 1945-1988 when Adama had been serving as the Capital of Erar and Karayu Awuraja.<sup>85</sup>

**Table 5.2: Administrative Status of Adama in Different Periods**

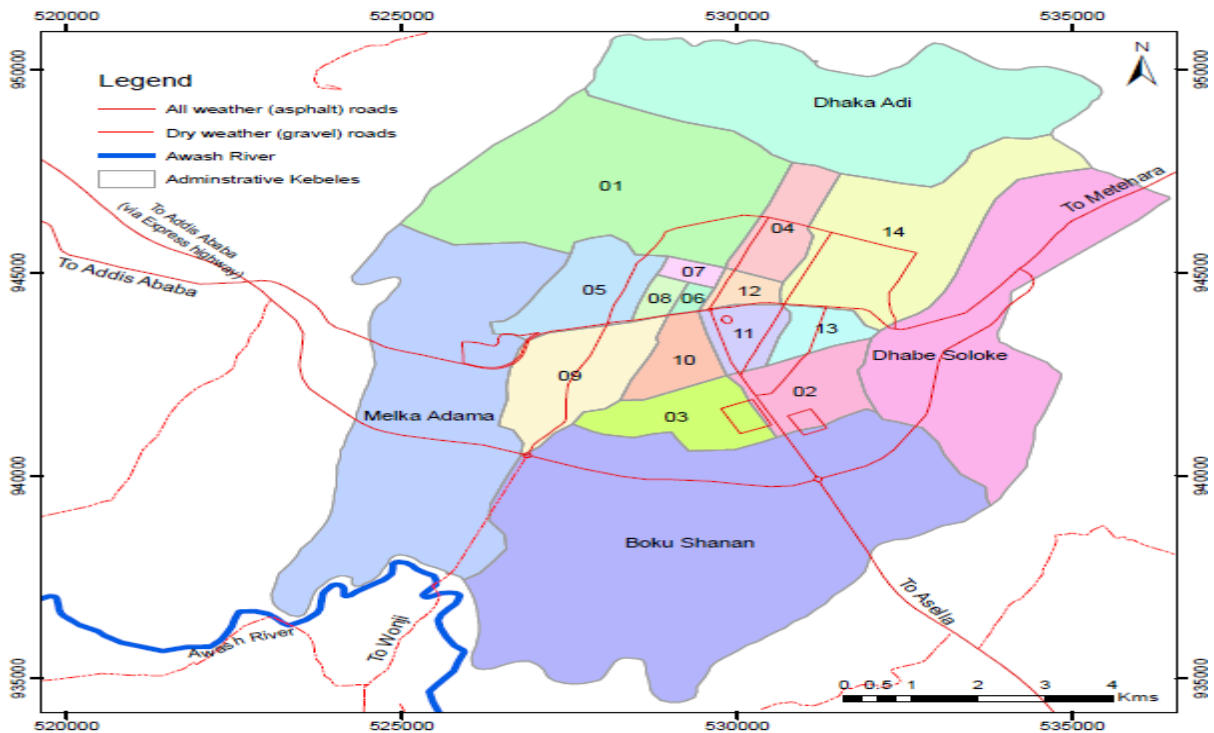
<b>Period</b>	<b>Status</b>
During Italian occupation (1936- 1941)	Given Municipal status
1945 – 1988	Capital of Yerer and Karayu Awuraja
1988 – 1991	Capital of East Showa Administrative Region
1991 to date	Capital of East Showa Administrative Zone
Since August 2000 to date	Seat of the Regional Council/Caffee
Since August 2000 to June 2005	Capital of the Regional State of Oromia

<sup>85</sup> Adama Master Plan Office 2004.

(Source: Summarized from Adama Master Plan Revision Project Office (AMPRPO) 2004).

Both the physical expansion and the trends of population growth of Adama city show rapid urbanization of Adama. In the first master Plan of Adama by the Italians, the areal extent of Adama was 120ha. It had grown to 320ha in 1949. In 1957/58, Adama had grown to a size of 1000ha. It was a fast growing city, and the city became the sixth largest of cities behind Jimma, Harar, Dassie, Dire Dawa and Addis Ababa in Ethiopia within six decades from its foundation in 1915/6 (Gutema 1996). In 1968, the Adama's size was 3140ha and in 1995 it had grown to 3240ha (AMPRP 2004). AMPRP of 2004 states the areal extent of the city as 13,665ha. Now, the City has 18 lower administrative units called *Gandas/Kebeles* as illustrated by Map 5.1.

**Map 5.1: Administrative Map of Adama City**



In terms of demography, under the first the first Population and Housing Census of 1984 puts the population size of Adama as 77,237. The second and third Population and Housing Censuses of 1994 and 2007 reported 127,842 and 220,212, persons respectively. The CSA population projections of the city for 2012 and 2015 are reported as 282, 974 and 356,344, respectively (Socio-Economic Profile of Adama 2016).

According to the Census of 2007, about two fifth of the population of Adama city is accounted by residents having an Oromo ethnic identity. The same, however, cannot be said for the composition of the population based on mother tongue. Four ethnic main groups in the city of Adama are the Oromo (39.02%), the Amhara (34.53%), the Gurage (11.98%) and the Silte (5.02%); and the all other ethnic groups make up 9.45% of the population. Amharic was spoken as a first language by 59.25% while 26.25% spoke Afaan Oromoo and 6.28% spoke Guragiegna; the remaining 8.22% spoke other primary languages.<sup>86</sup>

The demographic composition of Adama shows that the percentage of ethnic background of the population of the city is not equivalent to the distribution of the mother tongues. In this case, 59.25% of the population speaks Amharic as first language but Amharas account for 34.53% of the ethnic groups living in the city. Not all Amharic speaking residents are Amharas. Contrary, 26.25% of the residents of the city speak Afaan Oromo as their first language but 39.02 % of the city is ethnical Oromo. As already hinted above, there were historical factors favoring the spread of Amharic language and the Amharization processes. Further, the majority of the inhabitants, 63.62% practice Ethiopian Orthodox Christianity while 24.7% of the population is Muslims, and 10.57% are Protestants.

### **5.3.2 Adama City and ONRS Relations**

In Oromia, as elsewhere in the federation, cities are not given equal protection with *aanaa* (or *woredas*). Woreda administration is constitutionally recognized but holds functional responsibilities under the sub-national constitutions. In contrast, except for stating the region's capital, ONRS constitution does not explicitly express the status of urban localities. Cities or urban administrations are not among the levels of government created by the regional state constitution. In the period prior to 2002, urban local administrations were subsumed under District (*Woreda*) and Zonal Administrations. This was, however, changed in the period after 2001/2 with the launching of second wave decentralization for the implementation of development policy. A number of city proclamations were issued by the regional state councils and the *Caffee* created the city administrations through city proclamations. The following section briefly discusses the status of the city of Adama and its changing relationships with the ONRS.

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<sup>86</sup> Population and Housing Census of Oromia, CSA 2007 pp.317

The establishment and classification of towns in Oromia has begun with Proclamation No. 26/1999. The rationale of enacting this proclamation *inter alia* was to strengthen the administration of cities in every region in order to provide full social and economic services for their residents. According to Article 17 of the Proclamation No 26/1999, a town stands for “a place in which municipality has already been established or which is designated as a town by the regional Bureau of Urban Works and Development in consultation with the Ministry of Urban Works and Development.” The proclamation classified towns into four levels based on their ‘level of development.’ These were: Special Zone, special woreda, sub-woreda or special kebele.<sup>87</sup> Under Proclamation No 26/1999, the city of Adama was a ‘Special Zone.’ This status has made the city administration directly accountable to the region, and there exists no other administrative structure between the city and the region.

Under the Proclamation No 26/1999, Adama Town Administration Council had the power to supervise and ascertain the execution of the powers and duties given to the city. It was also the town Administration Council which could prepare its budget and plan with the technical support of the Bureau of Urban Works and Development. The city executive committee is nominated by the council but the Chairperson, Vice Chairperson, Secretary and two members of the executive committee were appointed from among those nominated by the executive committee of the regional government.<sup>88</sup> From 1991 up until 2003/4, there was no mayoral system. The executive committee was accountable to the Town Administration council for the function they performed collectively.<sup>89</sup> The Chief Executive of the Adama town Administration was made accountable to the city council and the executive committee.<sup>90</sup> The Chairman of the Adama Town Administration had participated in the meetings of the council of the regional government.<sup>91</sup> Practically, the members of the Adama Town Administration were assigned by the regional executive committee, and the same regional committee had the power to issue regulations and principles for the proper implementation of the Proclamation No 26/1999.<sup>92</sup> However, the Proclamation No 26/1999 did not establish any clear model of municipal governance structure, and the nature of power and function granted to Adama city lacked spirit of devolution.

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<sup>87</sup> Article 2 of the Proclamation No 26/1999 for the establishment of towns in ORS.

<sup>88</sup> Article 8/2/c/ and art.9/3/a/b of the Proclamation No 26/1999

<sup>89</sup> Article 10/2 of Proclamation No 26/1999

<sup>90</sup> Article 11/1 of Proclamation No 26/1999

<sup>91</sup> Article 11/1/c of Proclamation No 26/1999

<sup>92</sup> Article 17 of Proclamation No 26/1999

In 2003, the designation of Adama as town was abandoned by the Proclamation No 65/2003. The Proclamation has not only established the Urban Local Government of Adama but also it established two main functions of the city administration: State function and municipal function. This Proclamation defines the “City” as a community of residents incorporated as a city by the Regional Executive Council or delegated body.<sup>93</sup> This Proclamation has created four grades of cities based on the size of the population.<sup>94</sup> Accordingly, first grade cities are those cities above 90,000; second grade cities have from 45,000 to 89999 residents; third grade cities have a population ranging from 10,000 to 44, 999, and fourth grade cities have population ranging from 2,000 to 9999. Particularly, first grade cities of Adama, Burayou, Bishoftu, Jimma, Sabata and Shashemene altogether account for about 23% of the urban population of the region as of 2007 Census. These cities have close interaction with the Regional Government and report their activities directly to the Office of the President of the Regional State.

Unlike the city Proclamation No 26/1999, Article 6 of the Proclamation No. 65/2003 has generally laid down the important principles for IGR between city and the regional state.<sup>95</sup> First, it recognizes the self governance of the city. It underscores the democratic accountability of the urban government to the electorate by stating that all local power stems from the residents. Secondly, the principle of relations between the city and the regional state is based on the accountability and responsibility of the city to the Regional State. Thirdly, the proclamation stipulates that the relations between a city and the Regional Government shall be guided by spirit of cooperation, partnership, support and rule of law.<sup>96</sup> By the same token, the urban administrations are conceived as partners, equals and non-subordinates. Fourthly, the relationship between a city and the Regional State relies on the coordination and smooth flow of information among parties to the relationship. Fifthly, the kind of assistance that the Regional State extends to cities relies on the principle of equity and competitiveness.<sup>97</sup> Thus, the principle of IGR between a city and the Regional State is slated on the dual accountability of the city to the region and to its residents.

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<sup>93</sup> Chapter 1 of Proclamation No 65/2003.

<sup>94</sup> Article 6 of Proclamation No. 65/2003.

<sup>95</sup> Article 24 to 30 of Proclamation No. 65/2003 for establishment of Urban Local Governments of Oromia.

<sup>96</sup> Article 24(2) of Proclamation No. 65/2003 for establishment of Urban Local Governments of Oromia.

<sup>97</sup> Article 27 of Proclamation No. 65/2003 for establishment of Urban Local Governments of Oromia.

On behalf of the regional government of Oromia, Bureau of Urban Development and Industry has the power to lead the affairs of the ‘urban local governments’ of the region. The Bureau has the mandate to facilitate a good working relationship between the regional government and the cities. The bureau shoulders the duty to build the capacity of cities through technical, material and institutional supports.<sup>98</sup> Beyond its power to define a certain space as urban and leading responsibility with regard to urban affairs, the regional state through its law making body, Caffee, has reserved the ultimate power over urban local government to itself. Caffee can dissolve the council of urban local government where it “believes that the operation of the council of the urban local government poses a threat to the constitution or where serious security problem or human right violation and similar acts are not controlled resulting in injury to the public interest.”<sup>99</sup>

Amendment was made to the Proclamation No 65/2003 by Proclamation No. 116/2006. As the preamble of the amendment Proclamation No. 116/2006 states, the regional state amended some provisions under the Proclamation No 65/2003 in order to ensure the right of self determination of the Oromo at the local city level. This amendment Proclamation vows to tighten the relationship between the city, Oromo and the ONRS. In doing so, the Proclamation employs two important mechanisms: 1) the appointment and accountability of the City Mayor and 2) representation of the Oromo in the city Council.

First, the Mayors of Adama have been appointed and accountable to the Region’s President.<sup>100</sup> At the same time, the Mayor is expected to produce his plan and report to the council of city but Mayor is not elected by and accountable to the council.<sup>101</sup> Such a situation of the relations between the Mayor and the President has been criticized because this arrangement makes the Mayor to focus on upward accountability to the President’s will than the collective accountability of the City Council and Mayor. Secondly, under the Proclamation No 116/2006, the governance of first grade cities primarily focuses on meeting the self governance of the Oromo, based on the ethno-territoriality logic set by the Federal and Regional Constitutions. It

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<sup>98</sup>Article 53 and Art 54 of the Proclamation No 65/2003 for establishment of Urban Local Governments of Oromia.

<sup>99</sup> Article 30 (1) of the Proclamation No. 65/2003 for establishment of Urban Local Governments of Oromia.

<sup>100</sup> Article 6 of State Proclamation No. 116/2006 for amending the Proclamation No. 65(2003) for establishment of Urban Local Governments of Oromia.

<sup>101</sup> Article 7 of State Proclamation No. 116/2006 for amending the Proclamation No. 65(2003) for establishment of Urban Local Governments of Oromia.

appears to achieve this self rule as the regional Proclamation puts some mechanisms of ensuring it. So, Article (4) of Proclamation No 116/2006 states:

When the number of Oromo residents in first and second grade city is found minor or undersized, the administration council of the national regional government may notice the number of Oromo people against other people and reserve 50% of the seats in the city council. This provision is also applicable to the council of the city *ganda*.

The percentage for the representation of the neighboring hinterland or rural *kebele* in the city council has been increased to 20%<sup>102</sup> by repealing the 5% in Proclamation No 65/2003. Since the 20% from the neighboring kebeles to the city are predominately inhabited by Oromos and the candidates for city council seats are required to comprehend Afaan Oromoo<sup>103</sup>, it could be said that the city proclamation has already reserved 70% of the city council seats for the Oromo. Moreover, this amendment proclamation repealed the phrase “urban local government” and replaced it with “urban administration.” This reveals that urban centres are not the full fledged levels of government created under the Regional State. Instead, they appear as deconcentrated administrative units below the region.

On the one hand, for justifying the issue of representation of the Oromos in the city council, the proclamation gives primacy to the right of the Oromo to self determination in the region, which remains the same across the levels of administration in the region. In this light, the Federal Constitution has basically created two levels of government, but where the principle of ethno territoriality of a distinct group applies, the ethnic group in question has the right to territorial self governance. On the other hand, urban administration is also accountable to the Regional State. As the respondents<sup>104</sup> in this study unfold, the measures that Oromia has taken to rectify the situation of marginalization of the Oromo in the pre-1991 processes of urbanization and governance of urban spaces.

The municipal council elections in first grade cities have so far not clearly shown a resort to implementing the equation for the representation of the Oromo to ensure the self rule right over

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<sup>102</sup>Article 5 of Proclamation No 116/2006 for amending the of Proclamation No. 65/2003 for establishment of Urban Local Governments of Oromia

<sup>103</sup> Article 13/7 of Proclamation 65/2003 for establishment of Urban Local Governments of Oromia.

<sup>104</sup> Key informants from the relevant regional bureaus

these urban spaces. This is because of the fact that the same party rules at the municipal, the neighborhood and the regional state levels.

### ***Adama as Regional Capital (2000-2005)***

In August 2000, the OPDO/ EPRDF have shifted the capital of the regional state of Oromia from Finfinnee to Adama.<sup>105</sup> Subsequent to the selection of Adama as the seat for the Government of the Oromia Regional State, Addis (2006) notes, the growth of Adama was boosted increasing number of ‘new faces’ in the city – numerous workshops, construction of several public projects and the accompanying new work forces. After the nomination of the city as capital of the region, the regional state of Oromia has built the new building of the regional Council/caffee at around the old and original site of the city (railway station) on the outlet road heading to Addis Ababa (Addis 2006). The decision to shift the regional capital from Finfinnee to Adama was however unpopular because the same party which decided to move to Adama declared that the capital be shifted to Finfinnee again. Unlike the shift of capital from Finfinnee to Adama, nobody has protested against the return of the regional capital to Finfinnee in 2005 to till date. Presently, the official capital city of the ONRS is Finfinnee but some key regional organs like the Caffee (regional legislature) and regional Mass Media are still housed in Adama.

### **5.3.3 Municipal Governance Model of Adama**

Proclamation No. 65/2003 sets the Council-Mayor model of municipal governance for Adama<sup>106</sup> According to this model, the mayor and the council has clear and distinct duties and roles. They are elected for the same term. The Proclamation assumes that citizens are better served because the two bodies have collective responsibility and can be held accountable to their constituencies. Under the proclamation No 65/2003, the Mayor should be elected by the City Council from among its members, and the Mayor is accountable to the City Council and the President of the ONRS and the term of office of the Mayor is the same as the city council.<sup>107</sup> This was later amended by Proclamation No 116/2006 and the Mayor’s accountability to the city council was abrogated, and the appointment and accountability of the Mayor of Adama has been granted to

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<sup>105</sup> <https://web.archive.org/web/>

<sup>106</sup> Article 10 of Proclamation No 65/2003 for establishment of Urban Local Governments of Oromia

<sup>107</sup> Article 18/1 of Proclamation No. 65/2003.

the President of the ONRS.<sup>108</sup> Under such a system, anyone who is conversant of Afaan Oromoo and loyal to OPDO could be a potential Mayor even without entering electoral contest at the municipality level.

The rationale behind the design of unique mayoral system for the first and second grade cities in general and for Adama in particular poses the question: Does the urban institutional design ensure the self rule right of the Oromo? Does the mechanism and institution of relationship between the city of Adama and Oromia profoundly authorize the territorial group, the Oromo? Or is this a matter of political control over the urban space? Would there be the same or similar arrangement if the partisanship varies from the city, neighborhood and regional levels?<sup>109</sup>

On the positive side, the appointment system reserves the Mayoral position for the Oromo, as the empowered group of the region, and helps to ensure the self rule of same group in the city. Besides, the system may allow the president to find and appoint a highly qualified and experienced Mayor as the selection of Mayor is not restricted to a membership in the city council. It has the benefit of appointing the right Mayor who has a leadership and technical capacities altogether.

However, the drawback of the appointment system is that as the Mayor and Vice Mayor of the city are appointed by the President of the ONRS and are accountable to the same person, there is no doubt that the appointment and upward accountability of the Mayor hinders local democratic process, as it is not anchored in the local residents. For some the strategy is perceived as another mechanism of excluding the non-Oromo from being the city Mayor.<sup>110</sup> Also, the appointment system of the Mayor of Adama has a tendency to accumulate power in the hands of the Mayor which makes the city council subordinate because the Mayor controls the vertical flows of information and excludes the council from the management and administration of decisions. In addition, the city council is at the weak position as long as it could not endorse the appointment of the Mayor. According to the council-Mayor theory of municipal governance, the Mayor is expected to be not only a politician but also he/she must be a competent in public management

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<sup>108</sup> Article 7 of Proclamation No. 116/2006

<sup>109</sup> Interview: Ex-Municipal Manager of the city of Adama; April 2016; Adama

<sup>110</sup> Interview: Mr Hailu, April 06, 2016, Adama

(Meheret 1998; Hiruy 2001). The practice in Adama<sup>111</sup>, however, shows that the Mayor has been in office primarily because of the loyalty to the ruling party and regional executive. Neither urban governance related experience nor relevance of their profession has been paid considerable attention in the appointment of Mayors. Also, the model has resulted in neither strong mayor nor strong council.

Moreover, the appointment and accountability mechanisms do not allow for stronger level of institutionalization, as the key positions like the Mayor are unstable and the institutional memories are perturbed by the time this individual vacates from the position. This is practically observed in the case of Adama city. The Mayoral position has been unstable, and there has been change of Mayors within the tenurial five years period of the City Councilors. The Office of the Mayor in Adama is one that has seen five Mayors between 2009 and 2012: Tola Berisso (PhD), Alaka Simbiro, Ayele Worku, Guta Acharo and Bakar Shale.<sup>112</sup> From 2012 till date three mayors have occupied the position: Abraham Adula, Habtamu Haile Micheal Adanech Habebe. Adanech is a first female Mayor appointed as of 20<sup>th</sup> November 2016 and continuing till date.<sup>113</sup> Chart 5.1 below shows the Organizational structure of Adama city Administration.

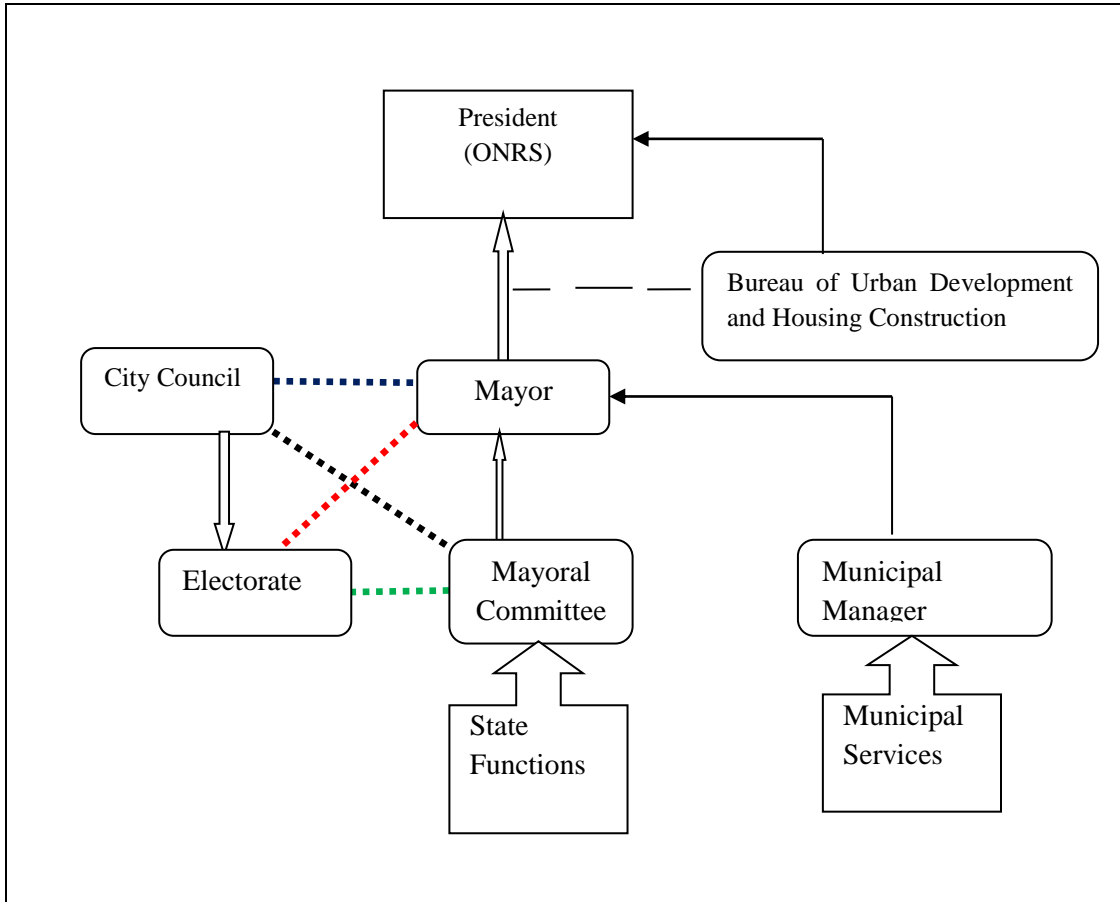
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<sup>111</sup> Interview: ex-Municipal Manager, August2, 2016.

<sup>112</sup> <http://addisfortune.net/articles/adama-gets-new-mayor-again/>

<sup>113</sup> Oromia Media and Television Organization, 20<sup>th</sup> November, 2016, evening news.

**Chart 5.1: Adama City Organizational Structure**



***City Council***

According to the OPDO, anybody who speaks Afaan Oromoo and believes in the political program can be a City Councilor (Tokuma 2010). Although Article 39(6) of the ONRS constitution defines the people of Oromo nation as “those people who speak the Oromo language, who believe in their common Oromo Identity, who share a large measure of a common culture as Oromo’s and who predominately inhabit in a contiguous territory of the regional state”, the OPDO recognizes the language criterion only for electing the City Counsellor.

Though the city Proclamations No. 65/2003 and 116/2006 guarantee the dominant representation of the Oromo in the first and second grade cities, it implicitly acknowledges the existence of groups other than Oromo. So far the members of the city council are directly elected by voters in the city, and it has been OPDO which had won the municipal elections. But future elections may

bring in the non-Oromos to be represented in the city council. The regional government and the OPDO fear about such probability for the Oromo to be put into minority status (Yonatan and Christophe 2015, 73).

If the non-Oromos get such an opportunity, it means the Oromo must share the legislative and administrative powers, which deviates from the locus of sovereignty as per the regional constitution (Tokuma 2010). How would the representation of the non Oromos in the city be secured? On the one hand, the law making power of the region is dominated by Caffee. On the other hand, the administrative units below the regional government including cities are mainly regional policy implementers and service providers. In this context, the issue of representation in city council would be more symbolic than meaningful empowerment. That is why Tokuma (2010, 83) notes the importance of representation of non-oromos in Caffee has paramount importance than being in the city council. Hence, the discussion of empowerment, representation and inclusion of non-Oromo in the urban governance could meaningfully be dealt with if it is performed at the regional level, as the city power and functions are subjected to change any time the regional government finds appropriate. As it stands now, the city council cannot decide on issues of inclusion and representation without the regional state.

According to Proclamation No163/2011<sup>114</sup> on the reorganization of power and duties of the regional state executive bodies, the number of members of Adama city council can be “determined by the city council upon presentation of the Mayor.” The Key official<sup>115</sup>, for example, views that the strong rationale behind the deliberate focus on first and second grade cities is to checkmate the persistence of Oromo self rule in the key urban centers where the Oromo was made minority by the policy of urbanization and urban administration by previous regimes. In this way, in the anticipation of uncertain future of urban politics, the majority of the seats in the city council have been reserved for the Oromo. This is in line with first past the post electoral system. The region partly understands that the Oromo might be reduced to non dominant position wherever the political party breaks. If the solidarity of the political party breaks, the relationship between the city, neighborhood and the region will become uncertain.

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<sup>114</sup> Article 54 of Proclamation No 163/2011.

<sup>115</sup> Key Informant: Mr Firomsa, UDIB, Oromia, August 2016.

### ***Mayor-Manager Relation***

Regional Statute also sets the relationship between the Mayor and the Manager of the municipal functions.<sup>116</sup> In principle, the relationship between the Mayor and the Manager of municipality presumes the coordination of the city's political and professional activities. In this case, Mayors, as politicians, should be able to carry out the policies for which they are held accountable. In contrast, the city Manager should focus on professional activities of the municipality. In fact, a Mayor-Manager relation in first grade cities is so fused and there has been a blurring of boundaries and terms of coordination between the political and professional activities.

The relationships between the mayor and manager influence the provision of urban services. As Joshi (2010) notes the city politicians would be made accountable if they don't adopt appropriate policies; the Managers/Public Officials are accountable if they do not deliver according to rules or entitlements, and for not monitoring service providers for appropriate delivery; and the bureaucracies/ providers could be accountable if they do not maintain service levels in terms of access and quality. This division of labor is practiced in the city of Adama. Nonetheless, the problem is on ensuring accountability. The Managers are expected to be professionals free from political baggage. But the practice shows the political loyalty and membership to the ruling party is a key factor for even recruiting the manager. In this case, the political controller and administrator of service provisions get entangled, and both of them focus more on the political dimension as it determines their tenure. Again, the service providers are also members of the ruling party. Thus, the political factor drives the action and responsibility of the Mayor, Manager and the bureaucrats.

#### **5.3.4 Adama City and Surrounding Woreda Relations**

Adama is not only situated in the Adama Woreda and East Shoa Zone but it is also the capital of these administrative units. However, the city has no direct line authority over East Showa Zonal Administration and Adama Woreda. As Adama is connected to the surrounding Woreda, they cannot function without helping each other. The urbanization of the city particularly raises a number of governance questions for the neighboring Woreda administration.

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<sup>116</sup> Proclamation No. 65 /2003 for establishment of Urban Local Governments of Oromia.

During the first decade of the Ethiopian federation, there was no clear provision on the city-neighborhood relationships. In 2003, the regional state's council/Caffee has come up with some important provisions on the urban-rural linkages. Earlier Article 28(2) of Proclamation No. 65/2003 sets the terms of IGR between the city and *woreda* governments. According to the Article, a joint committee could be created for performing two key functions: first, it must identify issues of mutual interest and set strategies to jointly address and strengthen the urban-rural economic interaction; and second, it must amicably settle boundary disputes between the urban and the concerned hinterland or adjoining rural areas. If the committee could not settle the dispute, the Regional Executive Council has the final authority to resolve the case.

There have been different sector-based committees that discern the cooperation between the city of Adama and the surrounding *woreda*. However, the interactions between the city and the surrounding *woreda* administrations do not take place observing any clear guidelines and institutions of IGRs. For example, the practices suggest that when there is a felt need to enlarge the municipal borders, the city administration can do so through its urban plans. The committee is, in fact, supposed to moderate the effects of urbanization. But the institutional failure of the inter-local cooperation, the rapid and uncoordinated territorial expansion of the city has boosted the growing tension on issues of land and service delivery.

Peculiar to first grade cities, however, Proclamation No. 116/2006, Article 5, reserves 20% of the seats of City Council for the city's hinterland, *gandoota*. This effort of representing the hinterland's voice in the city appears to resolve the challenge that urbanization could put on the surrounding communities. The elected members may serve as the IGR channel between the city and the surrounding *woreda*. In practice, city council has never challenged the decision of key executive with regard to city and surrounding local rural administrations. Since the city is the capital for the surrounding local administration and in so far as it has been the same party that rules over the city and the *woreda*, the interaction between the units and the extent to which their relationship works out has not been questioned.

Adama city previously had 14 *Gandas* but four rural *Gandas* were incorporated to the city boundary in 2011, following the corridors and expansion sites of the city (see table 5.4) which has been towards

**Table 5.3: Newly Incorporated Rural Gandas to the City of Adama**

Name of Ganad	Population	Location/direction
Malka Adama	1901	Outlet to Finfinnee
Dabe Soloqe	5107	Outlet to Djibouti
Boku Shanan	7449	Outlet to Assala
Dhaka Adi	1831	Towards Ganda 04(Bole)

*Source: Adama City Profile 2012*

One of the key reasons that the planners<sup>117</sup> point out is that Adama city has comprehensive Master Plan which incorporated the detailed hinterland scope study on the relationship between the city of Adama and its exteriors. It did capture linkage between the City and Surrounding Woreda Relationships as inevitable and mutual. A key informant talking about the nature of relationship that should exist between the city and surrounding Woreda puts it as: ‘*Ollaa fi dugdaan lafaa ka’ani*’ i.e. as a human being cannot stand up without backbone, neighbors cannot function without each other.

### **5.3.5 Municipal Financial Autonomy and Fiscal Relations**

The financial autonomy of Adama is expressed under Proclamation No 65/2003 that established the functions and powers of the city. According to Article 37(1) of the Proclamation No 65/2003, “the city may introduce, adjust and collect taxes, rentals and service charges in line with the federal and regional policies and laws.” Here, the revenue from urban land and property tax can be used for municipal functions, and the city uses these as own source of revenue.<sup>118</sup> In contrast, the city administration receives funds from the regional government for the work it carries out on behalf of the region.<sup>119</sup> Furthermore, the city administration has the authority to determine and manage its budget. It is the Mayor who prepares the budget proposals, and presents it to representative of the resident and Kebele council. However, the city council holds the power to endorse the budget proposal.<sup>120</sup> From the regional government bodies, the Bureau of Urban Development and Industry of Oromia hold the power to assist the city in the preparation and implementation of Budget.<sup>121</sup> Article 37/4 of city proclamation No. 65/2003 entitles the city to

<sup>117</sup> Interview: Engineer and ex-Adama city Manager, August 02, 2016.

<sup>118</sup> Article 37/2 of Proclamation No. 65/2003

<sup>119</sup> Article 37/2 of Proclamation No. 65/2003

<sup>120</sup> Article 40 (1-2) of Proclamation No. 65/2003

<sup>121</sup> Article 40/4 of Proclamation No. 65/2003

receive subsidy from the regional government as a proportion of the revenue collected within the city boundary.

As the informant<sup>122</sup> from the revenue office shows, the city of Adama is not dependent on the region for financial resources but the region needs the city for its huge revenue capacity.

**Table 5.4: Sources of Adama City Revenues from 2010 to 2015**

Type of Revenue	Fiscal Years					
	2010	2011	2012	2013	2014	2015
Tax revenue	65.23	82.12	N/A	169.9	250.39	383.78
Direct Tax	51.93	62.72	N/A	124.13	196.61	304.92
Indirect Tax	13.3	19.42	N/A	28.86	63.78	78.86
Non Tax	4.42	7.96	N/A	28.86	18.04	24.92
Municipal Revenue	73.56	70.1	87.92	121	157.4	286.2
<b>Total</b>	<b>143.22</b>	<b>160.22</b>	<b>239.54</b>	<b>298.16</b>	<b>435.80</b>	<b>694.9</b>

(Source: Adama city Socio-economic Profile 2016, 39)

**Table 5.5: Adama City Revenue Performance from 2008 to 2015**

Fiscal Year	State Revenue		%	Municipal Revenue		%
	Plan	Performance		Plan	Performance	
2009	35	47.76	136.46	165	90.2	54.67
2010	60.72	69.66	114.72	100	73.56	73.56
2011	76	90.12	118.58	110	70.1	63.73
2012	114.26	151.62	132.70	108	87.92	81.41
2013	200	177.6	88.80	124	121	97.58
2014	300	278.4	92.80	131	157.4	120.15
2015	430	408.70	95.05	250.2	286.2	114.39

(Source: Adama City Revenue Authority Office 2016)

**Table 5.6: Adama City Revenues**

Fiscal year	State Revenue(SR)	Municipal Revenue (MR)	Total City Revenue (SR+MR)	Transfers and external funds (TEF)	Total Expenditure	% of Expenditure accounted by City Revenues(SR+MR)
2009	47,760,000	90,200,000	137,960,000	51,027,296.86	184,175,188	74.90
2010	69,914,345.81	73,560,000	143,474,345.81	85,990,432.40	200,981,325	71.39

<sup>122</sup> Interview: Mr. Abera, Financial Expert, July 2016

2011	90,129,005.96	70,143,891.74	160,272,897.70	211,690,003.96	203,044,155	78.90
2012	161,726,008.74	87,922,001.61	249,648,010.35	167,957,012.22	175,848,443	141.97
2013	177,587,008.69	121,002,438.89	298,589,447.58	209,169,745.26	204,822,516	141.97
2014	280,829,144.80	157,408,419.51	438,237,564.31	142,624,944.41	341,984,799	128.15
2015	437,399,715.63	286,546,393.38	723,946,109.01	160,287,827.35	453,382,135	159.68

(Source: Adama City Revenue Authority Office 2016)

**Figure 5.1: Adama City Revenue Performance Trends from 2009 to 2015**

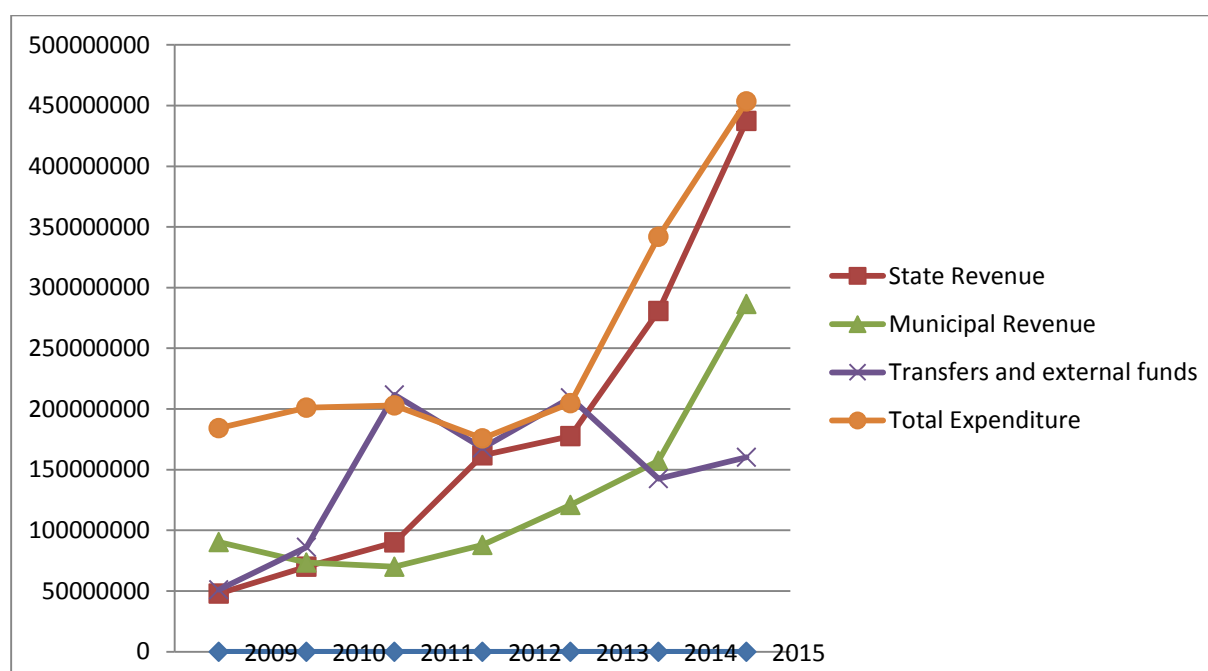


Table 5.5 and Figure 5.1 show an increasing trend of Adama City revenue in the fiscal years under consideration. It also illustrates that the city has huge revenue capacity beyond what it actually has spent. The city has the revenue capacity to cover its expenses by the revenues generated within the city. The information<sup>123</sup> from the city shows, although the state revenue sharply increased over the years, the city of Adama has been allowed to get a return of about 20% of the state revenue they collected. Since the expenditure power couldnot make the city to just utilize the money raised at city level alone, the city has to rely on the regional government or on the fund coming through the regional state.

<sup>123</sup>Interview: Mr Haile, Official, Adama City Revenue Authority Office December 23, 2016

**Table 5.7: Municipal Spending Covered by Municipal Revenue from 2009 to 2014**

<b>Fiscal Years</b>	<b>Municipal Revenue (MR)</b>	<b>Municipal Expenditure(ME)</b>	<b>% ME covered by MR</b>
2009	90,200,000	148,329,698	61
2010	73,560,000	156,798,178	47
2011	70,143,891.7	143,598,013	49
2012	87,922,001.6	105,463,124	83
2013	121,002,439	123,730,000	98
2014	157408420	258,608,540	61
2015	286546393	328,058,339	87

*(Source: Adama City Finance and Economic Development 2015)*

The most important source of municipal revenue include: land lease, licenses, fees and charges and municipal rents.<sup>124</sup> As Table 5.7 shows, for the periods under consideration from 2009 to 2015, averagely 70% of the municipal expenditure is covered by the own sources of municipal revenue. The percentage of the municipal expenses covered by the municipality was higher in the year 2013 and 2015 because of the income from the land lease during those years, as the city has the mandate to lease land and use the revenue for infratructural and housing developments.<sup>125</sup>

### **5.3.6 Urban Vision and Contingent Factors of IGR**

#### *Competing Urban Visions*

The way urban spaces are understood in the regional and federal framework determines the kind of relations that the city makes vertically with the regional government and horizontally with the surrounding local administrations. In this regard, the history of Adama city contains the agony of the indigenous people and the glory of those associated with the rulers of the past. The original name of the city is Adama as given by the local Oromo clan. Adama is derived from the word Adaamii which means cactus tree that ecologically encompasses the area (Fasika 2015, Gutema 1996). The Original name Adama was, however, erased by Emperor Haile Sillassie I in 1944

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<sup>124</sup> Interview: : Mr. Itafa G., Team Leader, Adama Revenue Office, April 07, 2016

<sup>125</sup>Ibid.

after twenty eight years from its foundation in 1916, and the Emperor imposed an alien name- Nazreth- as the official name of the town.<sup>126</sup>

As a result of the onset of decentralization in 1991, the original name of the city-Adama- has been restored. For the Oromo nationalists, the restoration of the name Adama signals the redefined relationship between the city and the Oromo, and the conversion of an alien name into its historical appellation of the area. This has been viewed as the subset of the territorial autonomy of the Oromo in the region; and it appeared to authorize this cultural group to construct Oromoness of the city.<sup>127</sup> In this perspective, the Master plan of Adama (2004) envisions that the urban architectural design of Adama would be built in a way that manifests the conception space of the Oromos.<sup>128</sup> The city administration of Adama<sup>129</sup> has also vowed to construct Adama on the basis of the cultural values of Oromo and attain Oromoness of the city.

The municipal reforms through the Regional City Proclamations No 26/1999, No 65/2003 and 116/2006 showed the lack of consistency with regard to the place of the city of Adama and the nature of relationship between the city and the regional state of Oromia. As the key informant<sup>130</sup> indicated, the cause for unsettled urban institution of governance and the accountability relationship of such space to regional government in Oromia is due to clash of competing visions. If power is simply developed on the logic of local democracy to the city the self rule of the Oromo would be endangered because Oromo was made smaller in demographic size by the hitherto policy of urbanization. This may also pave the ground for direct contact between the city and federal government which would again belittle the regional autonomy. In this case, the newly enacted Proclamation No 195/2015, the effect of which is yet to be seen, is criticized because of its unprecedented emphasis on city 'residents' as the ultimate deciders over city. Whether this overwhelming weight given to the city 'residents' fits to ethno territorial principle of federalism is blurred. Unlike the previous reforms, this new City Proclamation does not

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<sup>126</sup> Socio-Economic Profile of the City of Adama, prepared by Adama city Office of Finance and economic development, June 2016 Adama pp. 6.

<sup>127</sup> The municipal leadership or the city administration envisions building of Adama on the bases of Oromo culture. See: <http://www.adamacity.gov.et/urban.htm>; See also the Socio-Economic Profile of the City of Adama, prepared by Adama city Office of Finance and economic development, June 2016 Adama

<sup>128</sup> Scholars in the field of urban studies have put the idea of space as central is central element without which we would know nothing about cities and societies. See: Chen, X. & Orum, A. M., 2003, *The World of Cities: Places in Comparative and Historical Perspective*, 1<sup>st</sup> Century Sociology, Black Well Publishing.

<sup>129</sup><http://www.adamacity.gov.et/urban.htm>

<sup>130</sup> Interview: Mr Terefe, OUPI, June 12, 2016, Finfinnee

emphasize on the autonomy of the Oromo and the self rule right of the same over the urban centers of the region. Thus, the municipal institutions of governance and accountability arrangements have been affected by the unsettled focus of the reforms.

### *Political Solidarity and Electoral Contingencies*

In August 2000, the OPDO had decided to shift the Oromo regional capital from Finfinnee to Adama.<sup>131</sup> The political opportunism of this highly unpopular decision became obvious when the Oromia Regional Government finally abandoned the project and brought the region's capital back to Finfinnee. This was particularly the case during the 2005 elections, after the triumph of the opposition candidates presented by the Coalition for Unity and Democracy (CUD). The defeats of the OPDO/EPRDF in the first grade cities like Adama – and the shift of political solidarities they were supposed to implement – rapidly boosted the interest of the regional state over such cities thereafter. The 2005 National Election seemed to unveil the negative consequences of the prevailing position of relationship between first grade cities and ONRS. Cities were seen as places where EPRDF coalition's networks could break if they continued to be ruled by the opposition.

Proclamation No. 65/2003 was issued at the time when the city of Adama, was selected as the capital city of the region, and the region was about to tighten its grips over the highly unpopular new capital city, Adama. At the time, the regional elite had aimed at making Adama to the self governance of the Oromo (AMPRPO 2004). Before 2005, the OPDO/EPRDF domination over all the urban local administrations of Oromia had facilitated the implementation of policies and programmes. However, the 2005 election tended to underline the incapacity of the Regional State to make easy communication with the cities under the region. In this perspective, the Proclamation No. 116/2006 issued to amend Proclamation No. 65/2003 of urban local government was enacted after the Oromo People's Democratic Organization (OPDO) had lost the 2005 national election in cities like Adama. As already discussed under section 5.3.3, the amendment Proclamation No. 116/2006 provides new provisions for maintaining the self rule and dominant position of Oromo in the governance of the city of Adama. It did repeal the nomenclature 'urban local government' and replaced it by 'Urban Administration.' It also

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<sup>131</sup> <http://www.adamacity.gov.et/urban.htm>

guaranteed 70% of the City Council seats for the Oromo in first grade cities where the status of Oromo would become minority. This reform signaled ‘urban administrations’ are not only accountable to the Regional State but also the administrative decentralization is meant to realize right of the self rule of the Oromo. Beyond political and electoral factors which did influence the municipal reform, one could hardly find why the self rule right of the Oromo over the city of Adama was emphasized at one time and deemphasized (if not forgotten) at another time.

Consequently, the status of the city of Adama, its relationship with Oromia regional state government cannot be anticipated as long as these factors have been determined by the political and electoral contingencies. This leads to the conclusion that the relationship between the city and the Regional State as stipulated by the Regional City Proclamation aims at moderating the potential consequences of another electoral victory of the opposition parties in some of the first grade cities, and to maintain the OPDO/EPRDF preeminence.

## **Conclusion**

This Chapter has explored the implication of the IGR on the governance of Adama City. It has demonstrated how governance of Adama city is influenced by regional factor, municipal/local autonomy and the institutions and principles IGRs. The trajectory has showed that the city of Adama has been impacted by the broader institutional, economic and political systems put in place by the federal government. Prior to the adoption of federalism, those who had controlled the center had also controlled the city of Adama.

The chapter has revealed that the governance of Adama city is constrained by unsettled municipal governance model and weak intergovernmental institutions. On the one hand, Adama follows the Council-Mayor model of municipal governance. But the Mayor has been appointed by the President of Oromia regional state and accountable to him alone. This scheme is argued to maintain the preponderance of the Oromo in governing the city in line with the constitutionally guaranteed self rule of the group in the region. The drawback of this model, however, is that it did not prove the collective accountability of city council and Mayor to the local people/electorate. The appointment and accountability system of Mayor of the city of Adama has exacerbated partisanship (making of political appointments and dismissals if partisan wishes are unmet); encouraged political patronage, and undermined the technical and professional

approaches. Inasmuch as the Mayor and City council are loosely connected, the model could not safeguard political abuse of power. In addition, the system has not produced stable Mayor and Manager who could retain the institutional memory of the city. Therefore, the frequent and abrupt change of Mayors and Managers have facilitated for weakening the institutions of governance.

On the other hand, the regional state, in fact for implementing the urban policy formulated by the federal government, has been deciding the form and shape of the urban governance institutions. The influence of regional government starts from defining and giving the grade to the city. Any taxonomy of urban centers of the regional state puts Adama into the first grade city which signals the city's closer relationship with the regional government. The position of the city has been reshuffling between Adama as 'special space' and Adama as loosely but inevitably connected to the surrounding local administrations. Through the proclamations enacted for establishing urban administration, the Regional State of Oromia clearly understands that the legislated autonomy is insufficient for meeting urban governance, and that the governance system is inevitably connected to the sub-national and surrounding local administrations. It presupposes the city's local autonomy, city's accountability to the region and the need for cooperation, mutual respect, support and partnership as underlying principle of interaction between the city and the region. However, the implementation of the underlying principles of IGR appears as leverage for party solidarity at times of electoral contingencies than run by settled, coherent and strong institutions of IGRs. Yet the status of Adama city is a subject of unanticipated and unpredictable intergovernmental relation schemes within the region.

## CHAPTER SIX

### 6 Governance of Assosa City: Sub-national Factors, Local Autonomy and Intergovernmental Relations

#### Introduction

Assosa city has multiple jurisdictional identities. It is the capital of the Benishangul Gumuz National Regional State (BGNRS), Assosa Zone and Assosa Woreda Administration. The city is the center for the five indigenous ethnic groups constituting the BGNRS: Bertha, Gumuz, Shinasha, Mao and Komo, and the center of the Bertha ethnic group in particular. Unlike other urban centers in the regional state of Benishangul Gumuz, the city of Assosa has got a relatively autonomous self administration. Hence, the city of Assosa holds the city, Woreda, Zonal and regional institutions and actors.

This Chapter provides the contextual factors shaping Assosa city. It describes the historical, ethnic and political settings in which the city of Assosa is embedded. Then, the chapter discusses the macro relationship between the city of Assosa and BGNRS as well as the micro linkages between the city and neighboring woredas and municipal governance structures of the city. Finally, it concludes on whether the municipal autonomy and Intergovernmental relations are empowering the city.

#### 6.1 Historical Overview of the Belashangul/Bertha Region

Prior to their incorporation into the Ethiopian empire in 1890s, the Berthas, the largest established group of the region (Truilzi 1976), were organized into three Sheikdoms<sup>132</sup>: Assosa (Agoldi), Khomosha and Belashangule (Ateib, 1982). The Sheikdoms were ruled by descendents of the Arab settlers who had come to the region as advisors to the Funji, the Kingdom of Sinnar in Sudan (Bahru 1991,87) and who through intermarriage and political advice remained in the region as an aristocratic ruling class known as Watawit who later gained political and cultural domination over the other indigenous inhabitants.

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<sup>132</sup>Other sources however identify four Sheikdoms of the Watawit families including Assosa/Aqoldi, Belashangul/Menge, Komosha and Bambasi/Fadashi. The unity of these sheikdoms had defeated Meneliks forces led by Ras Mokonnen three times. However, Sheikh Khojalle al Hassan of Assosa finally decided to ally with Menelik in preference to Sudanese Dervishes takeover the area, because the Sudanese had imprisoned and killed his father Al Hassan. See: Vaughan 2007 p. 25.

All of the three Bertha Sheikdoms fell into the hands of the Ethiopian state under a military expedition of Menelik II led by Ras Mekonnen in 1897. Emperor Menelik II recognized the Sheik Khojjale al-Hassan, ruler of the Sheikdom of Asossa (Agoldi). The other two Sheikdoms- Belashangul and Khomosha- were made vassals to Sheik Khojjale Hassan and the significance of other Sheiks in the region was completely abandoned (Bahru 2002:60- 72; 1991:67).

The centralization policy and consolidation of power at the center by Emperor Hailesilassie has reshuffled the administrative structures and disempowered the Sheik Khojjale family to control the region. The traditional local rulers were replaced by centrally appointed nobilities, and the administration of the area to the South of Blue Nile River was put under the neighboring Wollega Province and the remaining upper part of the River was put under the Gojjam Province (Berhanu 2006, 157). During this period the governors were from the Khojjale and other important Berta/Watawit families-aristocrats with whom Benishangul came to be identified (Ibid). In sum, the indigenous peoples of the BG were effectively excluded from avenues of political leadership and modern administration of the Ethiopian state under Emperor Haile Selassie. During this period the governors of Assosa were drawn from the Khojjale and other important Bertha/Watawit families-aristocracy with whom Benishangul came to be identified (Ibid).

The Derg regime has brought another forceful relationship between the center and the region, between Bertha and the highland population of Ethiopia. This was a result of villegization and resettlement program on the Bertha lands without the consent of the later in 1970s and 1980s by the Derg. Resettlements led many people to migrate from the famine beaten Northern part of Ethiopia and moved to Benishangul region (Amare 2013), and the ethnic composition of Assosa and its vicinity got changed. For example, about fifty five (55) resettlement sites were founded in Assosa and Bambasi woreda, and different nationalities mainly Amhara, Wollo and Tigrary were brought to these sites (Markakis 2011, 226). This has added more problems to an area already characterized by complex intra ethnic (within Bertha) and inter-ethnic relations (Bertha and Mao-Komo as the later was enslaved by the former) (González-Ruibal and Fernández 2006). The Berthas were forced not only to accept the resettlement of the highlanders mainly by the Amharas but also they had to construct houses and provide construction materials for the new comers. The policy of the Derg like its predecessors favored the settler community over the host

community in the region. The settlers were favored while the hosts were dehumanized and forced to live according to the cultural value of the settler and they were reduced to secondary status (Vaughan 2007; Amare 2013).

The context of the region in general and the Bertha area in particular bristles with the inter-group hostilities. The peripheral and marginal positions of the Benishangul Gumuz region was attributed both to leaders in charge of the central government and to local traditional chiefs of the region. Binayew and Alemseged (2014, 9) have captured how the central government had incorporated the frontier regions to their rule “not for true state making but rather initially as buffer zone and later to serve them as sources of wealth and natural resources and tributes. Local chiefs on their part worried more about how to survive by disregarding the possible consequences that would happen to their own society. Some leaders went to the extent of taking harsh measures with equivocal cruelty by raiding, enslaving and trading even among peoples belonging to their own ethnic groups.”

The key question that remains is therefore how to rectify the unjust center-periphery interaction and the dominance of the highlanders over the indigenous communities of the region. Hence, new institutional arrangement and relationship is required to resolve the structural exclusion of the ethnic communities.

## **6.2 Benishangul Gumuz Regional State under Ethno Federalism**

### **6.2.1 Ethnic and Demographic Context**

BGNRS is one of the nine regional states of the federation of Ethiopia.<sup>133</sup> The region is carved from areas which had formed parts of Gojjam and Wellega provinces, to the North and South of the Blue Nile (Vaughan 2007a, 2). The region is located in the western part of Ethiopia. It shares boundary with the Amhara Regional state in the north and northeast, with Oromiya Regional State in the northeast and south, with the Sudan and South Sudan in the west.<sup>134</sup> *According to Physical & Socio-Economic Profile of Benishangul-Gumuz Regional State (2012)*, BGRS has “a total border length of about 1,877.29km (about 459.15km) international borderlines with the Sudan and South Sudan and about 1,418.14km with national borderline with (904.62km)

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<sup>133</sup> Article 47 of Federal Constitution.

<sup>134</sup> Physical & Socio-Economic Profile of Benishangul-Gumuz Regional State 2012

Oromiya and 513.52km with Amhara. The region extends over 50,698.68 km<sup>2</sup> and it accounts for about 4.48 percent of the total land area of the country<sup>135</sup>.

The regional constitution of Benishangul-Gumuz 2002/3 empowers the five ethnic groups as owner nations and nationalities: Bertha, Gumuz, Mao, Komo and Shinasha<sup>136</sup> which comprise about 57 % the population altogether (CSA 2007 see Table 6.1) as shown in the Table 6.1 below. No other ethnicity is recognized albeit highlighting the existence of other peoples in the region beyond the owner nationalities.<sup>137</sup> The region uses Amharic as a working language of the region, and all the indigenous languages have equal recognition.<sup>138</sup> The children of Indigenous nationalities use their mother tongue language in primary schools and they are also free to learn in a language they want.<sup>139</sup>

Administratively, the regional State of BGNRS is divided into three administrative zones, twenty woredas, one special woreda, one city administration and 475 kebeles. In this case, the BG proclamation No 73/2008 establishes the nationality administrations, one for each indigenous minority, and this proclamation does not limit the power of these administrations to respective territories. According to Article 3 (4) of this proclamation, the nationality administration establishes “boundary-less regarding the protection and preservation of the rights and privileges of nationality cases”, and the nationality cases here refers to the issues of history and language. The nationality administration shall be competent to protect the language and cultural rights of members of the ethnic group on whose behalf it is established, irrespective of the fact that the members live outside the zone established for them(Van der Beken and Yonatan 2015).

The BGNRS constitution has established the Woreda governments as the lowest subordinate structure of the regional administration.<sup>140</sup> The regional constitution guarantees the establishment, structure and power of the nationality administrative regional subunits.<sup>141</sup> The three zones-Assosa, Kamashi and Metekel- are *defacto* designated for the indigenous ethnic communities: Assosa for Bertha, Kamash for Gumuz and Metekel for Gumuz along with

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<sup>135</sup> Physical & Socio-Economic Profile of Benishangul-Gumuz Regional State: 2012

<sup>136</sup> Article 2 of the 2002 Revised Constitution of BGRS.

<sup>137</sup> Article 2 of the 2002 Revised Constitution of BGRS.

<sup>138</sup> Article 6/1 and 2 of the 2002 Revised Constitution of BGRS

<sup>139</sup> Article 6/3 of the 2002 Revised Constitution of BGRS

<sup>140</sup> Article 84 and 85 of the 2002 Revised Constitution of BGRS.

<sup>141</sup> Chapter eight of the 2002 Regional Constitution of BGRS.

Shinasha, and therefore viewed as self-governing structures for the respective indigenous ethnic communities residing in the area. These zones have their own Zonal Council, Executive Council and Judiciary. One special Woreda is established for the Mao and Komo indigenous communities in Tongo area in order to provide them a self administrative unit. The political and administrative hierarchy of the Special Woreda is similar with zonal administrations. It is constituted as a special woreda because, the special woreda administrative structure is designed for those small-sized ethnic communities living intact in a specific territory that deserves to establish their own administrative unit and directly communicate with the regional government without any zonal intermediary (Berhanu, 2006, 160).

BGNRS is one of the regional states characterized by ethno cultural diversities. As per the 2007 Population and Housing Census (CSA, 2007, 44), the total population of BGNRS is 784, 345, of which 86.5% are living in rural areas and the rest 13.5% are living in urban areas. No indigenous ethnic group constitutes 50% of the population of the region. The five officially recognized indigenous groups' accounts for 56.96%, as of 2007 Census. People with indigenous nationalities background account for 28.63% of the total urban population of the region. The various non-indigenous communities living in the region account for 43.04% of the population of the region. They account for 71.38% of the total urban population of BGNRS (CSA, 2007 see Table 6.1). The population of the region is unevenly distributed. The highest of population density is Assosa Zone with an average of 17.7 persons per square km. The other administrative zones Metekel and Kamashi have an average density of 9.6 and 7.0 persons per square km.

**Table 6.1: Population by Urban-Rural and Ethnic Composition in BGNRS**

No	Indigenous Nationalities	Urban	Rural	Total	% Share from the total urban	% Share from total Rural	%share of the Total
1.	Berta	9,196	190,107	199,303	8.68	28.02	25.41
2.	Gumuz	9,536	154,245	163,781	9.00	22.74	20.88
3.	Shinasha	9,586	51,001	60,587	9.00	7.52	7.72
4.	Moa	1,890	13,494	15,384	1.78	1.99	1.96
5.	Komo	182	7,591	7,773	0.17	1.12	0.99
	<b>Sub Total</b>	<b>30,390</b>	<b>416438</b>	<b>446,828</b>	<b>28.63</b>	<b>61.39</b>	<b>56.96</b>
	<b>Other Nationalities</b>						
1.	Amhara	40,041	130,091	170,132	37.80	19.18	21.70
2.	Oromo	23,117	83,158	106,275	21.82	12.26	13.55
3.	Agew-Awi	6,422	26,639	33,061	6.06	3.93	4.21
4.	Tigrie	2,751	2,811	5,562	2.06	0.41	0.71

<b>5.</b>	<b>Others</b>	3205	19,282	22,487	3.04	2.82	2.87
	<b>Sub total</b>	<b>75536</b>	<b>261,981</b>	<b>337,517</b>	<b>71.38</b>	<b>38.61</b>	<b>43.04</b>
	<b>Total</b>	<b>105926</b>	<b>678,419</b>	<b>784,345</b>	<b>100</b>	<b>100</b>	<b>100</b>

*(Source: CSA 2007:45-55)*

The 2007 Census reported the religious affiliation of the BGNRS as 44.98% Muslim, 33.30 % Orthodox, 13.52% Protestant, 7.09% traditional, 0.61% Catholic and 0.50% other (CSA 2007, 71). Among the five indigenous ethnic groups the Berthas predominantly practice Islam while the Gumuz mostly follow Christianity and traditional religion. The Shinasha mainly practices Christianity while Mao and Komo mostly practice traditional faiths.

### **6.2.2 Factors Affecting the Federal System in BGRS**

The federal and decentralization system in BGNRS has been challenged by a number of factors, and it is important to discuss these factors before dwelling on the urban governance in the region. The aim is to unveil the regional contextual factors in which the urban local governance is located. These factors fall into four categories as briefly discussed below.

The first of the challenges of federalism in BGNRS is related to the indigenous ethnic power struggle. For over half a decade (1991-1996), the federal perception of the region was dominated by the key role of Berthas in Bertha Peoples Liberation Movement (BPLM) albeit few Gumuzes in the BPLM. The rest of the indigenous ethnic groups like Mao, Komo and Shinasha were not members to BPLM, and this had undermined the success of BPLM to turn it into a BGNRS wide political party embracing the representatives and interests of other indigenous ethnic groups.

The hegemonic imposition of the Bertha Peoples Liberation Movement (BPLM) over the rest of the indigenous groups was said to be the initial problem for the power struggle in the region. Positions like the regional presidency were at the disposal of the Bertha elites who have reinforced the interfamilial conflict among Sheikdams of the Watawit. Again, the control over the key regional executive positions and the representation in the regional parliament was another major problem (Asnake 2009; Mesfin 2011). The hegemony of BPLM over the region has not been endorsed by the elites of other ethnic elites in the region, and this has been one of the factors for the tension and unpredictability of the regional government for long (Berhanu 2006, 170). Asnake (2009, 161) has noted that the BPLM could not sustain its political dominance because of internal divisions. In 1992, some of its Gumuz members left the

organisation and established their own ethnic political party called the Gumuz People's Liberation Movement (GPLM). In a similar move, the other titular ethnic groups of the region also established their own ethnic parties, including the Shinasha People's Democratic Movement (Boro-SPDM), the Mao People's Democratic Movement (MPDM), and the Komo People's Democratic Movement (KPDM).

In 1996, the BPLM was 'thoroughly purged and renamed' as Ethiopian Bertha Democratic Organization (EBDO) (Vaughan 2007a,10), and became one of the spectrum of separate ethnic peoples and democratic Organizations in BGNRS. By this time, new President from Gumuz was nominated for the first time succeeding three Bertha incumbents. In 1998, the five indigenous ethnic based political organizations including Ethiopian Bertha Democratic Organizations, Gumuz People Democratic Organization, Boro Shinasha Peoples Democratic Organizations and Mao-Komo People Democratic Organization merged to form the Benishangul-Gumuz Peoples Democratic Party (BGPDP), a regional state umbrella party affiliated to, but not a member of, EPRDF"(Ibid). Hence, the federal or decentralization process has facilitated for ethnic-based elite groups to compete in controlling regional and local powers and resources.

The second is the problem of internal divisions of the Bertha elites based on the extent of indigeneity, which in turn got symbolized by the language they speak. The first is the Arabic language which was highly valued, and almost all natives speak, although quite a significant number of them could read and write it. To speak, read and write Arabic is a symbol of prestige and pride. Most of the local chiefs were able to do so. Aruthana is the language of Aljebelawi, meaning the language of the first settlers, and it was proudly spoken by people belonging to different clans and tribes. The other languages-Banga and Gumus- were also spoken but they were labeled as the languages of the slaves (Bekele 1968, 23). On accounts of the historical aristocratic familial rule of the area, and the ambition to seize state power and also to secure Sudan's support, BPLM was rivalled by internal factions since its foundation in 1986. These factions include: Assosa group, Khojele group, Menge group, Kurmuk group, and Sudan group.

The *Watwat* constitute a small minority of mixed Arab and Bertha blood. The hybrid nature of *Watwat* with Arabs appeared as superior to the other Bertha because the Sudanese Arabs consider Bertha as 'slaves.' They occupy the top level of the social stratification. They had despised and exploited the rest of the Bertha population (Triulzi, 1981). Even the name of ethnic

group is not consensual. Those Berthas who have fair skin and are devout Muslims despise other communities: they call themselves Mayu or Bani Ummaya, “from the alleged descent line claimed by the Funj to prove their Arab origin.” For others, the name ‘Bertha’ is a pejorative term labeled as black or ‘slave’ in Sudan (Triulzi 1981, 188 cited in González-Ruibal 2006). On these accounts the federal arrangement fails to resolve the historical and social hierarchies-Watawit, Jebelawin and original Belashangul-within the Bertha ethnic group (Vaughan 2007a). Consequently, the Bertha leadership hardly secures legitimacy from the numerous Bertha populations due to internal divisions.

The third factor that influenced or has been influencing federalism in the BGNRS is/was the relationship between the regional state and the federal/central government. The disagreement between the BPLM (Bertha elites) and the EPRDF or the center surfaced when the Ethiopian government swiftly and officially implicated the government of Sudan in an attempted assassination of the Egyptian president in Addis Ababa in 1995. The center suspected some factions of the BPLM were backed by Islamic fundamentalists from the Khartoum government. The incident has led the EPRDF’s change of policy on the hegemonic role of Bertha in the BGNRS (Vaughan 2007). The dominance of Bertha elite in the regional administration was further hampered by the center’s (EPRDF) influence on the BGRS party structure and empowering the other indigenous ethnic groups into the key regional positions. EPRDF showed its support for the Gumuz nationalists and Gumuz secured the position of the President (Vaughan 2007a). Consequently, the presidential position shifted to Yeregal Aysheshum, the Gumuz politician who has served for over a decade from 1996 to 2008 until he was ousted on account of corruption (Mesfin 2011). The presidential position, however, was taken over by the Bertha from 2007/8 to date.

Hence, the internal balance of power between the two dominant indigenous ethnic groups of the region has been a subject to the influence of the centers influence. The Bertha and Gumuz dominate the key positions at the regional level, and the name of the regional state itself is crafted from these ethnic groups. The Shinashas are relatively better educated indigenous communities, who dominate the regional civil service from among the indigenous groups in spite of their minority status due to their demographic size.

The above discussion shows that relationship between the party at the center/EPRDF and regional state/BGPDP influences governance of BGNRS. BGPDP is affiliate to EPRDF, not a member of it. Dereje (2013, 174) reveals the affiliational relationship between BGPDP and EPRDF was meant to: 1) save the affiliate parties from the EPRDF political structure built on principle of democratic centralism and whose decisions disadvantage the affiliate party that represent national minorities. 2) portray the impression of existence of multiparty democracy as affiliate parties are not members of the dominant party/EPRDF. 3) represent the difference of political culture between the EPRDF ruled regional states which are constructed as developed and predominantly highland peasants in contrast to the affiliate party ruled regional states as developing with predominantly lowland and pastoral way of life and the periphery to the modern state formation of Ethiopia. This appears to have been established by Article 89 (4) of the Federal Constitution states that “government shall provide special assistance to Nations, Nationalities, and Peoples least advantaged in economic and social development.” In sum, Dereje (2013) has summed the three grounds for the influence and control of the EPRDF over the peripheries (BGNRS being one of these regions): Political fragility, special development assistance and borderland location of the regions.

During the first pace of decentralization during which the regional autonomy and commitment to diversity was tense, the federal government involved in the political practice of the region of BG through what was then called Advisors to the regions, and the need for such institution was reasoned on the ground of lack of capacity of the leaders of the region. But later on the advisors were found as “kingmakers and power brokers in the regional politics” (Dereje 2013). With the onset of another strong federal executive MOFA (2001) and second wave decentralization, the advisory institution was abolished. The federal government abolished the influence of personalities influence on developing regional states, and created the Ministry of Federal Affairs which has been supervising the developing regional state including BGNRS.

Hence, BGPDP is not only affiliate but have actually come under the grip of EPRDF. Beyond the ethnic elite’s internal power struggle for the key regional positions, it has been the Center-EPRDF that determined the political context of the BGRS, and the regional ethnic elites who sought to favor from the EPRDF’s blessing have won the presidential position/ other political positions.

The fourth is the paucity of representation of the non indigenous population in the BGRS (Vaughan, 2007a; Asnake, 2009; Berhanu, 2006). Federalism has introduced very new state-society relationships. Once marginalized communities become politically empowered, the previously dominant group or non indigenous communities suddenly became disempowered (Vaughan 2007; Asnake 2009; Berhanu 2006; Mesfin 2011). Particularly, Assosa, which was traditionally exploited by central state, has been officially recognized as Bertha territory. This has reaffirmed Bertha's territorial autonomy (Berhanu 2006).

On the one hand, the non indigenous elites largely discredit the ethnicization of the region along with Bertha and Gumuz on the account of demographic size and settlement prior to the formation of the new region under the federal system (Vaughan 2007a). On the other hand, in the eyes of the Bertha elite, it was the non indigenous community who marginalized and suppressed them in the pre 1991 Ethiopia. Also, the demographic size of the non indigenous community (as presented in the Table 5.1) has put fear on the indigenous ethnic group political elites because it would endanger their political empowerment and economic security in future. This condition covertly or overtly compelled the political elite of the owner nationalities to maintain political disempowerment of non indigenous groups. In this way, the federal institutional design that was aimed at rectifying the much wronged inter-ethnic group relations has now been criticized for generating a similar problem it was supposed to resolve.

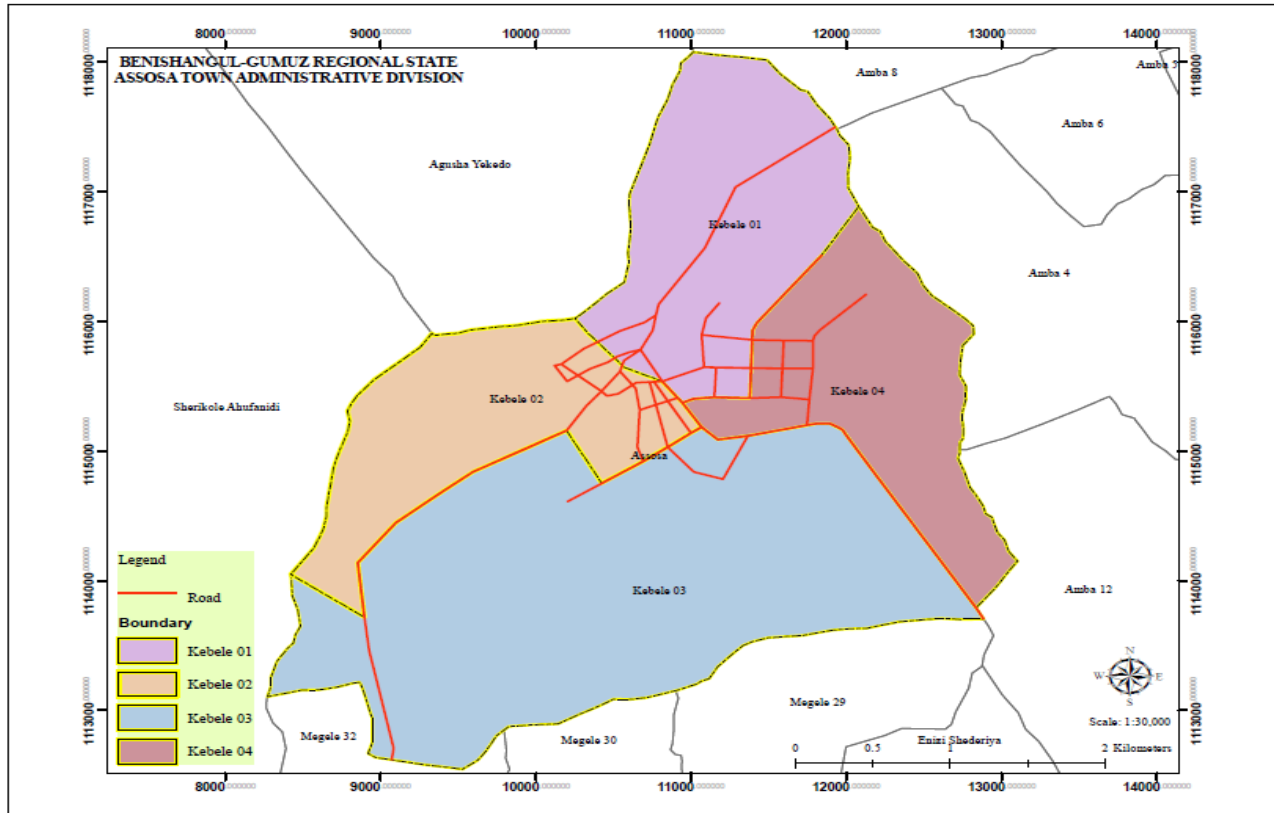
### **6.3 Assosa City: Municipal Governance and Intergovernmental Influences**

#### **6.3.1 Urbanization, Ethnic and Demographic Contexts**

The incorporation of the Benishangul region into the Ethiopian Empire in 1890s had paved for a movement of the people in search of better opportunities such as markets, and Assosa was serving as one of the well known trading centers for local and long distance caravan traders (Truilzi 1976). As an urban center, Assosa was established at the turn of the 20th century. The origin of Assosa is strongly associated with Sheik Khojale Al-Hassan who was recognized by Menelik II as the ruler of all the Bertha Sheikdoms. The highlanders who were traders in local and long-distance trades and officials from central government began to establish temporary settlements and permanent settlements in the town. The growth of Assosa town has not shown a

significant urban shape until the Derg regime which through the resettlement program from 1979 to 1985 had accelerated the growth of the town (Bekele 1968, Amare 2013).

**Map 6.1: Assosa City Administration Map**



(Source: Assosa City Administration 2016).

Assosa is the biggest urban center of BGNRS. As shown by Map 6.2 the city of Assosa has four kebeles. The city has an estimated land area of about 1,344 ha.<sup>142</sup> The annual rate of urban expansion<sup>143</sup> of Assosa was 2.6% for the period from 2006 to 2013<sup>144</sup>. The population of the city was 4159 in 1984, 11,749 in 1994 and 24,214 in 2007. The urban Population growth rate of Assosa city during the inter-Census period (1994-2007) was 5.5%. Assosa is currently exhibiting very fast urbanization. This growth is attributed to Assosa's increasing importance as

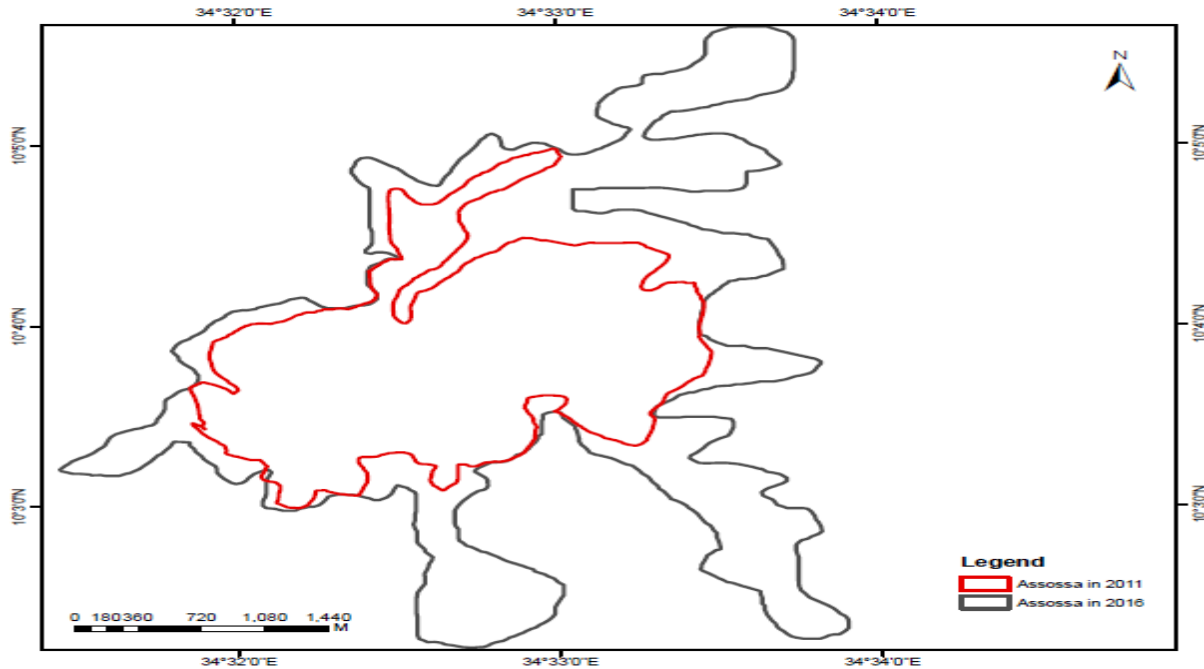
<sup>142</sup> Assosa City Asset Management 2015

<sup>143</sup> SECR has measured the rate of settlement expansion (i.e., that of the built-up area) based on the GIS analysis conducted using sets of satellite imageries taken during different periods.

<sup>144</sup> SECR 2015 p160

the economic and the political capital of the BGNRS. Assosa has a flat topography which is generally suitable for urban expansion (Tamiru 2011, 5).

**Map 6.2: Physical Expansion of Assosa in 2011 and 2016**



The 1994 National Census reported that the ethnic composition of the city was Bertha (17%), Amhara (54.04%), Oromo (22.12%), Tigray (2%) and all the other ethnic groups as 3.42%. Amharic was spoken as the first language by 55.02%; 22.53% spoke Afaan Oromoo; 15.98% Bertha; and 4.43% Tigrinya, and the remaining 3.64% spoke all other native tongues. Moreover, the CSA reports that 54.92% of the inhabitants of the city professed Orthodox Christianity while 29.75% was Muslims and 14.89% were Protestant.

### 6.3.2 Assosa City and BGRS Relation

BGNRS has provided wide base for operation of the urban centers and the principles of interaction between urban centers and the regional state. All urban Centers of the BGNRS are required to perform based on the following principles<sup>145</sup> including Democracy, good governance, Development, Revenue Self sufficiency, Respect of laws, Cooperation, coordination and Partnership. The same city proclamation provides important principles underlying the urban

<sup>145</sup> Article 6 of the Proclamation No 69/2007

function and the urban center interaction with other governmental organs:<sup>146</sup> 1) The city administration may perform any of the duties granted to it, and can enter into partnership and cooperate with the Regional and Federal Governments or with other organizations or agencies operating within the city or town limits; 2) the city council established within the town administration shall be accountable to the electorate and to the Regional council; 3) the cases involving the adjustment of urban - rural borders shall be decided by the Administration Council of Regional Government.

#### **6.3.2.1 Regional and Local Capital: The Status of Assosa City under BGNRS**

To begin with, Assosa was not selected as the capital city of BGNRS during the inaugural conference of the region in 1993. There was disagreement between Bertha and Gumuz communities over the selection of the capital city of the region and the allocation of the position of the President to the Bertha. The two groups reached a compromise that gave the office of the Presidency to the Bertha and the capital to the Gumuz – Pawe in Metekel. However, the inter-ethnic conflict that emerged between the Gumuz and the settlers in and around Pawe has led to the shift of regional capital from Pawe to Assosa (Asnake 2009, 162).

The city of Assosa is the center of multiple jurisdictions and identities. Assosa is formally the capital of the BGNRS.<sup>147</sup> Assosa city is the center of Assosa Zone wherein the intra-Bertha elites get into power struggles on account of the historical familial rule among the Bertha elites. It is the capital of Bertha administrative Zone that contains seven Woreda administrations.<sup>148</sup> Assosa is the capital of Assosa Woreda administration. The City of Assosa houses, therefore, four governmental bureaucracies including BG regional Bureau, Assosa zonal Office, and Assosa city and Assosa Woreda offices.

The city proclamation<sup>149</sup> lists out three principal categories of urban centers in the region: City administration, Municipal Towns, and Emerging towns. The taxonomy of urban centers in the region reveals the administrative organizations and accountability relationships with the

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<sup>146</sup> Article 37(1-5) of Proclamation No. 69/2007

<sup>147</sup> Article 7 of the Revised Constitution of BGRS (2002).

<sup>148</sup> Assosa Zone is one of the three zones comprising seven woredas, namely: Assosa, Bambasi, Oda Godere, Komosha, Kurmuk, Menge and Sherkole.

<sup>149</sup> Article 4 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

regional bodies or institutions. The regulation<sup>150</sup> enacted by the regional government further outlines the following criteria for grading the urban centers in the region: Population size, Administrative centeredness, and revenue capacity, the livelihood of the residents and strategic significance for the future development. Besides, the regulation<sup>151</sup> states that an urban center can be granted the status of the city administration status if it fulfills one of the following criteria: 1) the regional capital has an automatic city administration status; 2) if the Population size is equal to or greater than 25, 000, and 3) If the regional administrative council decides the grade of the urban center to be based on the strategic significance for future development. The regional government can nominate an area as urban center without the objective criteria, definition of the space as urban can be a result of political decision. Based on the aforementioned factors, Assosa takes the city administration status of the urban centers in the region, and there are about 14 and 20 municipal and emerging towns of BGNRS, respectively.

Prior to 2007, Assosa had the municipal administration status accountable to Assosa Woreda council. This status didn't establish a full-fledged local administration but the municipal institution was established for expressing administrative decentralization and for provision of municipal urban services. Starting from 2007, however, Assosa is the only city administration with relatively 'autonomous self rule' compared to the other urban centers of BGNRS which either have the municipal town or emerging town statuses. Practically it was in January 2010 that Assosa city was separated from Assosa woreda administration. The objective of establishing Assosa as city administration is to "ensure that the public participates in the politics, administration, development and provision of public services."<sup>152</sup>

Unofficially, regional ruling party has been reserving Mayoral position to Bertha.<sup>153</sup> But there is no clear legal guarantee promising the continuity of this position for the Bertha. Hence, members of the indigenous groups like Shinasha<sup>154</sup> criticize that the city does not fit into what appears to be a capital or center of the region. The other indigenous elites feel that they have only a

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<sup>150</sup> Regulation No 24/2008 for the establishment of the Grades of the Urban Centers in the BGNRS, BG Administrative Council, Assosa

<sup>151</sup> Article 3 of the Regulation 24/2008 for the establishment of the Grades of the Urban Centers in the BGNRS, BG Administrative Council, Assosa

<sup>152</sup> Article 7(6) of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

<sup>153</sup> Interview: Mr. Tesfaye N. July 06, 2016.

<sup>154</sup> Interview: Mr Fekadu M. Senior ex-regional Expert, July 2016, Assosa

marginal role in the governance of the city albeit the city is the center of the region. The expectation is that beyond being the center of Bertha, Assosa must shoulder the responsibility for creating a bond among the indigenous communities. The informants<sup>155</sup> posit that the mechanism of appointment of Mayors have brought ‘weak and corrupt city leaders who could not perform efficiently even for limited city administration, let alone building the regional role of for the city.

Assosa city appears as an ambivalent city. The indigenous regional elites could not join hands to accelerate the growth of Assosa befitting its regional status. On the one side, the Gumuz elites for example, the ex-president Yaregal Ayisheshum was criticized for shifting his attention to other urban centers like *Gilgel Beles* in Gumuz area of Metekel Zone. On the other hand, the Bertha leaders also lack a strong commitment to bring the city up to its regional preeminence.

### **6.3.3 Assosa City and the Regional State Executive Relations**

Assosa city has close relations to the BGNRS than any other urban centers of the region. The regional state has the power to define urban space, its establishment, Structure, Power and duty. The region and the city executive relations have been mainly performed through the Urban Development and Housing Construction Bureau and the Regional President and City Mayor interactions. Unlike the municipal towns and the emerging towns, it is the regional administrative council or the Cabinet that establishes a committee for determining the city boundary and later approves the boundary of the city administration of Assosa. BG’s regulation states that the city administration boundary would be within 5km radius.<sup>156</sup> No other administrative structure is put in place between the city of Assosa and the regional government.

Next, the Urban Development and Housing Construction Bureau (UDHCB) have the mandate to coordinate and support the entire development of the urban centers in the BGNRS. The Proclamation No 129/2015 for the reestablishment of the powers and functions of the executive organs of BGNRS grants important powers to UDHCB. To this effect, Article 16 of this Proclamation grants the power and functions to the Bureau pertaining to:

- 1) Determine the level of urban centers and make them get recognition;

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<sup>155</sup>Interview: Mr. Ambessa, Civil engineer, Assosa City Urban Land Development and Management Department, July 2016, Assosa; Mr. Fekadu M. Seniour ex-regional Expert, July 2016, Assosa.

<sup>156</sup> Article 9-15 of the Regulation No 24/2008 for the establishment of the Grades of the Urban Centers in the BGNRS, BG Administrative Council, Assosa

- 2) Prepare the urban plans for the urban centers of the region to follow and support their implementation. The bureau also has the mandate to recognize the competence of consultants for the urban planning. It can also provide the license for the consultant, and the bureau can cancel the license of the consultant as well;
- 3) Supervise, follow up and cause the implementation of the relevant urban land laws, and establish the land administration thereto;
- 4) Prepare different urban lands for different services; to make ready for the service seekers, verify the fairness of urban land accessibility and regulate the illegal urban land holdings;
- 5) Lead and provide technical support with regard to the housing program activities in the region. It sets a mechanism by which the urban residents shall access housing based on their standard of living;
- 6) Conduct research on how to integrate the urban and rural developments and poverty reduction strategies, and support and follow the implementation of various studies; and
- 7) Formulate and follow up the strategies for urban-rural linkages and strengthen urban to urban interactions.

UDHCB of BGNRS has the authority to issue detailed executive directives necessary for the implementation of the Proclamation and Regulations issued by the Regional Council and Regional Administrative Council, respectively. However, as can be seen above, the key relation of the Bureau and the city administration mainly points to the capacity building issue. Paradoxically, the informants<sup>157</sup> from the Bureau disclose that the Bureau itself has no competency to build the capacity of the city administration of Assosa. The two key departments at the Bureau level are Urban Land Development and Management (ULDM) and Urban Planning, Sanitation and Beautification (UPSB), which are expected to play capacity building roles representing the region, have themselves been under inadequate technical staff. They themselves depend on the Federal Ministry of Urban Development and Housing Construction.<sup>158</sup>

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<sup>157</sup>Interview: Mr Fikiru A. UDHCB, Land development and management Process Owner July 04, 2016; Fitaw G., UDHCB, Palanning, Sanitation and beautification Process Owner, July 07, 2016 Assosa.

<sup>158</sup>Interview: Mr Fikiru A. UDHCB, Land development and management Process Owner July 04, 2016; Fitaw G., UDHCB, Planning, Sanitation and beautification Process Owner, July 07, 2016 Assosa.

As one of the key informants<sup>159</sup> said, there have been frequent interactions between the Bureau and the City of Assosa based on the mandate of the Bureau to technically support the city. Despite a good working relationship between the Bureau and City Administration, the ULDM and UPSB lack the necessary expertise to discharge their capacity building mandates for the city.

#### **6.3.4 Municipal Governance Model of Assosa**

Like other urban centers in the federation, Assosa follows a municipal governance model that contains the elected council, elected mayor, Mayor's committee (city Cabinet), and City manager system. The Mayor-Council model of municipal governance of 2007 gives importance to the political aspect of the governance of the city. The institutional arrangement with the city is assessed by looking into the appointments and accountability of the Mayor, composition and accountability of the City Council and the appointment and accountability of the municipal Manager. The IGR lens here does not only examine the relations between the executive, legislative and administrative branches within the city but also analyzes how these bodies are connected to the upper levels governments.

##### ***Appointment and Accountability of the Mayor***

Article 18 (1) of the City Proclamation No. 69/2007 states that “the Mayor of the city shall be elected from among the members of the city council on the recommendation of the political party or coalition of parties that control the majority seat or seats in the city council.<sup>160</sup>” Since the majority of the seats in the city council have been dominated by BGPDOs, the Mayor has been selected from the same party. The practice shows that the Mayoral position has been reserved to the Bertha. Within Bertha, the Mayoral position has shifted from Khojale (Assosa) familial group to the Menge (Beneshangul group) to the current Mayor in office from Kurmuk woreda.<sup>161</sup>

The other sector heads are occupied by executives from the indigenous groups. Three positions are occupied by EPRDF which is supposed to represent the non indigenous communities. Generally, the speaker of the City Council is from TPLF; the head of city communication,

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<sup>159</sup>Interview: Fikiru A. Head, Land Management and Development Process Owner, BUDHC, July 04, 2016,

<sup>160</sup> Article 18(1-2) the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig

<sup>161</sup> Interview: Mr Tesfaye N. July 08, 2016.

culture and tourism is from OPDO and the head of trade, transport and industry is from ANDM.<sup>162</sup> The Chairman of the lower sub city units (Kebeles) are Berthas. Apart from the political decisions to include the members of non owner nationalities into the city administration through representation in the City Council and executive positions, there are no clear rules and regulations governing the inclusion and representation of such communities'.<sup>163</sup>.

### ***The City Council***

The City Council has the following powers and functions to perform<sup>164</sup>: to elect the mayor from among the members; to approve city plan and ensure its implementation; to examine and approve budget plan and ensure the implementation of the same; and to call for questioning the Mayor, Mayor's committee and other City Officials to examine their performances.

At present there are seventy (70) city councilors, and majority of the city council seats (75%) are occupied by the indigenous BGPDP and the rest of the seats are occupied by EPRDF.<sup>165</sup> The right of self rule of the indigenous groups in respect of the city administration appears to have been performed through the provision which reserves 55% of the seat of the Assosa City Council for the indigenous nationalities.<sup>166</sup> Moreover, the size of the members of the indigenous nationalities in the city council can be enhanced based on the decision of the Cabinet or the Administration Council of the Region.<sup>167</sup>

A number of mechanisms prove the dominance of the indigenous in the City Council. The first is that 55% of the city council seats have been reserved for the indigenous groups. Secondly, the decision of the councilors is arrived on majority vote. Thirdly, the proportion of the indigenous nationalities can even increase beyond 55% if the regional council deemed it appropriate.<sup>168</sup> Inasmuch as the Mayor is elected from the city council, and he/she should be selected from the

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<sup>162</sup>Interview: Mr Tesfaye N. July 06, 2016.

<sup>163</sup> Key informant from the non-indigenous group.

<sup>164</sup> Article 11(b-J) the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig..

<sup>165</sup> Informant: City Councillor of Assosa, July 2016 Assosa.

<sup>166</sup> Article 10(5-6) of of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

<sup>167</sup> Article 10(5-6) of of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig. Assosa.

<sup>168</sup> Article 10(6) and 12(3) of of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig, Assosa.

political party occupying the majority seat in the council and the majority seat has already been reserved for indigenous, by implication Mayorship is maintained for the indigenous group.

Currently, the non indigenous group account for about 25% of the City Council. However, there is no explicit legal guarantee pertaining to how the non indigenous groups are represented in the City Council. Obviously, members of the non indigenous group<sup>169</sup> who happen to form the dominant demographic size of the city of Assosa criticize the representation of this group in the city council. They underline that the arrangement is an informal one between EPRDF and BGPDP, and it does not authorize the non indigenous to do anything as long as the decision is reached by majority vote and majority seat is already occupied by the indigenous. Contrarily, one Bertha elite<sup>170</sup> argues that except for the provision that states 55% of the city council should be reserved for the councilors representing the indigenous ethnic groups, there is no legal framework that authorizes the indigenous communities in general and the Bertha ethnic group in particular. The Berthas are not satisfied with the power division in the city. But the reality is increasingly dictating them that they cannot run the city administration alone due to lack of educated people with the Bertha identity. The Berthas autonomy over the city, despite Assosa under their control is ambiguous as long as 55% is simply meant for all the indigenous groups.

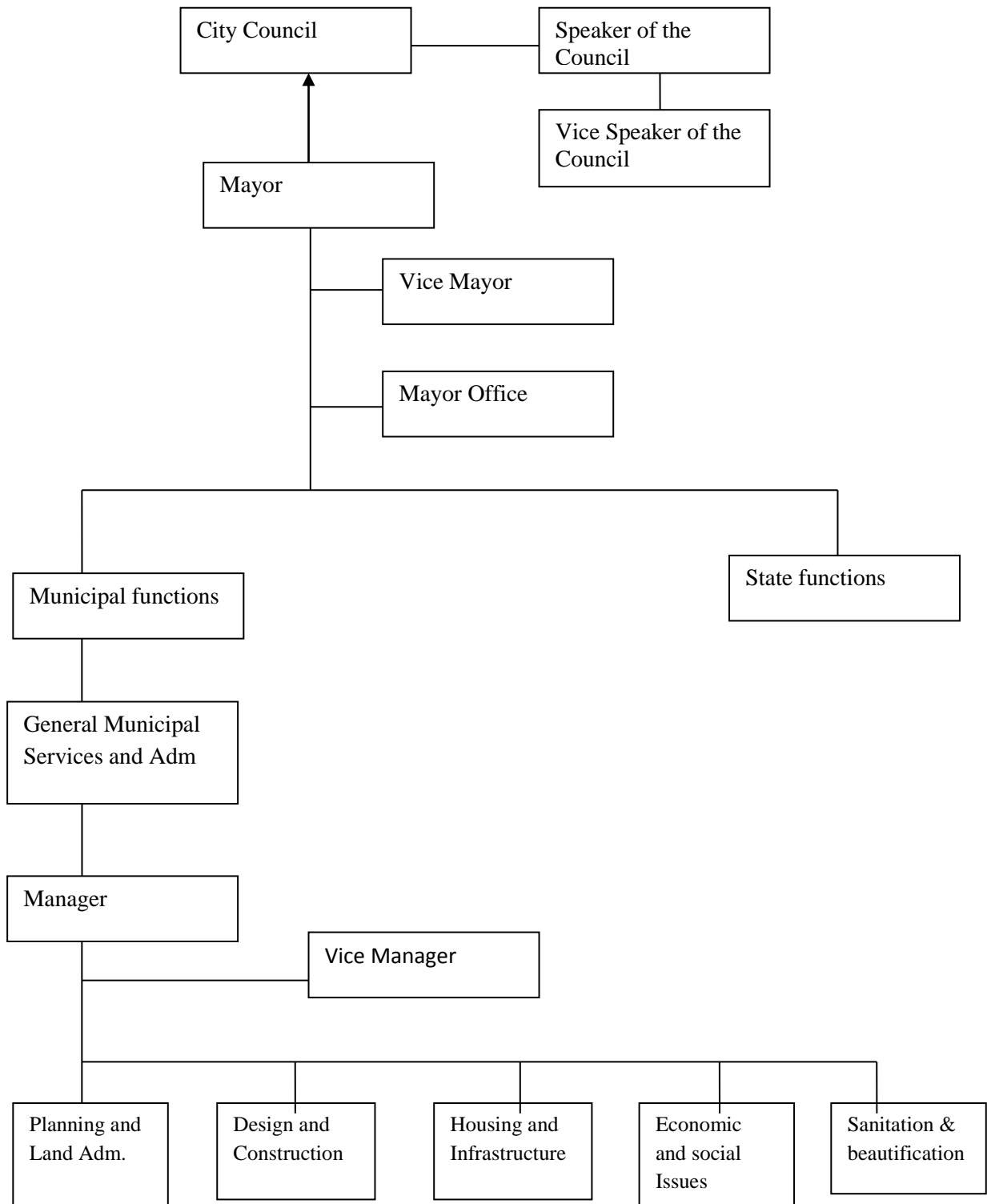
Hence, the empowerment of the Bertha over the city is contingent on the internal decision of BGPDP and the political dynamics at both the city and the regional levels than a legally reserved position of the Bertha like as Mayor of the city. The same is true for representation and inclusion of the non indigenous groups.

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<sup>169</sup> Interview: Mr. Yeshiwandi, Assosa City Legal Expert, June 29, 2016, Assosa; Mr Eshetu, Kebele 03 resident, June 29, 2016; Mr Tesfaye N. non indigenous member of City Council, member, July 03, 2016, Assosa.

<sup>170</sup> Interview: Mr. Abdulmulkib Shemsedin, City Adm Revenue Office Head, July 2016, Assosa.

**Chart 6.1: Organizational Structure of Assosa City**



### *The Municipal Manager(s)*

The municipal governance model of Assosa provides for the Council and Mayor as well as the manager, who is in charge of the municipal functions (see Chart 6.1). The Manager of the City is appointed by the Mayor, and is accountable to him/ her. In case of loss of confidence, the Mayor can remove the Manager. The Manager is the chief of the municipal service provisions.<sup>171</sup> The manager attends the City Council and Mayor's committee meetings without voting rights.<sup>172</sup> According to the city proclamation municipal managerial position is expected to be occupied by a person having the "professional competence and accumulated experience."<sup>173</sup> He/she has the duty to render a professional advice to the executive and the city legislature as well as conduct and submit research on revenue enhancing and integrated service provisions.<sup>174</sup> Moreover, the manager has the responsibility to advise the Mayor's committee to have complete information on financial condition and future needs of the city. However, the managerial position presupposes indigenous identity, political stance and even sometime personal and familial ties with the Mayor.<sup>175</sup> Therefore, the managers who are supposed to implement policies and lead the technical section often functioned as a politician.

The Mayor does not follow any clear system to measure the performance, roles and responsibilities of the Manager except political correctness. As the key informants<sup>176</sup> pointed out if there is anything called evaluation of performance of the manager, it should be the political and the personal relationship between the Mayor and Manager that determines the tenure of the manager. Hence, the manager focuses on building political loyalty and this condition detrimentally affected the service deliveries.

The managers are supposed to conduct a research and bring reform to the municipal structure with the changing urban contexts. Nonetheless, the municipal managers' have been inefficient

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<sup>171</sup> Article 24-26 of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig..

<sup>172</sup> Article 26 (2b) of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig..

<sup>173</sup> Article 25/2 of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

<sup>174</sup> Article 26(2f and g) of the Proclamation No. 69/2007 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

<sup>175</sup> Interview: Mr. Ambessa, Expert in Assosa Municipality, June 28, 2016; Mr. Shime, official in the City Finance and Economy, June 30, 2016; Mr. Fekadu, ex- Economist of the BGNRS, July 05, 2016, Assosa.

<sup>176</sup> Ibid.

because they are appointed on accounts of political party loyalty than profession, educational background and leadership experience. The lack of professional skill and leadership on the part of Managers has facilitated the misdeeds of the technical staff particularly on the urban land use. The extant of municipal structure does not attract qualified persons such as urban planners. Those who once recruited did not stay long. Others who particularly work as urban engineer, urban planner and related activities were caught to have involved in urban land corruption.<sup>177</sup>

Due to the educational and expertise gaps, the relationship between manager and technical staff has been weak and there have been several misunderstandings between the manager and the technical staff.<sup>178</sup> Some of the managers who used to be in office have not even attended college education, and their experience did not fit with the municipal functions. The one who is currently holding managerial position came from education and capacity building office. His technical expertise does not fulfill the necessary skill needed to administer the municipal function. Hence, the manager couldn't efficiently lead the municipal service delivery. It has even been difficult to identify what is done and what is undone.

The key political and administrative posts have been occupied by individuals from the indigenous ethnic communities in line with the rights of ethnic self-administration under the federal system framework. Professionals, mostly members of the non indigenous communities, are responsible for the technical inputs while the decision-making has been controlled by those with indigenous group identities.<sup>179</sup> The non indigenous are dominant in the civil service. The relatively educated members of the non indigenous and the use of Amharic as working language of the region have contributed to the dominance of settlers in the civil service.<sup>180</sup> In this context, the formula by design or default becomes that the executive decision makers are the indigenous while the bureaucrats are the non indigenous. Table 6.2 shows that Berthas from the indigenous group are dominant in the city civil service, and the Amharas account for the larger portion of the civil service from the non-indigenous groups.

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<sup>177</sup> Interview: Mr. Ambessa, Civil Engineer, Assosa Urban Land Development and management unit, June 28, 2016; Mr Dastaw, Urban planner, June 28, 2016, Assosa.

<sup>178</sup> Ibid.

<sup>179</sup> Interview: Mr. Befikadu, ex Senior Economist of BGNRS, June 2016, Mr. Tesfaye N, member of City council, July 03, 2016, Assosa.

<sup>180</sup> Ibid

**Table 6.2: Assosa City Civil Service 2015**

Category	Ethnic Background of the Civil Servant	Total	%
Indigenous	Bertha	83	21.50
	Shinasha	23	5.60
	Gumuz	1	0.26
	Moa	1	0.26
	Komo	NA	NA
Others	Amhara	153	39.64
	Oromo	102	26.42
	Tigray	16	4.15
	Others	7	1.81
		386	100

(Source: Assosa city Education and Capacity Building Office 2016)

### 6.3.5 Assosa City and Assosa Woreda Relation

The city of Assosa is surrounded by and geographically located in Assosa Woreda. The city is the capital of the Woreda. It lies in an area of about 1344 ha and surrounded by resettlement villages in the Assosa Woreda. Assosa city and Assosa Woreda are not only spatially interconnected to one another but they cannot function without each other. Except for the relationship that may be entered into with the foreign cities that require prior recognition by the federal and regional governments, Assosa city administration<sup>181</sup> can “create and strengthen relationships with other cities of the BGNRS, rural administrative organs and institutions, private business people and organizations, voluntary associations and others sections.” Also, “an urban rural committee, whose task is to receive and examine joint issues which intertwine the urban and rural areas in development and social respects, and to seek solution by presenting its recommendations to the concerned councils, may be established with the consent of the two

<sup>181</sup> Article 8(2L) of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

parties . The Administration Council of the Regional Government shall issue the particulars after deliberation upon it by the pertinent Regional Executive Bureaus.”<sup>182</sup>.

The rapid and horizontal expansion of the city of Assosa, and the city and Woreda relationships have faced different disputes. The outskirts and fringe of the city is inhabited by the Non indigenous mainly Amharas. These people were settled in the area through the settlement policy of the Derg. In view of the informant<sup>183</sup> from the fringe of the city, the city expansion unofficially targets the eviction of settlements that are non-indigenous. Thus, the urban planning favors Bertha settlements and the process of urbanization is increasingly captured as the strategy of dispossessing the farm land holding of the nearby farmers who are members of the non owner and non indigenous nationalities. Conversely, the Bertha elite<sup>184</sup> rejects this view stating that the Assosa city expansion direction is based on the local development plan of the city particularly to outskirts of Kebele 01 and Kebele 04 which necessarily touches the farm lands there, and these farm lands are possessed by non indigenous groups. In the view this informant, the problem is about unfair compensation and some rent seekers in between. He adds that the urban expansion did not officially target large eviction of non indigenous. On balance, it is clear from these informants view that the rapid urbanization and horizontal expansion have created ethnic tensions.

The more important question with regard to the city and the woreda is how the relationship between them operates. The inter-local relationships between Assosa city and Assosa Woreda have been carried out by *ad hoc committees*. The members of the committee come from the city and the woreda, mostly from similar sectoral lines. The committee is often formed and meets for discussing some specific issues. They usually meet to share information related to security matters. As the interviewees<sup>185</sup> underscore, the committee meets on voluntary inter-local cooperation principle. There are no formal rules that regulate the purpose, decision and time of such meeting. The top executives of the woreda and the city also take up the informal and *ad hoc*

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<sup>182</sup> Article 39 of the Benishangul Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

<sup>183</sup> Interview: Mr. Abera, outskirts interface between Kebele 04 of the city and Amba 04 of Assosa Woreda, July 02, 2016.

<sup>184</sup> Interview: Mr. Abdulmulkib Shemsedin, member of the Mayor Committee, July 01, 2016, Assosa

<sup>185</sup> Interview: Mr Fikiru A, Process Owner, ULDM of UDHCB, July 2016; Mr Mustafa Kebele 04 Chairman, Mr. Abdulkmis, Kebele 01 Chairman, July 2016.

meetings in times of crises in cases like land invasion and crime control. Apart from mere information sharing, the research has not found any concrete problem being resolved by the interaction between the city and the Woreda.

The multilevel jurisdictional arrangements and varying accountability relationships have also contributed to unclear lines of urban-rural interactions. On the one hand, the city of Assosa is the capital of the Bertha Administrative Zone. But there is no institutional arrangement connecting the City and the Zonal Administration. One of the institutional failures with regard to the city's interaction is the lack of institutional arrangement between the City and the Bertha administrative Zone. On the other hand, Assosa Woreda is one of the seven Woredas under Assosa Administrative Zone. Assosa city is the center of Assosa Woreda yet no institutional lines of communication between the Woreda Administration and the City of Assosa. Therefore, the relationships between these multiple jurisdictions rely on informal and party line IGR.

### **6.3.6 Municipal Financial Autonomy and Fiscal Relations**

The financial autonomy of Assosa provided by the Proclamation No 69/2007 that establishes the functions and powers of the Assosa city Administration. As already hinted, Assosa municipality was separated from Assosa Woreda administration in 2007 and the city was established as a city administration according to Proclamation 69/2007. The city established the Finance and Economic Development and Revenue Authority in 2011.<sup>186</sup> All other offices were established in the following year.

The regional executive council holds the power to enact regulation on levying urban service charges and taxes.<sup>187</sup> The region has enacted urban revenue tariff regulation No 53 in 2012. Prior to 2012, Assosa city administration was operating without clear revenue tariff regulation. The Regulation No 53 of 2012 has helped the city for enhancing the revenue raising capacity. Since then the city revenue has been increasing over the fiscal years as illustrated by Table 6.3 and Figure 6.1.

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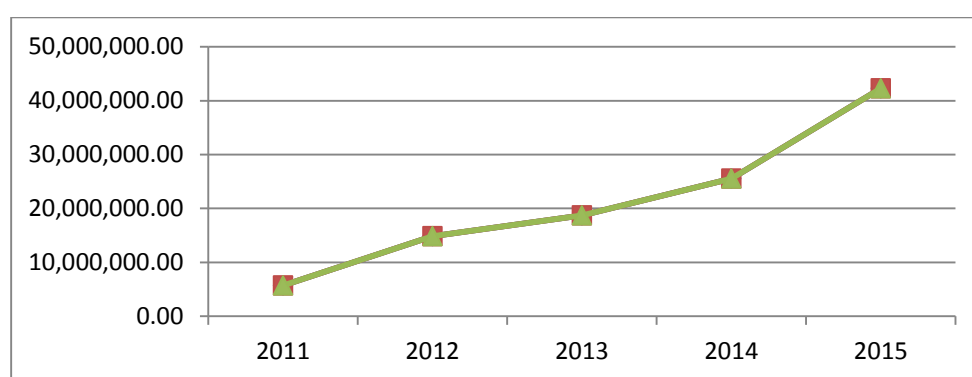
<sup>186</sup> Revenue Enhancement Plan (REP) For 2008 to 2010 EFY Assosa Urban Local Government September, 2015, Assosa, Ethiopia

<sup>187</sup> Article 42/2 of Proclamation No. 69/2007

**Table 6.3: Revenue of Assosa City from 2011 to 2015**

Fiscal Year	Plan	Performance	%
2011	5,330,000	5,688,109.96	106.72
2012	10,000,000	14,887,217.55	148.87
2013	16,100,000	18,744,350.12	116.42
2014	27,683,116	25,579,003.78	92
2015	30,000,000	42,266,239.05	141

**Figure 6.1: Trends of Assosa City Revenue from 2011 to 2015**

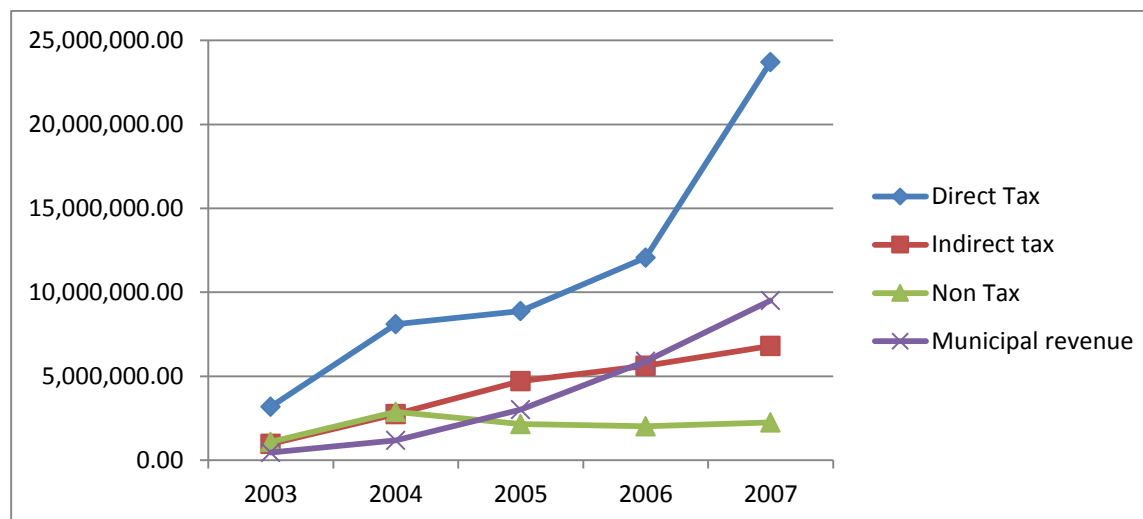


**Table 6.4: Revenue Sources and Performances of Assosa City from 2011 to 2015**

Type of Revenue	Fiscal Years				
	2011	2012	2013	2014	2015
Direct Tax	3,179,015.38	8094615.74	8,876,977.08	12,062,672.24	23706241.86
Indirect tax	967,763.43	2,738,351.05	4,708,803.29	5,613,928.28	6,801,959.25
Non Tax	1,085,508.08	2878629.89	2,152,470.92	2,018,983.23	2,253,224.27
Municipal revenue	455,823.06	1,175,620.87	3,006,097.83	5,883,420.03	9,504,481.67
<b>Total</b>	<b>5,688,109.96</b>	<b>14,887,217.55</b>	<b>18,744,350.12</b>	<b>25,579,003.78</b>	<b>42,266,239.05</b>

(Source: Computed from the data from Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Office, Assosa 2016)

**Figure 6.2: Trend of the the Assosa City Revenue by Sources from 2011 to 2015**



**Table 6.5: Asosa City Revenue and Expenditures (2012 to 2015)**

Fiscal year	State Revenue SR	Municipal Revenue (MR)	SR + MR (Actual)	Total Expenditure (Actual)	% of Expenditure accounted by City Revenues(SR+MR)
2012	1,371,159.63	1,175,620.87	14,887,217.55	27,820,331.13	53.51
2013	15,738,251.29	3,006,097.83	18,744,350.12	35,342,524.88	53.03
2014	19,695,583.73	5,883,420.03	25,579,003.78	50,303,480.47	50.85
2015	32,761,425.38	9,504,481.67	42,266,239.05	105,921,021.46	39.90

(Source: Computed from the data from Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Office, Assosa 2016)

Based on Table 6.5, the revenue raised in the city of Assosa averagely covers 50% of the city expenditure. This implies that the city of Assosa relies on transfers and external assistance from and through the regional government for other 50% of the city's expenditure.

**Table 6.6: Municipal Expenditure Covered by Municipal Revenue**

Fiscal year	Municipal Revenue (MR)	Municipal Expenditure (Actual)	% of Expenditure accounted by MR
2012	1,175,620.87	3,205,189.14	36.68
2013	3,006,097.83	4,144,458.21	72.53

2014	5,883,420.03	10,287,924.52	57.19
2015	9,504,481.67	38,652,478.13	24.59

*(Source: Computed from the data from Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Office, Assosa 2016)*

The municipal functions are expected to be funded by the revenue generated from own municipal revenues. Table 6.6 indicates that the Municipality of Assosa has averagely covered 48% of its expenses from its own internal revenue for the period from 2012 to 2015, and this shows the municipality relied on transfers and external assistance for more than half of the expenses. Hence, the municipal expenditure goes beyond the municipal revenue generated. The head of City revenue Abdulmulkib Shemsedin<sup>188</sup> notes that even though the city has an untapped revenue sources/bases-property taxes, charges and fees, the city administration has not raised the required revenue primarily due to inadequate and unskilled manpower. In addition, due to lack of capacity at the municipality level, the revenue directly goes to the state treasury, and the municipality has not recorded and managed the municipal function separate from the state revenue. Tables 6.5 and 6.6 show that the city's revenues have been increasing over the periods under consideration but the revenue raised couldn't keep up with the spending needs. This shows that the city depends on the state transfers or other grants.

The national policies require the regional states to increase the revenue powers of city administrations to "collect and utilize their own revenue."<sup>189</sup> Due to lack of capacity the city administration could not undertake research and expand their revenue sources. Moreover, the capacity of the revenue office depends on the effectiveness of municipal services particularly land and other economic activities in the city and these sectors like urban land could not function its full capacity. The income from urban land lease is hoped to be one revenue option for the city to improve its revenue capacity. Contrarily, the revenue collected from this source has been much less than expected according to the official views.<sup>190</sup> This is not due to lack of capacity on

<sup>188</sup> Interview: Head of Assosa City Revenue Office, July 06, 2016; Mr. Tesfaye N., Senior Municipal Finance Expert, Assosa City Revenue Office, July 02, 2016.

<sup>189</sup> Revenue Enhancement Plan (REP) of Assosa City Administration 2016 to 2018.

<sup>190</sup> Interview: Mr. Abdulmulkib Shemsedin(Bertha), Head of Assosa City Revenue Office, July 06, 2016; Mr. Tesfaye N., Senior Municipal Finance Expert, Assosa City Revenue Office, July 02, 2016

the part of revenue authority rather the municipal managers could not control the rapid expansion of informal settlements as long as it is the formally registered land holders who could be subjected to pay taxes, fees and rents.

As the information from the City's Revenue Office<sup>191</sup> show, the residents pay taxes and fees at the time they come to the municipality seeking for other services like business license renewal, light, road or land related affairs. They are asked to show the evidence whether they have paid taxes or charges that they were required to pay some time back. Others complain that when we come to pay tax or fees nobody is there to receive from us. Indeed, due to severe documentation and filling problem, the city does not know who its tax payer is, and who is not. Hence, the city is not able to keep up with the demands placed on them to arrange for the registration and taxing of the new communities in their jurisdiction.

### **Conclusion**

The chapter has shown that the key factors influencing the governance of Assosa city are also the main factors challenging federalism at the BGNRS level. Specifically, the intra-ethnic elite competition over key city positions and the clash of urban vision between the indigenous and non-indigenous have resulted in ineffective urban governance institution. The history of Assosa as urban settlement, demography of the city, ethnic politics and regional institutional arrangements have shaped the contentions over the city and how the urban governance institutions should be designed.

Assosa City has established a Council Mayor model of municipal governance. This municipal design gives collective accountability to both the council and the Mayor. The model gave preeminence to the political aspect but undermined the professional public urban management. This chapter also revealed that there were mismatch between ethnic empowerments and capabilities of people in city leadership.

The status of the city not only lacks legal security but also it perpetually depends on the regional political dynamics. There are positive and negative criticisms on this condition of the city. On the positive side, the arrangement helps to manage the unforeseen urban dynamics as the process of urbanization requires flexible urban institution along with changes in demography

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<sup>191</sup> Interview: Mr. Tesfaye, Senior Municipal Finance Expert, Assosa City Revenue Office, July 02, 2016.

and spatial contexts. On the part of the indigenous elites, the flexibility in design of urban institution is perceived as a mechanism to control/regulate the factors of urbanization that suppresses the rights of indigenous people. So the indigenous elite would use their regional autonomy to adjust the autonomy of urban administration and their relationship with regional and surrounding local government to the city. The design has put Assosa as dependent on the regional factors and a place where the self rule of ethnic community would be converted into reality. Moreover, since there have been separate elections for the city and the region, it is likely that the party that wins at city level may vary from the region and neighboring Woreda. The extant status and the kinds of relationship with the region would help the regional government to make reforms in a way that would bring political solidarity.

On the negative side, the insecure status of Assosa has made governance of the city uncertain. First, strong urban institution as well as strong institutional relations between the city and the regional state does not spring under such conditions. Secondly, it perpetually disempowers the non indigenous group in the city while in a bid to keep the political dominance of the indigenous group over the city whatsoever. Thirdly, the horizontal urban-rural linkage relies on ad hoc committee meetings from both sides, and this committee does not make any final decision with regard to the common matters between the city and the Woreda. The ultimate decision with regard to the pressing issues like the land depends on the regional government decision.

The city-region relation is unsettled and subjected to unforeseen future. It is unsettled in the sense that the status of the city and its relationships with the BGNRS can be changed at any time the ruling party wishes so. Under insecure legal status of the city and unrestrained influence of the party, strong urban institution as well as mechanisms of IGR between the city, neighborhood and the region cannot be stimulated, and unstable urban governance persists in such a context.

## Chapter Seven

### 7 Urban Land Governance: Analysis of Urban Land Institutions and IGRs in Adama and Assosa

#### Introduction

Urban governance begins largely with the question of urban land governance (ULG) in any federal system of governance. Urban land is not only a scarce resource but also has become a central issue of development. Since land is an intricate matter involving identity, culture, economy and power, it invites multiple jurisdictions for governance beyond the administrative scope of the city. In the federal system of Ethiopia, the land policies, laws and planning frameworks have been set by the federal government. What is left for the jurisdiction of region and the cities of the region is to administer and implement the urban land policies and enforce the laws of the federation. The regional government brings out directives, manuals and checklists for administering urban lands. It is, however, the urban local administration that actually implements the urban policy and enforces the urban land laws at local level.

This Chapter focuses on IGR with reference to the urban land governance. It answers the key questions such as: Why do the formal rules and norms of urban land use often fail to regulate the informal forms of the urbanization processes? Is this because of the contesting factors at city level? To which level does the key problems of urban land goes? Is it possible to resolve urban land governance by only emphasizing on the factors at the city level? How the city should interact with upper level governments with regard to the urban land issue? Do the multilevel governmental institutions and actors efficiently coordinate resolution of problems of urban lands?

The chapter first provides a brief concept of urban land governance in general. It then dwells on the institutional arrangement with regard to land under the federal system of Ethiopia. This is followed by the regional institutional and regulatory frameworks under the respective regional states of Oromia and Benishangual Gumuz. The Chapter also briefs the causes of informal settlements in Adama and Assosa. It analyzes the approaches to manage informal settlements as key urban ULG problem in both cities. This uncovers the capacity of the city to manage informal settlements outlining the place of IGR in controlling informality. The final section has provided a

comparative conclusion whether the local urban autonomy (power and capacity) is adequate to handle the challenges of urban governance presented through informal urban settlements, and analyzes the extent to which the institutions and principles of IGR could be applied in ULG in the cities of Adama and Assosa.

## **7.1 Concept of Urban Land Governance (ULG)**

The Global Land Tool Network<sup>192</sup> (GLTN 2016) defines ULG as a process that takes account of how decisions are made regarding access to and use of land, how those decisions are implemented, and how conflicting interests in land are reconciled. Likewise, the widely cited definition by FIG (2009) expresses ULG as a composite of the policies, institutions and processes by which land is managed and administered. In this perspective, ULG involves a wide range of interdependent actors in decision making during formulation and implementation of land policies. The focus on a single actor alone (e.g., only city government) is not realistic because a single actor does not have the resources and knowledge to solve the complex and diverse problems associated with urban land (Macedon 2000; Burns and Dalrymple 2008). This definition implies that the analysis of ULG has to take account of formulation and implementation of policies by national, regional and local layers altogether.

Burns *et al* (2010) analyze ULG using three interrelated components: Input (Context), process and Output. The *input or context* component enables to look into the existing policy, law and regulations of urban land. It refers to the formal institutions and rules that are implementable by the different actors involved in the land sector. The *process component*, on the other hand, views the actors' action, networking, influence and power relationships. The *outcome dimension* discloses the result of the input and process components in spatial and visual dimensions. It represents the actual and demonstrable services provided to the people. It is along these three interrelated components that the chapter analyzes ULG in both Adama and Assosa.

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<sup>192</sup> <http://www.gltn.net/index.php/land-tools/>

## **7.1.1 Urban Informal Settlements: Concept, Causes and Management**

### ***Concept***

Informal settlement is a driving force of urbanization in developing countries (Berhanu 2015). Informal settlements are areas where housing units have been constructed on land to which the occupants have no legal claim and the constructed housing units are mostly not in compliance with the land use planning and building permit requirements (UN-habitat 2003, 196). Informality is seen as system of working outside the scope of government regulations. It has been accepted as a general name for squatter, slum, and unplanned, spontaneous and haphazard urbanization (Lupala 2002). Informal settlement is denial of the urban land planning and ULG faces major challenges in handling the issues of informal settlements (Shrestha et al 2016). That is why Myer (2011, 83) underscores:

Land issues are a valuable means of illustrating issues related to informality because the uncertainties surrounding rights to occupy control, and build on land are fundamental to why informal settlements are so often considered a problem for states and citizens.

Shrestha *et al* (2016) disclose important questions for analyzing the issue of informal settlements as central to ULG. These questions are: 1) what are the main causes of informality? 2) What institutional, administrative and managerial mechanisms are put in place to handle the challenges of urban informal settlements? 3) Whether the existing institutional mechanisms for managing the existing informal settlements and their future growths are effective? 4) How to balance diverse stakeholders' need in solving land and housing issues of informal settlements and how to provide land rights to informal settlers.

### ***Causes for Informal Settlements***

Socio-cultural studies reveal different causes for informal land settlements. Some understand informality as the spatial manifestation of urban marginality and poverty and as an alternative for those too poor to participate in the formal market of planned and serviced housing (Macedo, 2000 Huchzermeyer 2011 cited in Alemayehu 2014, 91). Informality, particularly in Africa, is a natural creation of home outside government controls (Myer 2011). In this view, informal settlement is a norm than an exception. It has been the African way of urbanism compared to the urbanism in industrialized states. Scholars like Huchzermeyer (2011) (cited in Alemayehu 2014,

91) understand informal settlements as both responses and witnesses to failure of urban land governance. Haferburg (2002) also understands informal settlements as manifestations of the prevalence of inequity and exclusion or failure of urban land governance. The report of UN Habitat (2003) puts the governments' limited supply of affordable housing and urban land delivery as causes for informality.

Shrestha *et al* (2016) also argue that the challenge of ULG with reference to urban informality arises due to lack of legitimacy which bifurcates between legal and social acceptance of such settlements. At times when the legal framework denies legitimacy to informal settlement, there has been often social acceptance of informality. In this view, the competition between these legitimacies detrimentally affects the urban land governance. Deininger (2003) (cited in Shrestha *et al* 2016, 23) notes that the “failure to give legal backing to land administration institutions that enjoy social legitimacy can undermine the ability of people to draw on anything other than informal mechanism.”

Other studies like the one by Collier (1976) show political support and electoral contingencies as causes for squatter settlements. According to David Collier (1976), political elites make use of squatter settlements to seek political support from the masses. Furthermore, informal settlements are products of national and regional inequalities due to the changing economic contexts of nations and the lack of appropriate policies to mitigate the effects of change (Macedo, 2000, Collier 1976). Interestingly, Berhanu (2015) has categorized the causes of informality into direct and underlying causes. Here, underlying causes emerge from social characteristics and direct causes refer to specific events like economic strain making people to take immediate and practical action at local cities. Informality is due to the weaknesses in the formal structures such as land laws and policies (Ibid). The studies on informal settlements in Ethiopia by and large highlight a composite of social, economic and political factors (Berhanu 2015; Yirgalem 2008). Informality is not just illegal holdings by the informal actors but it is driven by the politico-legal and social processes that manifest spatially (Berhanu 2015, Yirgalem 2008). The report by UN-Habitat (2011:3) on Ethiopia notes that informal and unplanned housing have proliferated as a result of high urbanization, limited housing supply, and the limited affordability of formal housing.

### ***Approaches for Managing Informal Settlements***

Most developing countries treat informality through regularization/ formalization of holdings or upgrading of ownership schemes (Kalugila 2013). The reaction measure addressed in the land policies of nine African and Asian countries was to regularize existing settlements by upgrading or relocating the settlements (Van der Molen *et al* 2008). Instead of just enforcing the existing law and regulation, the informal approach considers the socioeconomic profile of the holders as well as the political context of the time. This approach appears to view informal settlements from an evolutionary process of urbanization and urban development. If the informal settlements continue to be transformed through formalization and regularization, the difference between formality and informality becomes a difference in the state of transition. The second is demolition, which centers on the rule of law. It tries to enforce the existing laws and regulations on land. Accordingly, any land use holding which is not formally acquired is illegal. If it is illegal it has to be demolished. According to Murado<sup>193</sup>, Ethiopia follows the approach of mixing Demolition and Regularization. This is a non principled approach which depends on the political exigency of the time, and the selection of one instead of the other depends on the political environment. These approaches of managing informality, however, do not specify the level of local autonomy and the IGR required.

### **7.2 [Urban] Land under the Federal System of Ethiopia**

Under federal Ethiopia, the power over (urban) land is shared between federal and regional states. The federal constitution separates the power over land into legislative and administrative powers. Legislatively, Article 51(5) of the federal constitution provides power to “enact laws for the utilization and conservation of land” for the federal government. At the same time, Article 52 (2d) of the federal constitution grants the power “to administer land and other natural resources in accordance with federal laws” to regional states and to city council administrations like Addis Ababa.

Article 40(3) of the federal constitution stipulates that land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of

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<sup>193</sup> Murado Abdo, 2016, Urban Expansion and Expropriation in Ethiopia, Seminar paper organized by Center for Federal and Governance of Addis Ababa University and Frederich Ebert Stiftung, December, Jupiter Hotel, Addis Ababa.

exchange. Urban land, as both the public and state ownership, has given a dominant position to the federal government in policy and legislative competences. The federal government has enacted three land lease holding proclamations.<sup>194</sup> The most recent Urban Land Lease Proclamation No. 721/2011 is considered as one of the policy interventions of the federal government to create a steady source of revenue for municipalities that can be used for the improvement of urban facilities. In principle, the lease policy aims to control informal settlements and urban land speculations. It aspires to control illegal occupation of urban land, corruption and inappropriate use of urban land beyond the local development plan and master plan.

The urban land policy (2011) further proclaims to rectify land administration and regulation systems which had created a group of hoarders, land speculators and brokers indulging in the public land. Constitutionally, the federal government has the primary responsibility over setting policy standards and directions. Since the policy making power of federal government is huge and vaguely provided, the regional governments have been at their weakest position to regulate local governments (Zemelak 2014). In the Ethiopian federation, the urban policy in general and the urban land development and Management in particular came out in 2005 and 2011, respectively. Broadly, the 2005 urban policy provides a package for urban centers. As underscored by Assefa and Zemelak (2016) the power for designing and implementing the detailed urban policy was largely federal and left little or no room for states to regulate their own urban centers. Prior to the formulation of ULDM policy (2011), the urban land lease laws were proclaimed without underlying and specific policy framework (Berhanu 2015). But the urban land lease proclamation No 721/2011 was enacted to improve urban land governance system through developing the necessary urban land information system. Under this policy the federal government has practically incorporated the management, administration and regulatory competency of the regional states into its own jurisdiction. There is no substantive component left to the regional states

Urban land at the federal level is handled by the Ministry of Urban Development and Housing Construction (MUDHCo), which is mandated to implement the government's urban land

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<sup>194</sup> The first was “a Proclamation to provide the Leasehold of Urban Lands”, No. 80/1993’; the second was “Re-Enactment of Urban Land Lease Holding Proclamation”, No. 272/2002’; and the recent is “Urban Land Lease Holding Proclamation”, No. 721/2011.

development policy. Article 32 of the Urban Land Lease Proclamation No. 721/2011 grants the following powers to the MUDHCo: 1) to follow up and ensure the proper implementation of the land lease proclamation in all regions and city administrations; 2) to provide technical and capacity building supports to regions and city administrations; 3) to adopt and follow up the implementation of national standards real properties data base; and 4) to prepare model regulations, directives and manuals to be issued for the implementation of these proclamations. Under Article 33(1 and 2) of the same Proclamation regional states have the power to administer urban land in accordance with the proclamation.

The same proclamation also gives the power to MUDHCo to follow up and to ensure the implementation of lease. MUDHCo (2014, 37-38) has been given the responsibilities to: a) Develop and promote the vision of municipalities, their future roles, and responsibilities in the economic and social development of the country, b) create an enabling framework for urban and municipal developments; c) develop a municipal financial system that allows municipalities to perform their functions while preserving their autonomy; d) Develop vision statement and policy options concerning the role of Addis Ababa and regional towns in order to achieve a more balanced regional development; e) Promote greater involvement of the private sector (Town Planners, Consultants, Contractors, etc.) in urban development activities and to improve efficiency as well as alleviate capacity constraints; f) assess the impact of federal economic and social development policies on urban centers and their development so as to propose modifications as needed, and support capacity building at the municipal and regional levels; and g) promote applied research and the exchange of experiences. Thus, the influence of federal government on the urban land governance is not limited to law making or setting the framework. The federal executive is also given the power to ensure the implementation of the same in all regions and city administrations. The lease proclamation has put the principles of cooperation as a duty of anybody who would like to involve in the implementation of the lease law.<sup>195</sup>

In a nutshell, the ULDMP of 2011, for which the urban land lease Proclamation No 721/2011 was enacted, contains essential principles of urban land governance such as transparency, accountability and participation. The policy also incorporates the urban land management aspects. Though the extent of the federal government land (including urban land) appears to have

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<sup>195</sup>Article 35 of Proclamation No 721/2011.

been separated between legislative control and administration, the federal government has gone forayed into the regional jurisdiction.

The other is the federal Urban Planning Framework. The Urban Planning Proclamation No. 574/2008 enacted by the federal government affirms the lack of comprehensive urban planning laws prior to 2008. This proclamation aims to regulate and guide urban centers by sound and visionary urban plans to bring about a balanced and integrated national, regional and local development.

As per Article 4(1and 2) of the Urban Planning Proclamation No. 574/2008, the objective of the Proclamation is to establish a legal framework in order to promote planned and well developed urban centers; to regulate and facilitate development activities in urban centers. The Article 13(3) of the same Proclamation states that the power to formally initiate urban plan is vested upon “chartered cities and urban administrations as well as the concerned regional and federal authorities”. The Urban Administration is empowered to initiate, approve, implement and modify master plans.<sup>196</sup> The final draft of any urban plan (structure and local development plans) has to be “deliberated upon and approved by [city] councils and communicated to the concerned regional or federal authorities.”<sup>197</sup> The same article has granted the power to suspend the (approved) urban plan to the regional state or federal government if the plan is found non-conforming to the principles set out by the Urban Planning Proclamation No. 574/2008.<sup>198</sup> Here, the ultimate power to revise urban plan has vaguely been granted to the upper level governments-regional state or federal.

Urban Planning Proclamation<sup>199</sup> underpins a number of principles for the process of urban plan initiation and preparation including: a) Conformity with the hierarchy of plans; b) Sharing the national vision and standard as well as capable of being implemented; c) Consideration of inter urban and urban-rural linkages; d) Delineation of spatial frame for urban centers in view of efficient land utilization; e) Ensuring the satisfaction of the needs of the society through public participation, transparency and accountability; f) Promotion of balanced and mixed population

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<sup>196</sup> Art 16/1/2, Art 20, Art 23 of the Urban Planning Proclamation No. 574/2008

<sup>197</sup> Article 16/1 of the Urban Planning Proclamation No. 574/2008.

<sup>198</sup> Article 16/2 of the Urban Planning Proclamation No. 574/2008.

<sup>199</sup> Article 5 of the Urban Planning Proclamation No. 574/2008.

distribution; g/ Safeguarding the community and the environment; h) Preservation and restoration of historical and cultural heritages; i) Balancing of public and private interests; and j) Ensuring sustainable development.

The Urban Planning Proclamation No. 574/2008 empowers the Ministry of Urban Development and Housing Construction on urban planning preparation, strategies, manuals, standards, guidelines, checklists etc. The respective regional urban development and housing Bureaus are given the mandate to implement the urban plans according to the framework set by the Ministry. Moreover, the MUDHC can evaluate the urban planning institutes of the regions; identify the good experiences and can offer harmonized urban planning preparation and quality control; organize urban plan information centers; and make the urban land information, documents and file accessible throughout the country.

As it works now, the federal government enacts urban laws and formulates policies. Federal Ministry of Urban Development prepares other details for implementation of the policy like preparation of model regulations, directives, manuals, checklists. The regional states, based on their constitutional competency of administering any land and natural resources, prepare regulation, directive and manuals. Nonetheless, these instruments of urban land policy implementation are basically the replica of what are already prepared by the MUDHco. This raises the question: Is the MUDHco an IGR institution for urban land issues? Does it entertain the views of all the regions and urban centers under the regional states? If not, how could the administrative competency of the regional states be exercised? The question is not why the federal government has got the lion's share of urban land policy making. The important question, however, rests on the capacity of the regional states to reflect their concerns and peculiarities in the federal policy with regard to the relationships between the regional state and urban local administrations.

### **7.3 Adama Urban Land Governance**

#### **7.3.1 Oromia Urban Land: Institutional and Structural Setting**

The urban land issue in Oromia was handled by the Urban Development and Industry Bureau (UDIB) till 2015 and it was renamed as Urban Development and Housing Construction Bureau (UDHCB) since in 2015. The creation of another Agency known as Urban Land Development

and Management (ULDM) has shifted the responsibility of administering urban land from UDHCB to the ULDM. Yet the ULDM is made accountable to the UDHCB.<sup>200</sup> Now, both the Agency and the UDHC are responsible for urban land administration in Oromia. The ULDM Agency has been established for implementing the lease law. In Adama city, the ULDM is responsible for urban land administration and urban planning. Further, the accountability of the Oromia Urban Planning Institute (OUPI) to the Bureau of Urban Development of Oromia has also been shifted to the Agency.<sup>201</sup> The duty of the UDHCB is to create good relationship with governmental and nongovernmental organizations in order to build the capacity of the urban administration in service provisions. It also shoulders the function to conduct research and resolve the social, political and economic problems of the city.<sup>202</sup>

The Oromia regional state has decentralized the land administration to the city through the city proclamation No 65/2003. Article 8(2(d)) of the Proclamation No 65/2003 states that the city administers urban land and houses in accordance with the law. Besides, the city has the power to prepare, revise, update and implement its city plans. Urban land supply and delivery is one of the municipal functions which are assigned to the city by the regional city proclamation. The following Chart 7.1 illustrates a simplified urban land structural organization and accountability relationships in Oromia.

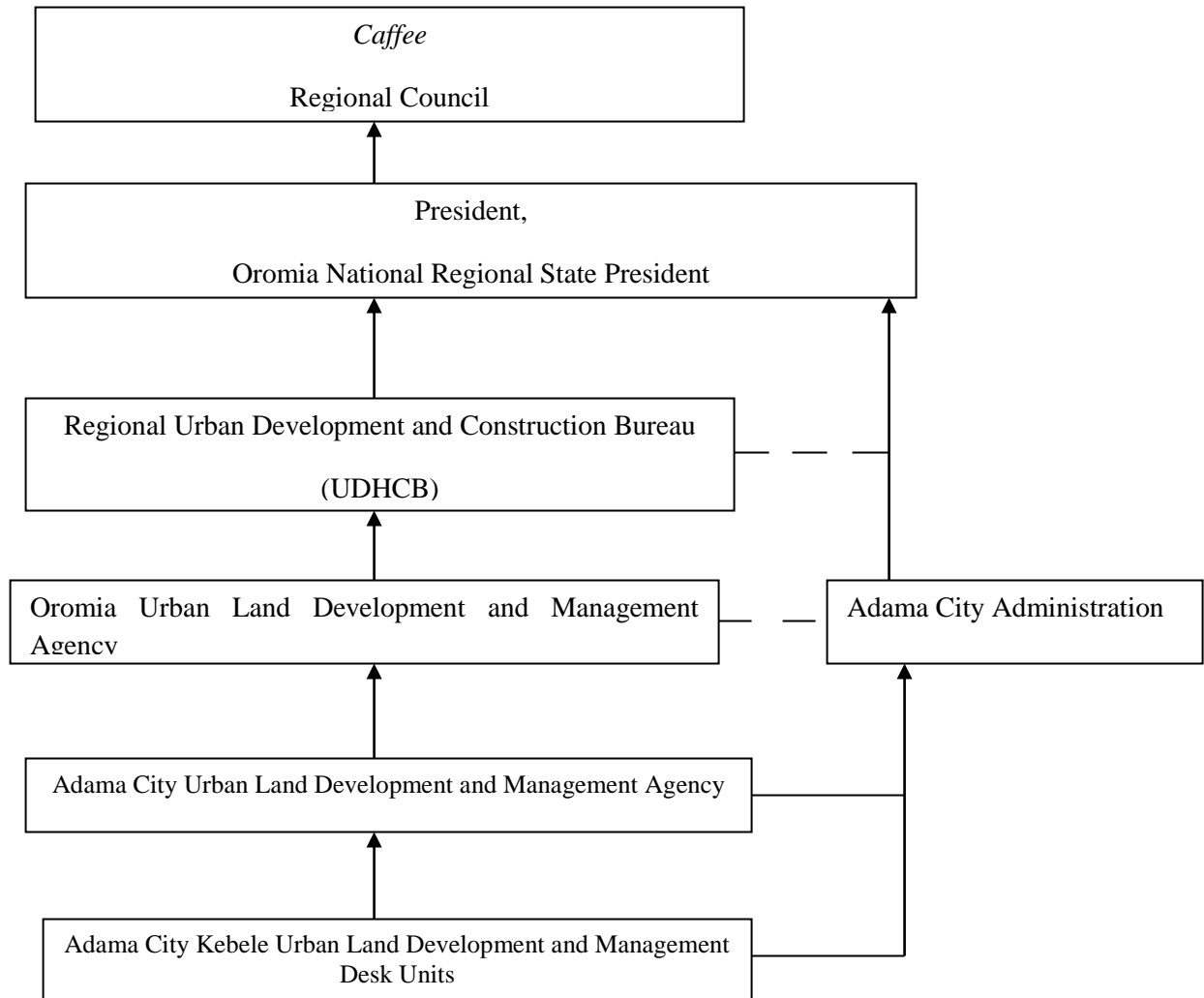
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<sup>200</sup> Article 5(2) of Proclamation No 179/2013

<sup>201</sup> Article 18(1) of Proclamation No 179/2013, a Proclamation to Establish the Oromia National Regional State Urban Land Development and Management Agency.

<sup>202</sup> Article 4(23-26) of Proclamation No 170/2012

**Chart 7.1: Organizational Structure of Urban Land Administration of Oromia**



**7.3.2 Causes of Informal settlements and Land Holdings in the City of Adama**

Table 7.1 provides an account of educational backgrounds and Institutional Affiliations of respondents of the questionnaire issued to find out the causes and management of informal settlements in and around Adama city. A total of thirty key informants were consulted. Eleven informants were taken from the Regional ULDM Agency and OUPI. The other ten informants were taken from the ULDM Agency in the city of Adama while nine of the respondents are from the Kebeles.

**Table 7.1: Institutional Affiliation and Educational Background of Respondents**

Institutional Affiliation	Educational Background				Total
	Below Degree	First degree	Above Degree	First	
Regional ULDM Agency	-	2	4		6
OUPi	-	1	4		5
City ULDM Agency	1	2	7		10
<i>Gandas/Kebeles</i>	2	4	3		9
Total	3	9	18		30

The respondents were asked to outline the main causes of informal land holdings and expansion of settlements in and around Adama. The six main causes are shown in the Table 7.1 having social, economic or political underpinnings. Along with the questionnaire, the in-depth interviews have also exposed the informal actors and those who are working in the ULDM Agency to manage informality.

**Table 7.2: Summary of the Causes of Informal Settlements in the City of Adama**

S.N.	Causes	Features	Underpinnings
1	Informality as User Friendly	<ul style="list-style-type: none"> <li>• Speedy(no bureaucratic delay)</li> <li>• Supplies the parcel Size demanded</li> <li>• Preference for Neighborhood</li> <li>• Preference for Spatial Location</li> <li>• Self Help</li> <li>• Less costly than the Formal Delivery System</li> </ul>	Personal
2	Defects of the formal land Delivery system	<ul style="list-style-type: none"> <li>• Demand and supply mismatch</li> <li>• Incorporation of farmers without fair compensation(Compensation below the land market)</li> <li>• Expensive lease price (pro-rich land price)</li> </ul>	Policy and Administrative
3	Access to land for Housing	<ul style="list-style-type: none"> <li>• Houselessness</li> <li>• Incapability to afford formal land use market</li> <li>• Selection of the spatial site(often at fringe and future expansion areas)</li> </ul>	Socio-economic
4	Access to land for Income	<ul style="list-style-type: none"> <li>• Means of income generation</li> <li>• Profitable Business and short cut to wealthy</li> <li>• Covertly empowers political elites</li> </ul>	Economic
5	Access to land for political gain	<ul style="list-style-type: none"> <li>• Covert empowerment of political elites</li> <li>• Interplay of power-money and ethnicity</li> <li>• Political loyalty and support</li> <li>• Elections and vote banks</li> </ul>	Political
6	Informal Urban tradition	<ul style="list-style-type: none"> <li>• Legacy of urbanization (Informality as normal)</li> </ul>	Process of urbanization

### ***Inequity to access Land for Housing: Power, Money or Ethnicity?***

The justification for inequity in accessing land for housing is not uniform in Adama. To some, availability of urban land has been restricted to ethnic majorities. For others, the issue is economic, and access to land has become a function of capital. As an informant<sup>203</sup> who was involved in the land lease committee of Adama city puts it: those who have the money have the land. Further, yet others consider political power and affiliation to EPRDF/OPDO opens up an opportunity to access urban land.

The hitherto permit system of urban land delivery which operated prior to 2011 was criticized as it was enabling largely the members of the empowered ethnic group to access urban land for housing. However, even after adopting the urban lease system, the criticism remains the same but in different form. The lease system favors the rich, non Oromos and few members of the empowered group (Oromo).<sup>204</sup> Urban land invites clashes between rich versus poor; member of empowered ethnic group versus non membership to the empowered identity; and network to the power elite versus unconnected to the political class.

### ***Mismatch between Demand and Supply for Urban Land***

The information from the city ULDM Agency (2016) shows that there are several causes for the unprecedented demand for urban land. The following three causes have shown the mismatch between Demand and Supply: 1) thousands apply for the condominium housing regardless of quite limited number of such units; 2) the prevalence of informal and illegal housings; and 3) there are a lot of people who apply for the land delivered through lease tender.

According to the ULDM Agency<sup>205</sup> in Adama city, land can be formally acquired through three ways<sup>206</sup>: the first is the lease tender system. Since the enactment of the lease law and regulation for the implementation of the lease, Adama city has transferred land for housing through tender. There were two occasions of land delivered through tender. Through this system 1 square meter of plot costs some ETB 53. In this way, 200 square meter of land use costs ETB 10,600 per year.

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<sup>203</sup> Interview: Ex-ULDM Agency Desk Leader at Boku Shanan, December 24, 2016, Adama

<sup>204</sup> HE Lemma Magarsaa, ORTVO news on the meeting with Managers of Urban Land Development in Oromia, February 18, 2017, Adama; Mr. Kasim Fite, Ex-Manager of Oromia ULDMA, ORTA's *Ardaa Marii* on: Developmental Urban Land Reform Workshop, 30 May 31, 2016 ORTA, Finfinnee.

<sup>205</sup> Interview: ULDM and Data Management Expert, December 25, 2016, Adama.

<sup>206</sup> Interview: Ex-ULDM Agency Desk Leader at Boku Shanan, December 23, 2016

Since the lease period is for 99 years the amount equals ETB 1,049,400. This cost of the lease price tender system cannot help the demand of the poor, and lower income people.<sup>207</sup> The second mechanism is through the supply of Condominium housing for low income people. In this regard, Adama city has built condominium houses from 2007 to 2012, and over 2000 houses were transferred to the users. However, the condominium houses were not built and supplied regularly to address the huge demands for housing. Also, even those transferred were given to the rich and to those who have the bargaining capacity. The third mechanism is through the Real Estate developer. Under this program, Adama has transferred land to the real estate developers. But the developers have not built houses on the land they took. Instead, they were caught of dividing and selling the land they took to other developers beyond official rules.<sup>208</sup>

The permit system of land delivery was made ineffective a year before the enactment of the Proclamation No.721/2011 for the Urban Land Lease.<sup>209</sup> Subsequently, the enactment of new regulations, directives, operation manuals etc, and the urban land institutions for the implementation of the lease took longer time to enter into the operation. Even after the legal and institutional frameworks were put in place, it was not possible for the Adama to do the leasing system as it required infrastructural development prior to transferring land through bidding. On the one hand, Adama has no financial capacity to pay compensations and bring land into the land band, and then develop infrastructures to transfer it to users through lease bidding. On the other hand, Adama is expected to enhance its revenue through urban land lease. Thus, the formal land delivery system has got a number of drawbacks which reinforces informal mechanisms of land acquisition.

### ***Informality as User Friendly***

The informant from *Ganda Dabe Soloqe* of Adama city<sup>210</sup> simply puts informality as a kind of self help; it is user friendly in terms of land use tenure; and less cost for the house one could build. Compared with formal land delivery processes, according to the informants<sup>211</sup>, informal land acquisition is preferred by those who sell and who buy. Those who sell their plots rush to

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<sup>207</sup> Interview: ULDM Expert, December 23, 2016, Adama.

<sup>208</sup> Interview: Mr Hussien B. ULDM Agency Expert, December 23, 2016, Adama.

<sup>209</sup> Interview: Mr Getachew M. Urban Land Agency Expert, December 28, 2016, Finfinnee

<sup>210</sup> Interview: Mr. Worku, Dabe Soloqe, July 27, 2016, Adama.

<sup>211</sup> Interview: Mr. Dabal, Expert in ULDM Agency Expert, February 23, 2016

sell them through the informal market because once their holding falls in the formal land to be transferred through tender; they would get little or no compensation from the government. Those who buy prefer informality because the process is speedy and the price is less compared to the formal lease system of acquiring land. Informality also satisfies the spatial and neighborhood preferences of the informal seekers. In addition, the informal market supplies bigger plot of land than the formal ones. Hence, the informal system suffices the economic capacity of the buyer on one the side, and the economic gain of the seller on the other side.

### ***Incorporation without or with little Compensation***

The farmers of the neighboring areas of Adama city have been subdividing their farm lands and sell them to informal seekers or brokers. This is because of fear of eviction by Government.<sup>212</sup> The recently incorporated kebeles like Boku Shanan, Malka Adama, Dabe Soloqe and Dhaka Adi into the Adama city boundary have been agog with informal land market. The city administration should have paid compensation for the farmers incorporated into the city boundary before bringing them into the city boundary, and the land for which compensation is already paid should enter into the land bank.<sup>213</sup> Since this was not the case and farmers were incorporated into the city boundary without receiving compensation for their agricultural plots, the farmers have been selling their farming plots piece by piece to informal seekers.

According to Regulation No.155/2013 of the Oromia regional state the least land cost in first grade cities like Adama are between ETB 307 to ETB 426 per m<sup>2</sup> but in practice the government has paid less than 50%.<sup>214</sup> The farmers want to sell their holdings informally because the compensation they get from the city is very small (ranging from ETB 0.1 to ETB 53)<sup>215</sup>. Informally, the farmers could sell 1 square meter of plot for ETB 200 to ETB 300. Hence, the farmers calculate their gain and loss. Before they are forced to be displaced by the city

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<sup>212</sup> Informal Interview: Mr. Galato, Farmer in Boku Shanan, July 27, 2016, Adama; See also the study conducted by MoUDHc) with the funding from the World Bank: National Urban Development Project, 2016, Adama-Dabe Soloqe Neighborhood Development Plan and Urban Design, Egis International in association with IAU-IdF and UrbanLyon, NDP Report of Dabe Soloqe, Adama, Final Report,

<sup>213</sup> Interview: Mr. Hussien., ULDM Agency Expert, December 23, 2016

<sup>214</sup> Ibid

<sup>215</sup> It is in 2016 that 1 square meter of land compensation is rated for 53 ETB for the farmers displaced for Industrial park. In this line, a farmer having 200square meter has got 53x200x99=1,049,400(Interview: Mr Hussien B. ULDM Agency Expert, December 23, 2016)

administration they decide to informally sell their land holdings to the informal settlers or those brokers and land speculators.<sup>216</sup>

### ***Political Support and Uncertainty***

As much as it is a socioeconomic and a legal issue, urban land is also a political crucible. The government's action on the informality during election times is seen as covert method of seeking the mass support. Even recently, the political parties clearly employ the access to land as an electoral opportunity. In the view of the respondents of the research<sup>217</sup>, the political cause of the informal settlement refers to lenient application of the formal rules of land transfer in times of elections. For gaining the voices of informal residents, parties have either attempted to give land titles to the hitherto denied informal settlers or have given a green light that the informal holdings would be formalized if they would win the election. That was why the sale of informal land holdings was intensified during the times election campaigns. Thus, informality is also triggered by the politician's inclination to seek political loyalty, support and votes from the masses residing in the informal settlements in order to face electoral contingencies.

### **7.3.3 Approaches to Manage Informal Settlements**

#### **7.3.3.1 Regional Regulatory Framework: Regularization, Demolishing or Both?**

Arguably, the Oromia regional state has always been the forerunner when it comes to Urban Land institutional and regulatory reforms.<sup>218</sup> Since the adoption of the federal urban land law and policy in 2011, the regional state of Oromia has gone through a number of urban land institutional and regulatory reforms. Two regulations (Regulation No 155/2013 and regulation No 182/2016) and a number of directives have already been issued towards implementing the federal urban lease policy. Specifically, Directive No 5/2016 is the directive to deal with the granting of urban land use deeds for long enduring settlements and the mechanisms for formalizing the illegal holdings. Article 24 of the Directive<sup>219</sup> outlines the following criteria for

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<sup>216</sup> Interview: Mr. Gezahegn, Manager of the Infrastructure of Adama City, December 23, 2016, Adama.

<sup>217</sup> Interview: Mr. Worku, resident of the Dibibisa Rural Kebele Surrounding Adama City, July 29, 2016.

<sup>218</sup> Interview: Mr. Alemayehu, ULDMA, February 13, 2016, Finfinnee.

<sup>219</sup> Directive No. 5/ 2016, Directive on Regularizing the Urban Land Use without Deeds and Illegal holdings in Oromia, OUDMA, BoUD.

formalizing the illegal holdings if the kebele administration confirms that the house was built prior to 24 January 2013(the time of the squatter built prior to the lease regulation No155/2013).

On the positive side, the regional council /Caffee has undertaken a number of reforms to improve the administration of urban land in the region. For example, Regulation No 155/2013 was first enacted to regulate the administration of Urban Land lease in Oromia. This regulation was later amended by Regulations No 166/2014, No. 171/2015 and repealed by Regulation No 182/2016. A number of directives were also issued by the Oromia ULDM Agency since its establishment in 2013 including Directive No 3/2016 for creating Land holding Property Registration and Organization of the Land Information in Oromia; Directive No 4/2016 for Revising the Directive for Implementing the Regional the Urban Land Lease Regulation in Oromia; Directive No 5/ 2016, for regularization of the informal land holdings without land title and controlling of the illegal house constructions in oromia; and Directive No 6/2016 for Urban Land Service Delivery in Oromia. . These directives have targeted to undermine the expansion of informal settlements in urban centers of Oromia.

The Regional official narration<sup>220</sup> puts five reasons for the ineffective urban land governance in the urban centers of Oromia. The first is the informal acquisition of land holdings which have directly undermined the implementation of urban land use planning and formal holding of the urban land. The second is related to the lack of appropriate land holding registration and documentation systems. The third is the problem of backlog in urban land service delivery. In this case, the regional information puts that there were over 44, 900 backlogs in cases in the region in the year 2015/16. Of these, 63% or 28,395 cases have been resolved. The fourth is related to the large area of lands occupied in the name of investment without doing anything about it. According to the same official view, the regional government has recovered about 2897.3 hectare of lands into the land bank. The fifth is the gap in the lease regulation and directives.

According to the Regulation issued for controlling the informal land holding and settlements, some of the preexisting informal holdings which fit to the urban land use category and built before issuing the regulation No 155/2013 would be eligible for the regularization or

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<sup>220</sup> Press briefing: Fekadu Tesema, Ex-Oromia Regional State Spokesperson April 15, 2016 ORTA.

formalization. All informality holdings which could not meet this precondition shall be demolished. Under the urban land regulation No 182/2016, the issue of managing urban informal settlement and control of illegal holdings have got immense consideration, and the regulation is hoped to resolve the challenge of informal settlements.<sup>221</sup>

Moreover, Regulation No. 182/2016 pledges to implement urban land policy and lease law as per the contextual peculiarity of urban Oromia in terms of culture, identity and benefits of the people therein. According to the information from informant in the OULMA,<sup>222</sup> the mere implementation of the urban land lease without considering the contextual realities of urban Oromia has brought the issue of inequity as those who could access land through the lease system were the rich and which excluded the many from accessing urban land. According to the Ex-Manager of ULDM Agency Mr Kesim, 75 to 85% of court cases in urban Oromia are related to urban land cases.<sup>223</sup> In Mr Kasim's view, the regional government has paid adequate attention to improve urban land governance through restructuring urban land organizations to attract highly qualified professionals and building the capacity of urban land professionals. He however cautioned that the mechanism of resolving urban land related disputes/court cases could be through implementation of cadastral system.

The political exigency of Oromia has determined the use of either regularization or demolition as controlling informal settlements. Consequently, the approach towards managing informal settlements is unpredictable. This situation raises the question of whether the state wants to bulldoze, upgrade, formalize or champion the mushrooming of informality.

On balance, Reforms of Oromia are downloaded from federal government through the region to the city. The focus of the reform heightens the vertical and hierarchical coordination between the federal and regional state but not the coordination within the city and between the city and the surrounding woreda. The place of the local city is marginal in the reform processes. Moreover, urban-rural neighborhood linkages are not institutionally addressed, and people were not adequately consulted. The reforms, undertaken frequently discerning either the institutional and regulatory frameworks, have not attained the desired objective and are unstable and uncertain.

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<sup>221</sup> Interview: Mr. Alemayehu , ULDMA, December 2016, Finfinne.

<sup>222</sup> Mr. Mr.Kasim Fite, Ex-Manager of Oromia ULDMA, ORTA's Arda Marii, July 5, 2016, Finfinnee.

<sup>223</sup> Mr. Mr.Kasim Fite, Ex-Manager of Oromia ULDMA, ORTA's Arda Marii on: Developmental Urban Land Reform workshop, 30 May 31, 2016 ORTA, Finfinnee.

### 7.3.3.2 Local City Capacity: Structure, Human Resource and Finance

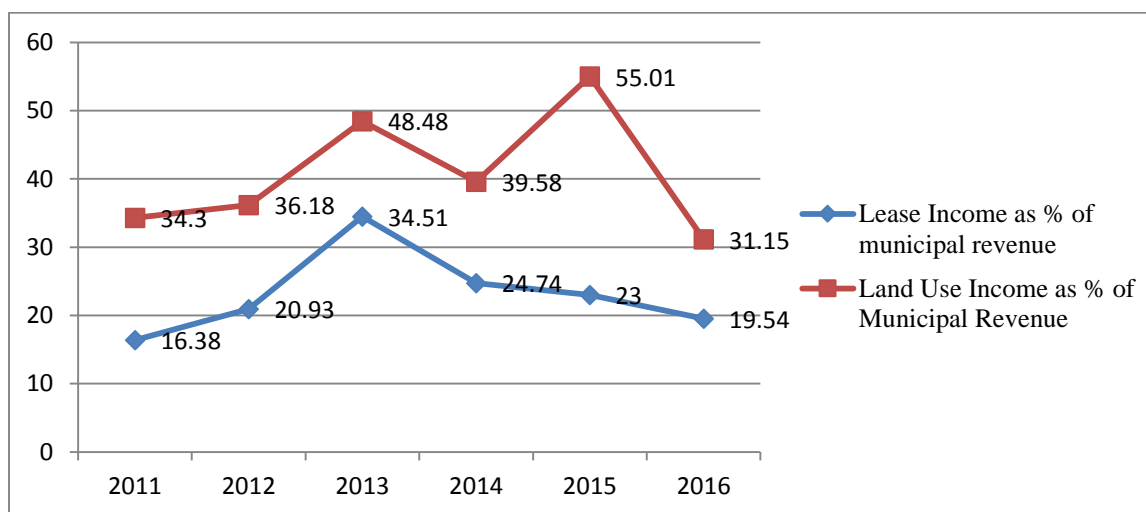
Urban land is the key source of municipal revenue for the Adama City. One of the core challenges is raising the revenue necessary to provide key public services and improvements in infrastructures and services.

**Table 7.3: Land Use Income of Adama Municipality from 2011 to 2016**

Fiscal year E.C	Lease Income ETB (1)	Urban Land Use Rent ETB 2	Total Land Use Income ETB (1 +2)	Total Municipal Revenue(MR) ETB (3)	Lease Income as % of MR ETB (1/3)	Land Use Income as % of MR ETB (2/3)
2011	11,492,290.63	12,568,907.76	24,061,198.39	70143891.74	16.38	34.30
2012	18,398,360.77	13,410,352.46	31,808,713.23	87922001.61	20.93	36.18
2013	41,756,948.75	16,823,032.04	58,579,980.79	121002438.89	34.51	48.48
2014	38,942,303.78	23,361,140.22	62,303,444.00	157408419.51	24.74	39.58
2015	65,901,407.14	25,826,235.60	157,629,049.74	286546393.38	23.00	55.01
2016	38,781,212.33	23,030,389.15	61,811,601.48	198,457,512.40	19.54	31.15

(Source: Computed from Adama City Revenue Authority, August, 2016)

**Figure 7.1: Proportion of the Land Use Income in the Municipal Revenue from 2011 to 2016**



The land use is an important source of municipal revenue in Adama city also(see Table 7.3 and Figure 7.1). As demonstrated above, in recent times half of the municipal income per annum has been land income. Also, land lease system has brought significant contribution to the municipal

financial autonomy and capacity<sup>224</sup>. Nonetheless, the revenue contribution of the urban land lease has not addressed the equity issues in the land delivery system, and the city could not sustainably ensure the land delivery as the preparation of land for lease involves huge resources for paying compensation and development of infrastructures.

### ***Evidence on Regularization in Adama***

Even after the city has started to apply the lease law, the formal expansion could not catch up with the informal expansion. The city has been experiencing the highest levels of informal expansion amounting to 1,595.68ha in 2010, 1,366.01ha in 2011 and 1,138.34ha in 2012.<sup>225</sup> Adama had a formal expansion of 60ha in 2013 but the city has experienced unprecedented informal expansion of 758.89ha in the same year. The information from the Adama city ULDM Agency reveals that there were above 28, 000 informal holdings at about the enactment of the urban land lease holding Proclamation No.721/2011. At present, the estimate puts more than 40,000 informal holdings which could account for 35% of the housing units that exist in Adama city and the number is not showing any decline. Even worse, the Mayor of the City Ms. Adanech<sup>226</sup> states that nearly half of the settlements in Adama are informal.

The region has enacted regulations and directives to govern the informal settlements.<sup>227</sup> Mr. Hussien<sup>228</sup> underscores that the implementation of regularization is easy in the case of Adama because there was clear aerial photo (land use land cover) at about the enactment of the land lease. The aerial photo has served as a very good tool for identification and screening of the old holdings, and it has created conducive environment for regularization. Accordingly, the land use holdings before the lease could be regularized if the land use type fits the master plan, and if the informal holder has an evidence that he/she was the resident of the city prior to the date specified (Kebele Identity card), and is not holding another formal residential housing. Also, his or her age should be 18 as of January 24, 2013 to be eligible to the formalization scheme.<sup>229</sup> If it unfits to the land use plan, even if the land use plan is consistent to the LUP, the informal settlement

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<sup>224</sup> Interview: Mr. Itafa, Adama city Revenue authority Core Process Owner, April 07, 2016, Adama.

<sup>225</sup> SECR 2015 p 163

<sup>226</sup> OTV March 11, 2017

<sup>227</sup> See Article 9 of the regulation No 155/2013, Article 9 of Regulation No 182/2016; and Directive No. 5/ 2016, Directive on Regularizing the Urban Land Use without Deeds and Illegal holdings in Oromia, OUDMA,BoUD

<sup>228</sup> Interview: Mr Hussien B. ULDM Agency Expert, December 23, 2016

<sup>229</sup> Ibid.

would be demolished without compensation. The informal and illegal holding contrary to the LUP are all demolished.

The other challenge of executing the regularization is related to the parcel size that would be allowed under the regularization scheme. The old possessions which have been identified as informal holdings have 200m<sup>2</sup>, 500m<sup>2</sup> up to 1000m<sup>2</sup>. But the formal ones are 140m<sup>2</sup> or 160m<sup>2</sup>. This reduction in size of the holding has been a challenge for the regularization. In the year 2012/13 there was 24,174 informal holdings identified. The city administration has tried to regularize/formalize these holdings but only 10% of these holdings were actually regularized.<sup>230</sup> The regularization requirement i.e. those who have lived in the informal houses for five years were converted to formal holders, has set a precedent for perpetuation of informality.<sup>231</sup>

### ***Evidence on Demolition Scheme in Adama***

In management of urban informality, Oromia lacked consultation with the informal settlers.<sup>232</sup>, The demolition of squatter houses by bulldozers was antidemocratic in character. There was unfair treatment of groups, and houses demolished largely were those owned by the poor. But squatters owned by rich and power holders were not demolished, and the regulatory framework has not bridged this loophole.

According to OULDM, Article 31 of the Directive No 5/2016, demolition would be undertaken based the following grounds:1) If the illegal construction is unfit to the standard land use plan type, the city administration demolishes it; 2) Any illegal construction after the regulation no 155/2013 which was enacted in Jaunary, 2013; 3) Any property on the illegal holdings which does not fit to the formalization criteria shall be demolished without either compensation or allocation of other land use holding as a replacement to it. The exception however is that if the illegal housing decided to be demolished according to the regulation was built by the children of the farmer in and around the urban center, the replacement plot shall be given to him or her from the residential site of the city; and 4) if the demolition of the illegal construction is estimated to have an impact on the socio-economic damages, the city council may determine on it. These

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<sup>230</sup> Interview: Mr Gezahegn, Head of the City Infrastructural Development, December 24, 2016, Adama.

<sup>231</sup> Interview: Mr Hussien B., ULDM Expert, January 23, 2017, Adama

<sup>232</sup> Press Release: Mr. Fekadu Tesema, ex-Spokesperson of ONRS, ORTA, May 2016.

provisions are supposed to remove the detrimental effects of handling the informality in cities. The outcome of it remains to be seen as it has not been implemented so far.

If the illegal holdings do not fit the considerations of formalization based on the federal urban land lease proclamation of 721/2011 and the regulation and directives enacted by the regional state of Oromia to implement the lease, then the illegal constructions would be demolished. To implement the Regulation No 155/2013, about 10, 000 squatters were demolished in Adama city within few months of the issuing of the regulation so as to utilize the land for which it was planned. In the Boku Shanan Kebele<sup>233</sup>, for example, about 1000 informal settlers live on the land use plan allotted for public social service i.e school. Since the land use plan meant for public service is taken by private holders, the city has no option but to demolish the squatter settlements so as to utilize the land for which it has been planned. These holdings could not be regularized even if they were built before the lease proclamation because it has violated the master plan. In addition, the land use zoning cannot be carried out as the public land use could not be changed for private or residential land uses. That being said, at one level the city clears plots of land through demolition. But at another level, squatter settlement mushroom before the city administration uses the land for the designated land use planning.

A victim of the demolishing scheme in Boku Shanan<sup>234</sup> criticizes the application the demolition scheme as:

We met the requirement for regularization. We did build the informal houses more than four years prior to the lease regulation which came out in 2013. But the Kebele officials and the city did not want to see our houses there. They said the area is needed for building a public school. Nearly 1000 houses were in the area specified to be demolished in Boku Shanan. We requested the Kebele to give us either compensation or a substitute parcel of land. They said no, and we refused to evacuate the area. It was amidst this controversy that they bulldozed our houses.

The Leader of the Committee<sup>235</sup> who did the clearing of the illegal house owners refutes the complaint by saying that the informal houses in the area did not fit the time requirement of the lease regulation. But beyond the time factor, it has to qualify the standard land use plan as put by the structural plan of the city. As the area was reserved for public school, it cannot be changed to private residential holdings contrary to the master plan

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<sup>233</sup> Interview: ULDM Agency Expert, December 23, 2016, Adama.

<sup>234</sup> Interview(Informal) with a person whose house was demolished, Boku Shanan Kebele, July 29, 2016, Adama.

<sup>235</sup> Interview: Team Leader of ULDM Desk of Boku Shana Kebele of Adama city, July 30, 2016, Adama.

### **7.3.3.2.1 Adama Urban Land Institutions and Structures: From Municipality to Sector to Agency**

The urban land administration and management was simply one of the main municipal functions prior to 2013. It was carried out for a brief period in 2013 by land and Environment Protection sector. Later, in the same year 2013, the Regional State of Oromia has established ULDM Agency (hereafter the Agency) by Proclamation No. 179/2013.<sup>236</sup> Thus, the administration of Urban Land in Adama city has moved from being a municipal function to Sector and currently run by the Agency. Under Article 6 of the Proclamation 179/2013, the Agency has the duty to ensure good urban land governance must provide service delivery which ensures transparency, efficiency, quality and accountability. The agential system allows the region to have ULDM structure in the city- a direct relationship between the agency at city level and regional level

Important powers in urban land administration were already transferred from Bureau of Urban Development of Oromia to the Agency under Proclamation No. 170/2012.<sup>237</sup> These include:<sup>238</sup> 1) issuing directives and administrative guidelines to ensure urban land use with maximum economic benefits in accordance with urban land plan; implement the same and control and follow up; 2) Issuing directives and guidelines alone or with the concerned body to control illegal urban expansion and construction, control and follow up its implementation; and 3) control and follow whether the city whether they follow the master plan in modern way, give the necessary support in the preparation of the master plan.

On the occasion of the establishment of the Agency, Mr Woyessa<sup>239</sup> has outlined five functions of the Agency including administration of land, control of urban land usage, management and analysis of land information, undertaking cadastral activities and addressing of investment requests. On the part of the regional state, the Agency must function on behalf of the region to improve urban land governance. The strong side of the agency is that it attempts to integrate the

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<sup>236</sup> A Proclamation has Established Urban Land Development and Management Agency of the ONRS.

<sup>237</sup> A Proclamation Enacted to Revise the Powers and Duties of ONRS Executive Organs Amendment Proclamation No163/2011.

<sup>238</sup> Article 4 (7, 9 and 28) of Proclamation No 170/2012.

<sup>239</sup> See: Fortune News Paper July 14, 2016.

urban land development and management work altogether. In doing so, as the key informant<sup>240</sup> noted, the Agency has supportive role, and it cannot order the urban centers on urban land issues.

### ***Unstable Managerial Position of ULDM***

At the Adama city level, there are several causes for weak institutionalization of ULG. One of the problems of the Agency is related to the appointment and capacity of the Manager of the Agency. The information<sup>241</sup> from the city of Adama evidences that the terms of the Manager of the ULDM Agency has been unstable. Besides, the political commitment outweighs other factors for the appointment of the Manger. It is normally the Adama city ODPO office along with the Mayor who appoints the manager and the manager is politically accountable to the Mayor. For example<sup>242</sup>, one of the Managers, Hussien Ushu who has Masters Degree in Urban Management had worked for six months only. The manager of Adama city ULDM Agency preceding Hussien Ushu has a forestry background. The next Manager, Abdul Jalil was appointed in November 2016 but he has worked for three months, and the city has not assigned a new Manager of the Agency as of February 20, 2017. All the appointments and dismissals of the managers were not based on transparent evaluation of the efficiency of the Managers, igniting the question: How the city could bring transparent and accountable urban land administration without being in the first place transparent in recruitment, change or dismissal of the managers of the ULDM?

### ***ULDM's Monopoly of Urban Land Administration and Planning***

The positive side of the Agency, the experts<sup>243</sup> uncover, is that it has made considerable effort to integrate the urban land functions into one system. It is however been criticized for monopolizing both the administration of the physical urban land and information on urban land planning. The institutional arrangement has not developed a check and balance to the powers granted to the Agency. In principle, all the spatial dimensions of the structural plan have sectoral ownership. The road, water, environment and housing belong to municipal functions. The utilities like water and sewerage is under the water supply and sewerage Enterprise. The role of

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<sup>240</sup> Mr Kesim, the Head of Land Administration and Management Agency in May 31, 2016 ORTA 8:00 pm news on the “Developmental Urban Land Reform workshop.”

<sup>241</sup> Interview: ULDM Agency Ex-leader at Boku Shanan Kebele, December 22, 2016, Adama.

<sup>242</sup> Ibid.

<sup>243</sup> Interview: Mr. Gezahegn, Ex-Municipal Manager of Adama city, December 23, 2016, Adama.

the Agency is to work according to the spatial units plan. In the views of the Key informants<sup>244</sup>, the urban land administration and planning should not be the sole responsibility of the Agency. In this view, the stakeholders should be guaranteed clear responsibility on the implementation of the ULUP. For example<sup>245</sup>, if six youth centers are part of the structural plan, the youth and sport sector at city level has to hold the Agency accountable for implementation of the plan, and the youth sector should work towards implementation of the same. The same works for utilities like water supply. The practice shows that there has been limited coordinated work between the Agency and other spatial units or stakeholders, and the Agency is not bound by any law for not acting according to the land use plans. In addition, the organization structure of the Agency focuses on how the vertical coordination of the structures of ULDM could be attained than the integration of the land sector with the other sectors within the city. Nowadays, there is a plan to separate the institution dealing with the administration of the land and the information/planning aspects. This appears a journey in good direction as long as it promotes accountability and check and balance.

#### *Urban Planning Implementation*

Adama has started implementing the urban land use lease policy without first revising the master plan. The study by Berhanu (2015) reveals that the challenge of implementation of UDM policy among others is due to the application of the policy without first revising urban land use plan consistent to the lease policy. This study indicates that there must be suitable urban land use plan in order to go for the lease law enforcement.

**Table 7.4: Capacity of the Regulation and Urban Planning to Control Informal Settlement**

Do the planning and regulatory frameworks adequately controlled informal land holdings/settlements?		Frequency	%
Responses	No	19	63.3
	Yes	7	23.3
	Undecided	4	13.3

<sup>244</sup>Interview: Mr. Gezahegn, Senior Engineer, Ex-Municipal Manager, August 2016; Mr. Hussien B, ULDM Agency Ex-leader at Boku Shanan Kebele, December 22, 2016, Adama

<sup>245</sup>Ibid.

	Total	30	100.0
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Adama is characterized neither a spontaneous nor a planned city (Addisu 2006). On many accounts Adama City Master Plan of 2004 has been admired by many professionals in the field of urban planning. The Master Plan had meticulously carried out all the necessary and detailed studies during the preparation. More than the technical commitment, there was a political commitment on the part of the top regional officials like the President because the city of Adama was about to become the regional Capital, although that move was abandoned later. The implementation of the plan tells different story. Prior to the ARMP 2004, the proportion of informal settlements in Adama city was estimated to be 70% (ARMP 2004). A fully fledged performance report on Adama City Master Plan of 2004 has not been undertaken. The experts view the performance of the city ranges from 30% to 40% as per the plan.<sup>246</sup> Table 7.2 also confirms that the implementation of the plan has not been efficient to contain unplanned or informal urbanization. Likewise, the previous plans before 2004 had never effectively controlled the illegal land holdings (Adama project Office 2004).

On the one hand, the challenge of implementation of the urban planning is due to lack of capacity and commitment of the leadership. The city hardly had the Mayor who could understand the urban planning and is committed to implement it. On the other hand, the technical department which is actually supposed to implement the plans hardly did anything. Mayor of Adama, Adanech Habebe<sup>247</sup> has pointed out that two pressing issues on urban land governance- the challenge of regularization of an old informal holdings and implementation of land use planning. She vows to resolve these issues in time to come.

The structure of the Agency puts a total of 234 workers needed for full fledged running of the Agency. Currently, there are 104 employees for the Agency. In terms of educational qualification, 58 of them have the first degree or above. There are 23 MA/Msc and 35 first degree holders while 46 have below first degree educational qualifications.<sup>248</sup>

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<sup>246</sup> Interview: Senior Engineer, Adama Municipality, December 24, 2016, Adama.

<sup>247</sup> The Mayor's briefing on ORTA December 22, 2016 Evening 13:00 pm

<sup>248</sup> Interview: Mr Malaku B., Expert for coordinating and facilitating the Urban Land Reforms, 20 February, 2017, Adama.

The ULDM Agency has made short and long term capacity building activities in order to implement the lease policy particularly in the big cities like Adama. Efforts are also made to attract highly qualified persons. The salary system of the agency is separate from the city level sectors. Highly qualified persons are potentially attracted to the Agency as the rate of salary is at the regional level.

One hardly identifies the institutional or structural lines of coordination and cooperation of the Agency with the other sectors at city level. The agency is even perceived as the regional structure operating in the city. Further, the agential structure lacks integration with the city level stakeholders of urban land administration and management. Hence, one could argue that the decentralized urban land administration is retained at regional level. The city by itself cannot decide on what is formal and informal, legitimate or illegitimate settlement. The decision however comes from the region or through the region to the city.

### **7.3.3.3 Adama City and Adama Woreda Cooperation**

Adama Woreda and East Shoa Zonal administrations are hosted in the city of Adama. Both the city of Adama and Zonal Administration of East Shoa are accountable to the region. However, there is no coherent institutional relationship between the city and the Zonal administration. The same is true between the city and the surrounding Adama Woreda administration. The arrangement reveals upward and heretical relations of the city, the Woreda and the Zonal Administration to the regional state. The institutional linkage between the city and the woreda cannot be decided by these local jurisdictions. It is the upper level government that sets the framework for urban-rural linkage.

The neighborhood of the city has been the recipient of the informal settlements (See the Map 7. 1 in the Annex section). Currently, rural informal settlements are growing more in Adama Woreda which would be the future expansion areas of Adama city. A key informant<sup>249</sup> cogently notes that the land for future urban expansion of Adama is owned by farmers. As the city approaches to them the informal land acquisition and construction of squatters are pervasive particularly

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<sup>249</sup> Interview: ULDM Agency Expert, December 23, 2016, Adama.

along Djibouti and Assala roads. The informants<sup>250</sup> from the Adama Woreda Land and Environment also concur with such widespread expansion of informal land market in the hinterland of Adama city. Currently, no one controls the illegal settlements which are undergoing on the future Adama city. The city cannot administer the land because the land is under the Adama Woreda and the city has not paid for compensation. But the farmers have the right to transfer their use rights or sell their use rights or inherit their holdings to anybody they like. The farmers are subdividing their lands and selling plots to informal seekers anticipating that the government would take their land either for free or for meager compensation payments.

**Table 7.5: Respondents View on the City and Woreda Cooperation in Controlling Informal Settlements**

Urban-Rural Interaction	Response Scale	Total	%
There is effective lateral coordination on urban land issue between Adama city and surrounding woreda	Strongly Disagree	2	6.67
	Disagree	18	60.00
	Undecided	1	3.33
	Agree	7	23.33
	Strongly Agree	2	6.67
<b>Total</b>		<b>30</b>	<b>100</b>

The key informant interview<sup>251</sup> shows that the interaction between the city and surrounding woreda is not consistent. A committee comprising the city and surrounding woreda is often established for identifying the intensity of informal settlements and to report on the condition of informality at the fringe to the city. Hence, there is some horizontal interaction between the city and surrounding woreda on land issue. However, the horizontal interaction is characterized by hierarchic relationship, crises management and political expediency.

The Principle of IGR is also central for the urban (city) and Rural (Woreda) local administrations surrounding/neighborhood the city. The management of informal settlement cannot be made

<sup>250</sup> Interview: Mr. Worku, Expert in the Social Affairs Office of Adama Woreda, July 27, 2016, Adama; My personal Observation of the Dibibisa Rural Kebele neighboring Dabe Soloqe Kebele of Adama City, August 2, 2016.

<sup>251</sup> Interview: Mr. Gezahegn, Team leader, Adama Municipality Infrastructural Development, December 24, 2016, Adama.

effective without cooperation from Woreda administration. In as much as informality is a mutual concern for both the city and the Woreda. Adama city depends on Adama woreda to face its land demand. Every time the master plan is revised, rural land has been incorporated to the city boundary. Currently, the progressing revision of Adama Master Plan will incorporate 12 rural *Gandas* in the city expansion area.<sup>252</sup>

The composition of the actors and interactions in the management of informality depicts hierarchy and subordination, and lacks meaningful inclusion of the surrounding rural administration into the management of informality. There is a weak institutionalization of information sharing between Adama city and Adama Woreda. The ad hoc committee often established for handling their mutual concern of controlling informal settlements is largely through party lines and personal relationships.

#### *Weak institutionalization of Handling Informality*

**Table 7.6: Level of Institutionalization of the Informal Land Holding Management in Adama**

Measures of Institutionalization		Percentage view of the Respondents(n=30)				
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Disagree
		1	2	3	4	5
Stability	The structures and institutions of urban land are stable	26.7 %	53.3	6.7	10	3.3
Predictable	The urban land institutions are predictable	33.3	43.3	3.3	13.3	6.7
Transcendence	The urban land administration institutional memories transcend individual managers' change of positions.	26.7	43.7	6.7	16.7	6.7
Constrain behavior	The ULDM Agency have efficiently constrained the behavior of politicians and service providers	23.3	50	3.3	20	3.3

<sup>252</sup> Interview: Mr Hussien B. ULDM Agency Expert, December 23, 2016

Table 7.6 shows that the management on urban land is not enduring over time. Most of the respondents (76.6%) indicate that the predictability of the institutional action on the urban land sector has been uncertain. The extant structures and rules would not persist over course of time and circumstances. It also implies that the behavior of the actors in urban land governance has not been constrained by the formal institutional set up, and the fact is that the formal actors who are supposed to control informal holdings are by themselves caught acting against the formal rules.

**Table 7.7: Effectiveness of the Regulatory Mechanisms of Controlling Informality**

Item	Rank score	Frequency	Percent
The institutional and regulatory mechanisms of controlling informality are:	Very Ineffective	2	6.7
	Ineffective	19	63.3
	Undecided	3	10.0
	Effective	6	20.0
	Very Effective	0	0.0
	Total	30	100.0

Another reversely coded question for the respondents also confirms that the mechanisms of managing informal settlement have been ineffective. The majority (70%) of the respondents put the extant institutions could not effectively control informality, as indicated in Table 7.7. The fact that even changes in rules and institutional structures of the region and/ or the federal government have been successful in managing informality points to weak linkages and political undertones.

## **7.4 Assosa Urban Land Governance**

### **7.4.1 Benishangul Gumuz Urban Land: Institutional and Structural Setting**

Like other regional states, the regional state of Benishangul Gumuz has enacted a regulation to implement the urban land lease law. The Regulation No.65/2012 has been enacted by the regional council of BGNRS for implementing the Urban Land Lease holding. In BGNRS, Urban Development and Housing Construction Bureau (BoUDHC) has the power to develop directives

for further implementing the Regulation No.65/2012. To do so, the Bureau has developed a number of directives for the implementation of the same regulation.<sup>253</sup> The region has put decentralized urban land supply and delivery among the municipal functions assigned to the city of Assosa by the city Proclamation No.69/2007, and Article 8(2(h)) of this Proclamation states that the city administers land and natural resources found within the boundary of the city. The ULDM core Processes leader,<sup>254</sup> BoUDHC has a technical support and capacity building mandate with regard to improving urban land development and management at the city level. The BoUDHC has the mandate to build the capacity of the municipality in the region including Assosa. But the Bureau itself has capacity shortages.

As the structural organization of ULDM in BGNRS in Chart 7.2 shows, the region has not set up a separate urban land institution at both the regional and the city levels. At both levels the urban land issues are handled by the core process units. Likewise, the structure has not set up a separate unit for the urban planning functions at both the city and regional levels. Particularly, the structure of urban land sector in the case of Assosa has no specific unit/department responsible for informal land holding management. This activity is left to *ad hoc* regional executive decision.<sup>255</sup> For example, in the year 2016, the regional cabinet has established an *ad hoc* committee to study and identify the illegal housings in the city of Assosa, and report to the Cabinet for a decision. The Committee has identified about 350 illegal houses per Kebele.<sup>256</sup>

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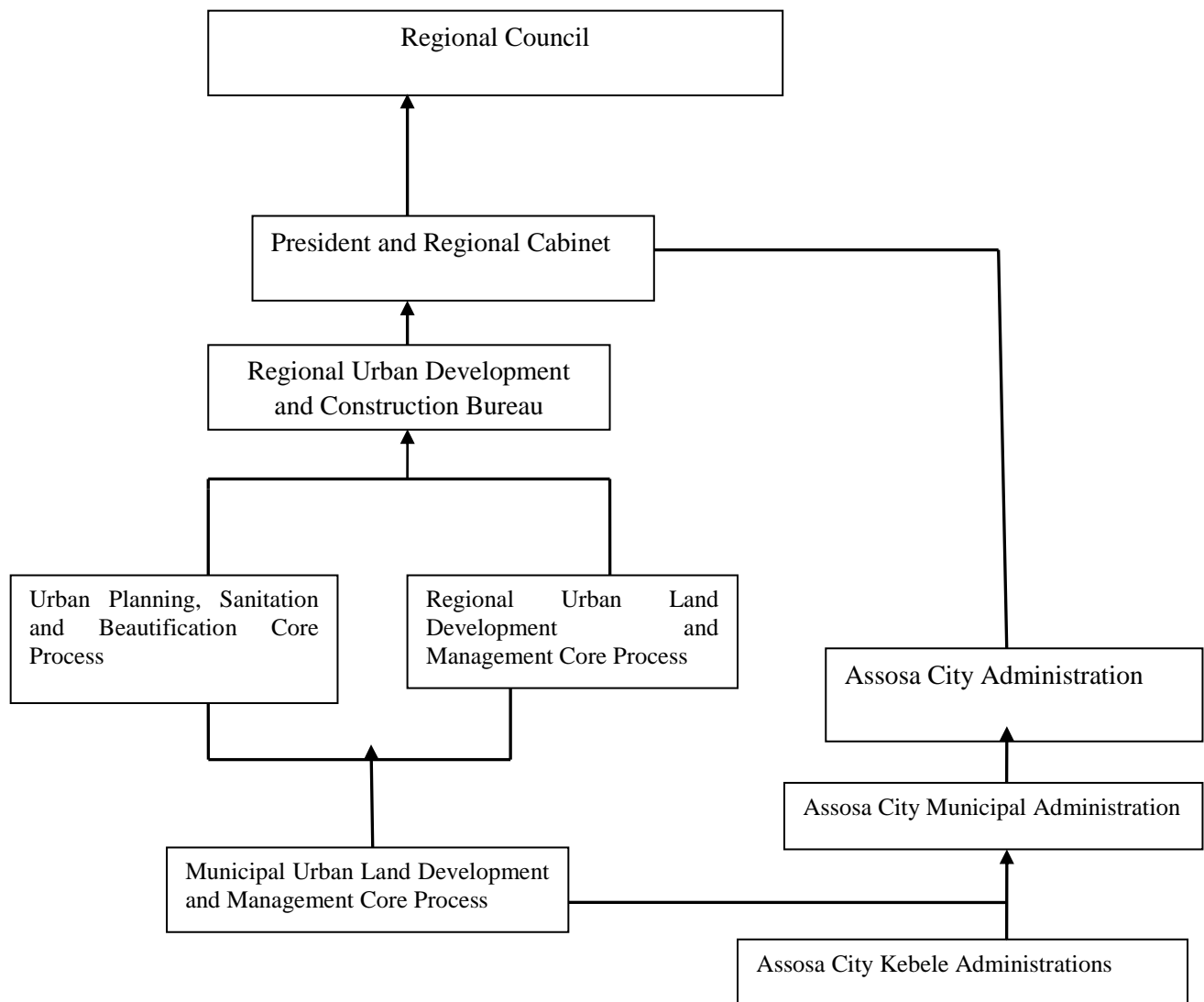
<sup>253</sup> A Directive No.11/2012 for Implementing Urban land according to the Urban Land Lease Law , Trade, Transport, Industry Works and Urban Development, Bureau, BGNRS; A Directive No. 12/2012 for the Screening, determining the Plot Size and granting legal land title for the Informal and Illegal Urban land holding , Trade, Transport, Industry Works and Urban Development, Bureau, BGNRS; A Directive No. 13/2012 for the Screening the Illegal urban Land Holdings and Housing Constructions, Trade, Transport, Industry Works and Urban Development, Bureau, BGNRS; A Directive No. 22/2012 for the Short Term Leasing of Urban Land Use Holdings Trade, Transport, Industry Works and Urban Development, Bureau, BGNRS

<sup>254</sup> Interview: Mr Fikru, ULDM Core Process Owner, July 05, 2016, Assosa.

<sup>255</sup> Ibid

<sup>256</sup> Interview: Mr. Fida, June17, 2016, Assosa.

**Chart 7.2: Organizational Structure of Urban Land Administration in BGNRS**



**7.4.2 Causes of Informal settlements and Land Holdings in the City of Assosa**

Table 7.8 provides an account of educational backgrounds and Institutional Affiliations of respondents of the questionnaire issued to find out the causes and management of informal settlements in Assosa city.

**Table 7.8: Institutional Affiliation and Educational Background of Respondents**

Institutional Affiliation	Educational Background			
	Below Degree	First degree	Above First Degree	Total
Regional ULDM core department	-	3	1	4
Regional Urban Planning, Sanitation and Beautification Core Department	-	2	1	3
ULDM Core unit Under Assosa Municipal Services Administration	2	5	-	7
kebeles	3	3	-	2*3=6
<b>Total</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>20</b>

As illustrated by the Table 7.8, respondents are purposively selected from multiple levels of urban land administration ranging from Kebele level to regional urban land institutions. In this way, a total of twenty key informants were consulted. Seven informants were taken from the ULDM and Urban Planning, Sanitation and Beautification core departments in BoUDC of BGNRS. The other seven informants were taken from the ULDM core unit in the Municipal Service Administration of Assosa City while six of the respondents were from the Kebele level. The questionnaire targeting the institutionalization of urban land governance, informal settlement management and vertical/lateral coordination/cooperation in the urban land governance with particular reference to Assosa were posed for the respondents.

The respondents were asked to outline the main causes of holding informal lands and expansion of settlements in and around the city of Assosa. The responses are presented in the following Table 7.8. These causes are diverse ranging from social, economic, and political. Both the in-depth interviews with selected informal actors and those who are working in the urban land institutions at the multiple levels to manage informality uncover the causes of informal land holdings in and around the city of Assosa.

**Table 7.9: Summary of the Causes and Dimensions of the Informal Settlements**

S.N.	Causes	Features	Underpinnings
1	Inequity in Accessing land for housing	<ul style="list-style-type: none"> <li>• Houselessness</li> <li>• sense of alienation</li> <li>• Restricted formal access to land</li> <li>• The hardships the formally delivery processes</li> <li>• interplay of power-money-ethnicity for accessing land</li> </ul>	Socio-economic
2	Access to land for Income	<ul style="list-style-type: none"> <li>• means of income generation</li> <li>• profitable Business and short cut to wealthy and empowerment</li> <li>• inclination to overlap political and economic</li> <li>• tendency to empower indigenou elite and societies</li> </ul>	Economic
3	Access to land for political Gain	<ul style="list-style-type: none"> <li>• Political loyalty and Support</li> <li>• Vote seeking</li> <li>• Moderates electoral contingencies</li> </ul>	Political
4	Informality as User Friendly	<ul style="list-style-type: none"> <li>• Speedy-no bureaucratic delay</li> <li>• Supplies the parcel Size demanded</li> <li>• Preference for Neighborhood</li> <li>• Preference for Spatial Location</li> <li>• Self Help</li> <li>• Less costly than the Formal Delivery System</li> </ul>	Personal
5	Defects of the formal land Delivery	<ul style="list-style-type: none"> <li>• Demand and supply mismatch</li> <li>• Restricted formal access to land</li> <li>• The hardships the formally delivery processes</li> </ul>	Policy and Administrative
6	Informal Urban tradition	<ul style="list-style-type: none"> <li>• Informality as old normal</li> <li>• Assosa way of urbanism and urbanization</li> </ul>	Process of urbanization

### ***Access to Land***

According to the respondents of this research, there are three main factors or combination of these factors that affect the access to urban land through formal land delivery system. These factors include: ethnicity, power or money.

First, the political elites want to manipulate the ethnic identity in relation to access to urban land. As the evidence from the Assosa municipality indicates, the formal access to land for housing is now arranged through cooperatives. In this housing program of the city, people with indigenous ethnic identity are given priority for accessing the land for constructing cooperative houses. Any person with the indigenous ethnic background and who has lived for two years in the city has the

right to apply for cooperative housing.<sup>257</sup> The officials say that land could be granted if house seekers form an association and request the municipality to do so. But the members of the non-indigenous group<sup>258</sup> put that the city has not fairly treated their members like they treat that of those members of the native population in terms of land delivery for cooperative housings. This facilitates the indigenous groups to access land for housing which could be either through formal, informal or both.

Second, informants<sup>259</sup> also underline that the access to land has been a matter of networking with power. According to them, there are individuals who took up to 28 plots of urban land in the city of Assosa because of their connection to political power holders. The Bureau of Security and Administration (2014) also confirms that the land delivery system in Assosa city has created a tension between the groups who easily access to land and those who are by design or by chance left out of acquiring urban land. According to their report, most residents have not been allowed to access any piece of urban land; a few people have gotten lands in two to five different places. More powerful persons even got ten and more different plots of land in the city, and this group has been given the privilege of using these lands as sources of income and to build their prosperity. Such a situation has discriminated many residents; it has laid down the basis for conflicts in the municipal governance of Assosa”

Practically, it has been in the name of indigeniety that few political actors manipulate the urban land resources. This evidence shows not only abuse of power in relation to land but also implies that those who could not manage to associate themselves with the power circles could not access urban land. Both incidents of regularization and demolition of illegal housings revealed partial treatment of informal settlements in the city of Assosa. According to the interview with the key informants, the squatters built by those who have ties with the regional power holders and those who could provide money through brokers were not demolished. In a nutshell, a person could get land use right if he/she is the member of the native community, or has power network and has money to pay for the brokers.<sup>260</sup>

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<sup>257</sup> Interview: Mr. Dereje F. Local NGO, June 26, 2016

<sup>258</sup> Interview: Mr. Shimelis (Kebele 04); Mr. Abera (Kebele 03), June 28, 2016, Assosa.

<sup>259</sup> Interview: Mr Befikadu , Retired Resident of Assosa, April 01, 2016, Assosa.

<sup>260</sup> Ibid.

### *Political Expediency and Uncertainty*

During the election campaigns, BGDO was caught of inaugurating public projects and housing programs. In the words of the key informant:<sup>261</sup>

During the campaign for 2015 national election, some residents of the city of Assosa were of opinion that there would be nobody who would vote for the regional ruling party-BGDO. This was because the residents had severe dissatisfaction with the municipal service particularly urban land use for housing. The key political actors of BGDO had gathered the views, and they did not waste time to anticipate that BGDO would be defeated if they could not do something with regard to the residents' complain on access to land use for residential housing. Subsequently, Assosa city administration started to distribute urban land for residential housing for those who could pay the minimum lease price and regularized the informal holdings. Since that time people do register but only few have got it, the city perhaps awaits next election to make the land accessible. This shows that the party tries to use the access to urban land as a tool for a gaining political support.

Numerous squatters emerge during election campaigns because government has been reluctant to take harsh measures like demolition in a bid to seek political support from the masses and to win the election by blocking the loopholes for political discontent in order to avoid shift of votes to contending political forces. The influence of political expediency on urban land depicts the weak institutionalization of the urban land regime, revealing that the party might use them as the support group in times of election. In the aftermath of national elections, people build illegal houses because they are hopeful that the government needs them for political support and their housing would get legal land title deeds.<sup>262</sup> Thus, informal settlement is the policy area where the political parties seek the political support from such actors who in turn covertly facilitate the expansion of informal land holdings than containing it.

### *Source of Income*

There is no one uniform reason for attempting to have informal and/or illegal housing. For some, it is the housing problem that comes to the forefront. Since they cannot access urban land through the formal rule, they have to go through informality in order to get own housing. Informality is also seen by some as the norm that enables them to live with the neighbor of their ties. In this sense, it satisfies the spatial preference of the informal actors. The formal lease system is often beyond the capacity of the poor and it is also in short supply and not easily available in the market. For example, for a person to access land through cooperative system of

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<sup>261</sup> Interview: Mr. Fekadu, Customer to municipal land services, June 25, 2016, Assosa.

<sup>262</sup> Ibid; Mr. Befikadu, Retired Senior Citizen and ex-Regional executive member, April 01, 2016.

housing by paying a minimum down payment, he/she has to pay 20% which accounts up to 9000 ETB, and the poor cannot afford it.<sup>263</sup> For others, it is the economics (income generation or business) that accounts for the involvement in informal land holding.

For those who aim to make informality as a source of income, the access to housing indeed makes a marginal contribution than those who invade open spaces for economic interest. A well known squatter in Assosa had built about twelve illegal houses. He sold them all. He is now one of the few people having vehicles in the city. Hence, the more anybody involves in informal land market the richer he/she becomes. In this way, informal land market has been not just a means to get one's own house but it is also the best strategy to move one off urban poverty. According to one informant it would be wrong to assume that this person had operated this informal land market without any covert support and network from the regulators in the municipality or kebele administration.<sup>264</sup>

### ***Provision of Land Information and Transparency***

The technical committee for the study of illegal housing (2016) also confirms lack of organized information and documentation system for both formal and informal land holdings as an obstacle for urban land governance in Assosa. The Study notes that the municipal office has no clear record on the formal urban land use zoning. The land use distributions made by the municipality and the land user plan for the same purpose could not be found. In addition, there is no information on the location and areal extent of the unoccupied urban spaces. It was also a common phenomenon to find out overlapping Block codes in the city. The kebele Administrations do not know the land use holdings they administer. They neither know the location nor addresses of the illegal land invaders as long as it is the municipality that holds the land related information.

In Assosa, a visible distinction between formal and informal areas is hard to discern because of the preponderance of informality. The biggest challenge, this research witnesses, is that the municipality of Assosa has no clear data on the category of formal and informal land holdings. The city has not undertaken cadastral surveying. Part of the reason for increasing informality is the inability to the gap even to identify the informality from the formality. Both the personal

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<sup>263</sup> Interview: Mr. Dereje F., Kebele 04 Resident, June 26, 2016, Assosa

<sup>264</sup> Interview: Mr. Abera J., Kebele 01, June 28/30, 2016, Assosa.

observation and key informant interview with service seekers and service providers reveal that the problem of urban land governance in Assosa has to do with the weak documentation and filing system. Accordingly, the loss of files and documents is a usual phenomenon. Customers have to even wait for a month or so to know that their files are in the record office. The registry and documentation systems are still manual.

The municipality, as an experiment, tried to prepare the land use holding blocks for one kebele. It tried to rearrange but it could not because the filing and documentation system with regard to land use is a disordered puzzle in the case of Assosa.<sup>265</sup> My personal observation of the municipality in this confirms the severe problem of urban land information system.

The lack of land information system has given rise to mismanagement of urban land. The actors participating in informal land market have utilized the gap in the urban land information system to succeed in undertaking informal land market. In this regard, the Mayor <sup>266</sup>of the city underscores the incapacity of the structure of municipal administration to attract qualified staffs to bring about modern land information system. Thus, manual registration and documentation of land holdings has opened loopholes for mismanagement of land. The Mayor notes that the issue of urban land information system is one of the pressing concerns that the city administration of Assosa needs to improve in order to resolve the lack of good governance in the land sector. Likewise, Mr Fikiru<sup>267</sup> puts a similar observation with regard to transparency and information provision in the land use service delivery. He notes that everybody has got some personal interest in accessing land. So people want to access land in any manner possible. But if municipality develops a transparent and modern information system it may undermine the inequity of urban land.

In sum, the study could not find clear answers for questions including: What is the proportion between formal or informal urban lands? How much land has been transferred through the formal rule? How much land is available in land bank? Consequently, the lack of transparency and adequate information on urban land can be the basic reason for expansion of informal land holdings in the city.

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<sup>265</sup> Interview: Mr Ambessa, Civil Engineer, Assosa Municipality, June 25, 2016, Assosa

<sup>266</sup> Interview: Towfik Abdulkayim, Mayor of Assosa City, July 01, 2016, Assosa

<sup>267</sup> Interview: Mr. Fikiru, head ULDM unit, BUDHC, July 05, 2016, ASSOSA.

### *Implementation of the Urban Plan*

The urban land laws and planning frameworks barely fit into the context of Assosa. The urban planner<sup>268</sup> in the Assosa Municipality, for example, underscores that the urban land laws and planning frameworks are done with big cities, particularly Addis Ababa, in mind. . The other urban centers are seen through Addis Ababa. He went on explaining that the urban land lease law permits the expropriation of individuals from their holding if the city cabinet or the regional administration council decides that the land is needed for public purposes.<sup>269</sup> Assosa City has faced challenges and oppositions to clearly know what constituted public purpose. Who defines it? On the account this provision, there is a tendency to evict people from their holdings to open Cafeteria and Restaurant, and claiming that it is a prioritization of the public purpose. The planner comments that there is no clarity on who (institution and level of government) is unequivocally empowered to define what constitutes public utility.

Arbitrary alteration of zoning limits has created serious distortions in land use planning strategies. For example, the land designed for school is found to be residential.<sup>270</sup> The network between municipal official and land use developers has blatantly contravened the specified land use plans-land use change without clear decision on the zoning change. The feedback report on the implementation of the Integrated Development Plan (IDP) of Assosa City however mentions that no guidelines, manuals and checklists have been manipulated. No regional or city plan institution/actor implementing the plan has been made accountable for any abuse of the plan.<sup>271</sup>

According to the information from the city and the Planning, Sanitation and Beautification Department of BoUDHC of BGNRs, the urban land planning implementation or performance report has not been developed so far. The views of the experts working in both the municipality and the regional bureau show that the urban planning has not controlled the informal urban land holdings and settlements. Table 7.4 indicates that the majority of the views (65%) confirm the incapacity of the urban planning instrument to undermine informality.

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<sup>268</sup> Interview: Mr. Dastaw, Urban Planner, June 27, 2016, Assosa.

<sup>269</sup> Article 25 of Proclamation No. 721/2011, Urban Land Lease Proclamation

<sup>270</sup> Interview: Mr Fikiru, ULDM Core Process Owner, BoUDC, July 05, 2016

<sup>271</sup> Ibid.

**Table 7.10: Regulation of Informality by Planning**

Did the urban land planning adequately control informal land holdings/settlements in the city of Assosa?		Frequency	%
Responses	No	13	65
	Yes	5	25
	Undecided	2	10
	Total	20	100.0

In another registry, the early feedback on the implementation of the Assosa Integrated Development Plan of 2005 uncovers that there have been gaps in the implementation Assosa IDP. The report identifies the following gaps: 1) arbitrary change of land use zoning without professional recommendation and approval by the concerned authority; 2) Lack of the material resources for the implementation of the plan; 3) Lack of the necessary land information; 4) lack of organized documentation system on every land use type during the plan time 2005 to 2015; 5) urban expansion beyond the IDP; and 6) the absence of documentation of older land title deeds were not effectively documented during preparation for the IDP, and the accumulation of backlog.

According to the legal and institutional frameworks as well as political networks, the effectiveness of urban planning is a function of the vertical coordination, and no single jurisdiction is made accountable for both preparation and implementation of the Assosa plan. In this perspective, the feedback on the evaluation of the implementation of the IDP<sup>272</sup> of Assosa suggests that the roles, responsibilities and accountability relationships were all fragmented.

### ***Form of Urbanization and Urbanism***

No urban center of Ethiopia has essentially been founded on the basis of formal land use planning. Every urban center including the two case cities Adama and Assosa are foundationally unplanned (Yirgalem 2008; Shimelis 2013).

Part of the reason for the prevalence of informality in the city of Assosa is due to the history of the urban system that laid down informality as one of the ways of the urbanization processes in Ethiopia. Hence, Informal settlement is not unfamiliar in Ethiopia. What is new however is the

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<sup>272</sup> Report on the evaluation and feedback of team from MUDH, planning, sanitation and beatification bureau, in collaboration with the BUDHC/ PSB process owner April 2016.

formulation of policies undermining informality through either regularization of the extant ones or demolition of the new informal houses built after the lease policy.

### ***Rent Seeking as the Formidable Challenge of Urban Land Governance***

The extent of service that the municipality gives to the customer is criticized in Assosa. As a result, access to municipal service depends on either the personal willingness of the service provider or the money that service seekers would pay through brokers, as a kind of buying their right. The anecdote of a customer<sup>273</sup> to Municipal Service of Assosa goes on as the following:

I bought a house from somebody. I went to the municipality to transfer the land holding title to my own name November 17, 2015. A person who is supposed to sign on the document from the municipality has refused to sign it. Through the brokers roving around the municipality I came to know that he wants some money for putting his signature. Initially, I had decided not to give him a bribe hoping that I could secure my right without doing so. After waiting for seven months, I have reassured that it is hardly possible to secure this right without giving money. Consequently, I spoke to one broker and gave him some money. The broker has executed my work within two days.

Other anecdote<sup>274</sup> also shows a similar bribe seeking in the urban land service of the Municipality.

Last year I have competed in lease tender for accessing urban land for housing. The lease bid result was announced in front of the lease committee, me and the public. I was very happy because I won it. People around me have congratulated me. Nonetheless, after a week the lease committee has posted a different name. They say the winner is Mr. X, not you. The bid box of Mr. X was misplaced and the lease committee couldn't find it during the announcement of the winner of the bid. I became mad at them. Because I had to speak for my right, I directly went to the regional anti-corruption commission and submitted my complaint. When the case was investigated, it was learnt that some members of the lease committee required rent seeking. Although I did win at the end of the day, the incident has shown me to what extent the rent seeking behavior has obstructed the health of the urban land service delivery.

The surveyors and engineers were, for example, caught for their deliberate reserve of open spaces without any legal holdings. They have used these open spaces within the city as leverage to satisfy their personal gains as well as their networks. .<sup>275</sup> In addition, some of the open spaces became receipts of illegal land holding.<sup>276</sup>

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<sup>273</sup> Interview: Mr Fekadu, Customer of the Municipality of Assosa, Kebele 04, July 03, 2016, Assosa.

<sup>274</sup> Interview: Mr Dereje F, Resident of Kebele 04, June 26, 2016, Assosa.

<sup>275</sup> Report of the Technical Committee, April 2016, Assosa.

<sup>276</sup> Report of the Technical Committee, April 2016, Assosa.

### **7.4.3 Approaches of Managing Informal Settlements in the City of Assosa**

The management of informal settlement not only requires local institutional capacity but also the coordination between the multilevel governments. The subsequent section uncovers the efforts made to manage the challenges of informal settlements in the urban land governance.

#### **7.4.3.1 Regional Regulatory Framework: Regularization, Demolition or Both?**

Like in the case of Oromia, the regulation on the management of informal settlement sets eligibility criteria to be considered in the regularization/formalization and for wiping out informality.

##### *Formalization/ Regularization*

Several reasons are put forth for the regularization of informality. Three main reasons emerge out of the case in Assosa. 1) informal/illegal settlement breeds the political instability as the actors play beyond the formal governmental rules. These spaces serve as reception areas for creating insecurity. 2) Informal spaces are unserviced urban spaces because the utility map does not read these spaces, and 3) Illegal holdings delegitimize the formal holdings and breed ambiguous property deals. The directive<sup>277</sup> prepared by the BG to formalize the informal land holdings, mentions that any illegal holding and housing construction which stayed for four (4) years from the date of enacting the Regulation No 65/2012 qualifies for regularization.

In the words of the key informant<sup>278</sup>, it was hardly difficult to screen out the so called *Nebar Yizota* which stayed at least four years prior to the regulation. For example, Kebele 01 and 02 are relatively the oldest urban settlements of Assosa. Particularly, local settlements like Laga Bomba of kebele 01 and Kera Sefer of kebele 02 are old settlements which can be categorized under *Nebar Yizota*. But these settlements have not secured land titles through the regularization system. The city/municipality has not granted block codes and holding titles to those long held possessions.<sup>279</sup> No objective tool like aerial photo was taken to demonstrate which settlement

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<sup>277</sup> Directive No 13/2012 The Directive for Screening the Illegal Urban Land Holding and Housing Construction, Bureau of Urban Development, BGNRS, Assosa. This directive was prepared to implement the Urban Land Lease regulation No 65/2012 of the BGNRS.

<sup>278</sup> Interview: Mr. Ambassa, Civil Engineer, Assosa Municipality, June 27, 2016, Assosa.

<sup>279</sup> Technical committee Report on ILI April 2016.

indeed long existed and which is not with reference to date specified by the directive.<sup>280</sup> Also, the kebele administration changed the land use holdings from the illegal holdings into long lived holding ones upon request of the municipality with regard to the background and residential status of illegal invaders.

In the case of Assosa<sup>281</sup>, the regularization attempt failed to attain its objective. Contrary to undermining illegal land holdings and housing constructions, the informal settlements mushroomed hoping that the informal settlements would be regularized after staying for some period with illegal status. Thus, the regulatory framework not only failed to resolve the problem of illegal holdings but also exacerbated the very problem it was aiming to resolve.

Moreover, the informal actors think that those who acquire land through formal rules either belong to the politically empowered group or the legal status of settlement depends on the capacity and willingness to pay bribes, so that holdings would be converted into formal land holding. Those who can give money to the authorities and to technical team would get informal/illegal holdings converted land title deedsto formal ones<sup>282</sup>

In the year 2012, over seven thousand (7000) houses were regularized.<sup>283</sup> Instead of containing informality, it has served as precedent for continued informal land holdings. The personal experience of the key informants from Kebele 04 also confirms that informality is just a transition to formal land holding. In the words of one informant:<sup>284</sup>

I bought a plot of land in kebele 04 for 20,000 ETB, and constructed residential house there. Beside my house, there was some unoccupied space. I have learned that there was nobody who holds the plot. Because I fear the consequence of illegal holding, I could not attempt to hold this plot. Meanwhile, somebody from my neighborhood built illegal house over this unoccupied space. I was closely following the measure that the municipality would take against this person. The municipality has formalized the land use holding for this person. Consequently, I regretted and after all I said to myself that informality is nothing but a matter of daring and a stepping stone towards holding formal land use for housing.

Subsequently, two years later, the regional cabinet has ordered the demolition of illegal housings in the city. But other illegal houses have been built on the demolished spaces. There was no

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<sup>280</sup> Technical committee Report on ILI April 2016.

<sup>281</sup> Interview: Mr. Fikiru, ULDM Core Process Leader, BoUDC, July 05, 2016, Assosa.

<sup>282</sup> Informants: Mr Fekadu, Customer to the municipality of Assosa, Kebele 04, July 03, 2016, Assosa; Mr Abera, Resident, June 28, 2016, Assosa.

<sup>283</sup> Information from the Assosa City Municipal Administration, June 2016.

<sup>284</sup> Interview: Mr. Fekadu, Customer of the municipality of Assosa, Kebele 04, June 28, 2016, Assosa.

follow up on the part of the administration to prevent the mushrooming of another round of squatters on the same land.<sup>285</sup>

### *Ad hoc Technical Committee*

The BGBRS has established an *ad hoc* committee to control illegal housing constructions, and this can be seen as the strong side to bring about effective land administration.<sup>286</sup> The approach used is a campaign type which was seen as important in the eyes of the decision makers of the from regional government. The Committee's<sup>287</sup> report pinpoints some key reasons that compelled the regional government to identify and control illegal land holdings. These include 1) mismatch between demand and supply; 2) lack of transparent and accountable land use services; 3) inequity to access land use market; and 4) rapid and informal rate of urbanization. Moreover, the committee report affirms that the principles of transparency, accountability and speedy urban land service delivery could not be met in the case of Assosa as long as the illegal housing pervade. The measures for controlling illegal land invasion (ILI) so far were scattered and they could not cope up with the rapid urbanization of Assosa. The report disclosed that speedy, accessible and coordinated urban service delivery cannot be met without effective control of ILI.<sup>288</sup>

**Table 7.11: Actors in Illegal Land Holdings in the City of Assosa**

No	Occupation of the Actors	Frequency
1	Unknown actors (no evidence found on background)	295
2	Governance employee	123
3	Daily laborers	112
4	Business men/women	107
5	Farmers	25
6	NGO employees	20
7	Students	20
8	Household workers/(women)	101
9	Police	17
10	Sub-kebele leaders (ketana Meriwoch)	3
11	Religious institutions	2
12	Church pastors	2

<sup>285</sup> Interview: Fikiru A. Head of the ULDM of the BoUDH, June 27, 2016, Assosa.

<sup>286</sup> Technical committee Report on ILI April 2016.

<sup>287</sup> Technical committee Report on ILI April 2016.

<sup>288</sup> Technical Committee on ILI Study Report April 2016

13	Retired persons	1
14	Sportsmen	1
15	Monk	1
16	Sheik	1
17	Disabled person	1
18	Vacant unoccupied land	32
	Total	786

(Source: *Technical committees Report 2016, p. 5*)

As the table 7.11 above shows, the actors who undertook illegal housing were not limited to a specific profile. It constituted people of low, middle and high income groups. The background of the majority of the informal seekers who were involved in illegal housing construction in Assosa is unknown. This implies the city did not identify them or such actors deliberately to hide themselves. But some informants<sup>289</sup> perceive this category as ‘elite informality’ squatters’ settlements constructed by those who are supposed to be the custodians and implementers of the formal rule. How could urban land governance be resolved in the context whereby the actors who were supposed to bring the solution are already part of the problem? This shows the lack of responsibility and accountability in the governance of urban land.

Also, the government employees account for a lion’s share of those invaders whose backgrounds are identified by the regional technical committee. Besides, the business people also account for considerable percentage of the actors. Few Assosa University Students also participated in the informal settlements around the University. The Table 7.11 also confirms that informal land holding is neither confined to the work of urban poor nor substate actors. The diverse and complex nature of the actors makes the management of informality a challenging task of urban land governance.

The mandate of the technical committee, as per the study report on illegal housing<sup>290</sup> and the informants<sup>291</sup> who partook in the study, was to provide a recommendation to the regional administrative council and it was the Regional Executive Council which ultimately decided on the measures to be taken with regard to illegal land/housings in the city. The report was seen as strategy to resolve the problem of good governance in urban land. The report claimed that it had

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<sup>289</sup>Interview: Mr Abera, Resident, Kebele 03, June 28, 2016, Assosa; Mr. Fekadu, Resident, Kebele 04, July 04, 2016, Assosa

<sup>290</sup> Technical committee Report on ILI April, 2016.

<sup>291</sup> Interview: Fikiru A. ULDM Core Processes Owner, BoUDH, July 04, 2016, Assosa.

effectively identified the illegal housing. It recommended for the return of the land from the illegal invaders to the land bank, and land should formally be transferred to the land use seekers. This would improve the good governance as regards to urban land.<sup>292</sup> The recommendation of the technical Committee is still waiting for a decision to be made by the regional government for implementation.

### ***Prevention***

So far the controlling mechanism focused on either regularization or demolition. According to the key informants from the kebele level, prevention or early control of the illegal land holding should have been effective. The evidence<sup>293</sup> from the city, however, affirms that the preventive mechanism has not worked well because: a) the lower units (kebeles) have no capacity-both material and human- to prevent mushrooming of informality; 2) Some of the kebele officials who were supposed to prevent are found to be part of the problem, and seek to perpetuate informal land holdings. Some kebele officials were squatters by themselves or participate in the informal land markets; c) ambiguous boundaries within the kebeles in the city and along with the surrounding Assosa woreda; d) weak institutional coordination between Assosa city and the surrounding Assosa woreda; e) Assosa was under the Assosa Woreda administration up until 2007, and the revised master plan after the separation of the city administration from the Woreda has not been released.

#### **7.4.3.2 Local Municipal Capacity: Institution, Structure and Human Resource**

Urban land is the key source of revenue for municipality of Assosa. The expected amount of income has not, however, been raised from the urban land sector. Table 7.12 shows the proportion of land income to the Assosa municipal revenue.

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<sup>292</sup> Technical committee Report on ILI April 2016.

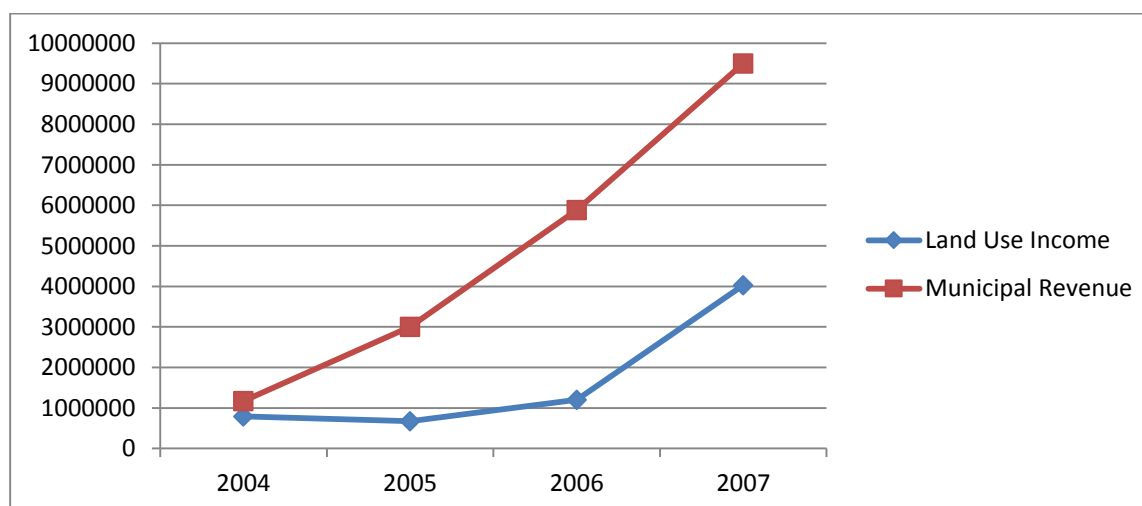
<sup>293</sup>Interview: Mr. Mubarak Ramatan, Chairmain Kebele 01, June 07, 2016; Mr. Abdurmuntaleb Usman, Chairmain Kebele 04, June 08,2016; Mr. Mohammad Arab, 04 Kebele Manager, June 08,2016; Mr. Dastaw, Urban Planner, Assosa Municipality, June 29, 2016, Assosa; Mr. Fitaw, Urban Planning, Sanitation and Beutification Core Process Leader, BoUDH, July 04, 2016, Assosa

**Table 7.12: Proportion of Land Use Income in the Municipal Revenue from 2012 to 2015**

Fiscal Year	Lease and / or Land Use Income <sup>294</sup>			Municipal Revenue(MR)	% of Lease Income to MR
	City Land Adm.	Municipal Lease Income	Total		
2012	796,060.20	-	796060.20	1,175,620.87	67.71
2013	676,417.97	-	676417.97	3,006,097.83	22.5
2014	950,024.22	249443.72	1,199,467.94	5,883420.03	20.39
2015	1,572,134.74	2,460,091.52	4,032,226.26	9,504,481.67	42.42

(Source: Assosa City Finance and Economic Development Office June 2016)

**Figure 7.2: Trend of Municipal land Use Income**



As the Figure 7.2 above demonstrates, both the municipal revenue and the income from urban land have been increasing over time. However, the proportion of land income in the municipal revenue was not progressive over the period considered.

The municipal managerial position and the Core department assisting management i.e. Urban Land Development and Management (ULDM) require professional and qualified persons on urban land management. Contrary, as it stands in Assosa Municipality, both the Municipal

<sup>294</sup> The land related incomes for the 2004 and 2005 were under the city land use while the 2006 and 2007 gathered as the municipality lease income.

Manager and head of the ULDM unit<sup>295</sup> within the municipality have inadequate educational rank and unrelated profession and experience. These positions were occupied by persons from indigenous ethnic group and who are affiliated to the ruling party, BGDO. Thus, the competence and merit based assignment of positions have been undermined in favor of political and identity factors.

The problem, as witnessed by the informants from the municipality<sup>296</sup>, is that the key position holders could not discharge their responsibilities. They cannot supervise the works of urban planners and Civil engineers as these activities need professional skills. Unlike that of Adama, the institutional capacity of urban land sector is not only inadequate in terms of human resource both at regional and Assosa city levels but also the structural set up misfits with the ULDM functions. As it works now, the Civil Engineer<sup>297</sup> in the municipality states:

Almost all the urban land related activities are being done because of a single person who holds the position of core process owner of the Assosa urban land development and management unit. It is this process owner who has to put signature on activities including land use holding titles, site plans and transfer of land use titles. Consequently, customers have to wait for two to three weeks until their documents get signed.

The structure of the ULDM core process has attracted only limited staffs, and the following are the number of staffs along with their educational qualifications. It is crystal clear that the small numbers of staffs are unable to shoulder the technical functions of urban land activities in the city of Assosa. Below the city level or at the kebele level, there is no technical staff of ULDM responsible for urban land activities.

**Table 7.13: Urban Land Development and Management Unit of Municipality of Assosa**

<b>Profession</b>	<b>Educational Level</b>	<b>Quantity</b>
Surveyor	TVET	3
	BSc	2
Civil Engineer	BSc	3

<sup>295</sup> The leader of the urban land unit has attended below first degree education whereas the manager of the municipality was a teacher.

<sup>296</sup> Interview: Mr Ambassa, Civil Engineer of Assosa Municipality, June 25, 2016; Mr Dastaw, Urban Planner of Assosa Municipality, June 29, 2016

<sup>297</sup> Interview: Mr Ambassa, Civil Engineer of Assosa Municipality June 25, 2016.

Architecture and urban planner	BSc	1
Construction	BSc	3
Secretary	10+4	1
Office Facilitator	Certificate	2
Total		15

(Source: Assosa City Municipal Office July 2016)

As the Chairmen<sup>298</sup> of Kebele 01 and Kebele 04 underscore, kebele administrations are supposed to do the task of controlling illegal housings. But the kebele administrations have no capacity (human, material and decision-making power) to do so. The Chairman of Kebele 04<sup>299</sup> discloses the lack of capacity at kebele level: “we can demolish illegal fences, we cannot demolish houses. The upper level government may not even endorse the authority to demolish the illegal fences by the Kebele. We lack guarantee to fully engage in controlling illegal land holding and housing constructions because we do not have the necessary decision making power and capacity.”

Currently, the illegal land holdings and housing constructions are underway in largely in Kebeles 03 and 04. The office of housing construction of Assosa municipality has no material capacity (vehicles) to follow up what is going on in the field. Moreover, the urban planning departments at both the city and the regional levels work under severe human and material resources incapacities. As the planner<sup>300</sup> in the Assosa municipality puts, only 36% of the human resource required for the planning team has been attained. In addition, the urban planner Mr Dastaw<sup>301</sup> exposes that:

The municipality has a severe problem of material resources. It has no basic equipments like Leveling Total Station which is mandatory for any surveying works. The municipality has used to lend it from Assosa Woreda Land and Environment Office. We also beg the Assosa University and the BoUDH. At individual level, the planners and engineers working for the municipality are not provided with the necessary materials. For instance, as a planner, the municipality should have given me at least laptop computer. Moreover, urban planners and civil engineers cannot easily go to sites due to

<sup>298</sup> Interview: Mr Mubarak Ramatan, Chairmain of kebele 01, June 07, 2016, Assosa; Mr. Abdurmuntaleb U., Chairmain Kebele 04, June 08, 2016, Assosa.

<sup>299</sup> Interview: Abdurmuntaleb U., June 08, 2016, Assosa.

<sup>300</sup> Interview: Mr. Dastaw, Urban Planner of Assosa Municipality, June 29, 2016.

<sup>301</sup> Ibid.

lack of vehicles. It has been the customer who pays for the transport *Bajaj* by the time we go to the field for their case.

On another account<sup>302</sup>, no qualified urban planner and engineer has stayed more than one to two years in Assosa municipality. In the view of the informants a number of factors account for turnover in the technical department of the municipality. One, the position is not attractive as the salary is small. Two, these technical persons partake in land market and do not want to stay more once they took their share in the informal land market. Three, since the top municipal leaders have no capacity to engage in technical works, the relationship between the engineers and the leadership has not been smooth.

The region has started to implement the urban land policy without having enough capacity at both the regional and Assosa city levels i.e. Assosa. The multilevel informants<sup>303</sup> at both the municipal (city) and ULDM bureau underscore that the implementation of what have already been provided to them from the higher level is barely implemented due the capacity factors. In their view, the structural and organizational reform necessary to implement the land policy and regulate the informal settlement expansion have not been brought about in the case of Assosa. The BoUDHC of BGNRS, save the municipality of Assosa, has inadequate professionals for timely revising urban land plans of the regional capital Assosa. The Capacity issue cannot be achieved by the city as the institutional arrangement has made the city to rely on the regional government through its capacity building programs. But those bodies supposed to build capacities themselves have no capacity, and these made the city dependent on the Federal Ministry of Urban Development.

#### **7.4.3.3 The City and Woreda Cooperation in Managing Informal Settlements**

One of the expositions for the weak coordination between the city and surrounding Woreda is that the city administration's effort to construct cooperative houses on the land that the city has received formally from farmers by giving replaceable land in return was disrupted by the same farmers. The city administration has taken the farm land around the university. It gave another

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<sup>302</sup> Interview: Tewedros, Surveyor, Assosa City Municipality, June 28, 2016, Assosa; Mr Fekadu, Customer to the municipality of Assosa, Kebele 04, July 03, 2016, Assosa; Mr. Fikiru A., Leader of ULDM, BoUDH, July 05, 2016, Assosa.

<sup>303</sup> Interview: Mr. Ambassa, Civil Engineer, Land Administration of the Municipality of Assosa City Municipality; June 25, 2016; Mr. Fikiru, Leader, Urban Land Development and Management, UDHC Bureau, Assosa July 05, 2016.

fertile farm land for the farmers who used to farm there. Then the city administration handed over the land for formal cooperative housing construction. When the cooperative house started to be constructed the farmers came and demolished some houses. They say the city administration has not given us a fair compensation.<sup>304</sup> The city administration says these farmers have already taken another fertile land in lieu of the farm land included into the Assosa local plan boundary. Nonetheless, the farmers have continued to even plant trees and to further ask compensation for the properties they would produce on the land thereafter. The story from the side of the farmers<sup>305</sup> shows that they were not paid compensation for the land they used to hold. Consequently, the construction of houses for the cooperative housing has been delayed.

The other source of informal settlement expansion is the lack of clear boundary between the city and the surrounding woreda. The fringe area is increasingly becoming a reception place for illegal housing and land holding. The actors who are supposed to administer the land do not know the land they administer. There has been ambiguous and overlapping inter-kebele and the city and woreda boundaries. The ambiguity has undermined effective urban land use service delivery and administration.

Mr. Befikadu<sup>306</sup> views that the formation of informal settlement at the fringe is argued to be employed as a mechanism of clearing the dilapidated slum from the inner city. This type of authorization was to satisfy the need of those who could invest in the inner city rather than to satisfy the needs of the evicted poor. In this sense the uncontrolled horizontal expansion is a function of the interests in inner city than the planned outward regulation. The city and surrounding Woreda interaction has not undermined the informal settlement expansions.

The fringe-an interface between urban and rural- is epitomized as cite of informal settlers. This is due to the ineffective mechanisms of urban-rural linkages.<sup>307</sup> On the one hand, the city administration and the kebeles under the city could not even manage the informalities in the inner city. On the other hand, the surrounding Assosa woreda administration and the kebeles under it fail to control and circumscribe the informal urban expansion. Also, the farmers who have farm plots at this intercepting area between urban and rural spaces-fringe- fear that the city

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<sup>304</sup> Interview: Mr. Takele, who is the member of the cooperative houses to be built, June 24, 2016, Assosa.

<sup>305</sup> Interview: Farmer residing near Assosa University, June 29, 2016

<sup>306</sup> Interview: Mr. Befikadu, Retired resident of Assosa, April 01, 2016

<sup>307</sup> Report of the Technical Committee study April 2016; Informants from Kebele 01 and 04, Assosa.

would take over their farm land at any indefinite time. Hence, the farmers are compelled to sell their lands to those who could give attractive amount of money per square meter. Furthermore, the informal actors are also interested in fringe area holdings because there are high probabilities to secure formal land title by the time the revised land use plan incorporates the fringe as expansion zones.<sup>308</sup>

In the views of the officials<sup>309</sup> from the Kebele level, the Kebele administrations are expected control/prevent the illegal land holdings. But the Kebeles lack the necessary capacity and autonomy to effectively regulate the illegal land holdings. Besides, the necessary information and documents on the urban land use zoning and holding are not kept at Kebele level. The municipality administration downloads responsibility to Kebele without however empowering them to do any meaningful function on controlling informal settlements. In fact, Kebeles have been serving for gathering information on land related security concerns than performing any final decision at their levels. Thus, let alone making a strong interaction with the surrounding rural kebeles under Assosa Woreda administration, the kebele administrations have no adequate power to dwell on urban land matters even within the city administrations.

Moreover, the Key informants<sup>310</sup> from the Assosa City kebele administrations affirm that they do not know the city boundary in general and the land use holding zone under their respective administrative scopes in particular. The lack of clear boundary between the city and surrounding woreda administration have created a gap in managing informality and provision of urban land use services.

In such transitional interface between urban and rural, the land governance is neither the responsibility of the city administration nor that of the surrounding Woreda administration. The mechanism to handle the land related matters could be through strong institutions of urban-rural linkages. The evidence from the case of Assosa shows the lack of such mechanisms of horizontal inter-local relationship. Instead, the interaction between the city and the woreda relies on the party based interactions and personal relations between the officials of both administrations.

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<sup>308</sup> Interview: Mr. Shimelis, Resident of Kebele 03, July 06, 2016, Assosa.

<sup>309</sup> Interview: Mr. Abdurmuntaleb Usman, Chairmain kebele 04, June 08, 2016; Mr Mohammad Arab, Manager of Kebele 04 kebele, June 08, 2016, Assosa.

<sup>310</sup> Interview: Mr. Mubarek Ramatan Kebele 01 Chairman, July 07, 2016 Assosa; Ms. Ingidaworks, Kebele 01, Vice-Chairman, July 07, 2016, Assosa; Mr. Mohammed Mustafa; Kebele 01 Kebele Council Speaker, 08, 2016 Assosa; Mr. Abdulmutaleb Usman, Kebele 04 Charman, July 08, 2016 Assosa.

My personal field observation also affirms the gap in the city and surrounding woreda coordination on land issue. On June 24, 2016, there was one incident happened while I was undertaking interview in Assosa Municipality. as per the request of Assosa University, a team from Assosa City Municipality has gone to the outskirts of the city where the University is established. The urban planner and surveyor were undertaking some measurements for incorporating land into the University's compound. But the farmers around the university did not allow them to do any surveying work. Here, the relationship between the city and woreda should have managed these land use tensions before converting the rural land into urban. But the city and woreda administration did not.

In sum, both formalization and demolition have not worked well in the City of Assosa. A number of factors have undermined the approach towards management of informal land holdings and settlements. The challenges being: Both who decide on the measures to be taken on the illegal housings and those who actually built the houses were caught of playing the ethnic identity game. On the one hand, the political elites manipulate the ethnic factor in the land delivery system. This view emotionalizes up the historical marginalization of the indigenous groups in the urban system of the region; hence they seek to rectify the marginal position of their group because the Constitution has encouraged them to do so. On the part of the people who participate directly in illegal housings the ethnic factor sought to play a key role in their reaction to the management approach of the City. In this regard, both the regularization and demolition were interpreted in ethnic terms.

In the year 2014, the city administration along with the regional administration had identified about 778 illegal housings. The decision of the regional administrative council was to demolish the specified illegal houses. As the Key informant<sup>311</sup> puts, although they knew that they were illegal, actors whose houses were to be demolished blame that their houses were bulldozed because of their ethnic identity or they belong to the disempowered ethnic group in the city/region. Some informants<sup>312</sup> perceive that demolition of illegal houses was selectively applied. The illegal houses owned by Bertha were not bulldozed, and this was covertly instructed by the regional top executive. This condition had attracted a wide criticism and the city was

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<sup>311</sup> Interview: Mr. Sanbata, Kebele 04, July 06, 2016 Assosa.

<sup>312</sup> Interview: Anonymous, June 26, 2016, Assosa.

compelled from above to abandon demolition of the houses altogether. The critics of the urban land delivery system in the City of Assosa argue that strategy does not only preclude the residents on the basis of their ethnic background but leads to *Berthnization* of the city itself.

The evidence from the key informants<sup>313</sup> from the members of Bertha and Shinasha ethnic group reveal a number of justifications for such a treatment of Bertha vis-à-vis the other informal ethnic actors: 1) Bertha who did build squatter have no ability to buy house in the city. They were marginalized under the hitherto urban system but the current federal arrangement has empowered Berthas which also include accessing urban land for housing and exercise urban life. In this sense, the access to land for housing has to do with the political and territorial empowerment of the Bertha and other indigenous groups of owning the regional state of BGNRS. 2) Compared to the highlanders they lack adequate education and skill to carry out urban life. The access to land for Bertha, therefore, would improve their socio-economic status in the city. Except for the land, they have no other source of livelihood like highlanders. They were previously marginalized on their own soil. So treating them as informal or illegal would tantamount to the same exploitation by past regimes. 3) The houses built by Bertha were long occupied and could not simply be labeled illegal compared to others. Bertha groups feel that they cannot be informal settlers in their locality (city). Inasmuch as they are indigenous to the city and its surroundings, they understand that any land holding by their members fall in the formal legal category, and should not be construed as illegal holders.

Similarly, the regularization mechanism of managing informal settlement was not effective. By the time there was a decision to regularize informality which was found to be an old possession for at least for four years prior to enacting the regional lease regulation No. 65/ 2012, most illegal holdings had already met the conditions for the formalization. Nonetheless, the process of formalization again excluded some illegal holdings which could qualify for regularization. Both measures could not produce win-win solutions. If we take the procedure for regularization, a given informal house could be formalized if it fits with the type of land use plan and if the settler are indeed houseless and just built for residential purpose, and if it fits to the time reference set

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<sup>313</sup>Interview: Mr. Abdulmulkib Shemsedin, Municipal Revenue head, June 27, 2016, Assosa; Mr. Fekadu, Ex-Regional Cabinet, July 02, 2016, Assosa.

by the regional regulation/directive. Even at the early prevention stage the kebele officials were criticized that they demolish the fences made of some but not for the other.

## 7.5 Conclusion: City Capacity and IGR in ULG of Adama and Assosa

The Ethiopian federal system has shared competences on land among the tiers constituting the federation. The federal government has been granted the policy and law making power while the regional states have the power to administer the policy. In such an arrangement, therefore, urban land governance demands a multilevel IGR. IGR approach to urban governance must look into has examined the institutional context (input) and the processes (the actors involved and the consequence of the input and process interaction).

### 7.5.1 Cause and Actors of Informality

**Table 7.14: Summary of the Challenges of Informal Settlement in Urban Land Governance of Adama and Assosa**

Causes	Actors	Measures	Challenges
<ul style="list-style-type: none"> <li>• Lack of access to land for housing</li> <li>• Income Generation/Business</li> <li>• Self help</li> <li>• User friendly</li> <li>• political support</li> <li>• land price</li> <li>• parcel size</li> <li>• unclear city boundary</li> <li>• ineffective LUP</li> </ul>	<ul style="list-style-type: none"> <li>• Diverse and complex</li> </ul>	<ul style="list-style-type: none"> <li>• Regularization</li> <li>• Demolition</li> <li>• Prevention</li> </ul>	<ul style="list-style-type: none"> <li>• Dysfunctional formal rule and informal norm on accessing land</li> <li>• Tradeoffs between equity and efficiency</li> <li>• Lack of strong IGR institution</li> <li>• Weak urban land institutionalization</li> <li>• Lack of capacity at local level</li> <li>• Political Exigency</li> <li>• Weak urban-rural linkage</li> <li>• Power, Money &amp; Identity interplay</li> </ul>
	<ul style="list-style-type: none"> <li>• State and non state</li> <li>• Broker</li> <li>• Businessmen</li> <li>• Occupational migrants</li> </ul>	Triggers	
	<ul style="list-style-type: none"> <li>• Power, Money and identity interplay</li> </ul>	<ul style="list-style-type: none"> <li>• Political expediency and vote banking</li> </ul>	

Table 7.14 by and large summarizes the underlying causes of informal settlements are similar in both Adama and Assosa. The region and the cities have employed similar management schemes including regularization and demolition to control informal land holdings. The application of these management schemes were driven by political expediency of the period, which unveils that state actors are implicated in either undermining or exacerbating informal land holdings and

settlements. The fieldwork investigations conducted for this research in both Adama and Assosa reveal that the actors who participated in informal land holding and informal land markets are of diverse backgrounds and personalities. Although the assessment for the profiles of informal actors' in Assosa city discloses a long list of the background of the actors, the majority of the backgrounds of these actors were unknown. More confusingly, many informants stress that a large part of the local elites are not transparent on these urban land acquisitions. It is even said that they covertly tend to participate in these informal rent seeking activities rather than taking serious responsibility they were supposed to discharge. Therefore, the key question is: who would be legitimate and clean handed to go for regulation of informality? 'Who is an informal actor and who is not' informal remains controversial.

### **7.5.2 Challenges of ULG**

#### ***Inequity and Sense of Alienation***

On paper the urban land policies, law and planning promises to secure the efficiency, equity, transparency and accountability. Nonetheless, the causes and efforts to manage informality attest that these key indicators of good urban land governance are not attained. In the case of Assosa, among the five indigenous ethnic groups, the Berthas are perceived as privileged when it comes to the land use in the city. The other non-indigenous groups feel they are excluded from the land delivery system because of the indigeneity criterion. In the case of Adama, evidence shows that at individual level, beyond the ascriptive traits that he/she may have, land could be accessed through the power and wealth status of an individual or his/her network to those having power or resource. The formal land delivery system in the case of Adama particularly has been influenced by money and power. This effort has created the problem of inequity and a sense of alienation. It segregates the access to land in terms of the haves and have not, and created tradeoffs between efficiency and equity. This has benefited-intended or unintended- the hitherto privileged group from the urban economic system. But in both cities, either power, network to the political class, money, identity or combination of these are put forth for accessing land either through formal or the informal rules.

Squatters built by those who have the power or have connection to the power circle hardly been demolished in both Assosa and Adama. The same can be said of those who have money or good ties with the indigenous political elites. Those whose squatter houses were demolished generally

associate the issue of urban land access to patron-client relations and loyalty to the ruling coalition or capability to give bribes, and be an ethnic member of the empowered group in the region/city. Even in the formal rules like tender competition some of the bidders who did compete but lost the game tend to associate the game with ethnic factor even at times the competition was fair.<sup>314</sup> Ethnicity is an explicit factor influencing access to land use delivery in the case of Adama. But there has been a tendency to explicitly prioritize the indigenous group particularly the Bertha with regard to regularization of informality, or withholding the demolition of the houses built by this group in the case of Assosa

Before the making of lease law in 2011 in Oromia, there was a concern that permit system has excluded members of the empowered ethnic group (Oromo) to access urban land for housing. After adopting the urban lease system, the equity concern in land allocation shifted to another form. The lease system favors the rich, but few members of the empowered group (Oromo) are in this folder.<sup>315</sup> The criticism continued, even in the contemporary understanding of OPDO/EPRDF that the access to land has been abused by associating it with the power. What remains unaddressed under this assessment too is the issue of equity, though it took different forms: Rich vs poor; member of empowered ethnic group Vs Non membership to the empowered identity; and network to the power class Vs unconnected to the political class. In sum, the access to urban land delivery is interplay between power, money and ethnicity.

### ***'No Land-No House-No Vote'***

Urban land is a scarce resource capable of attracting of political, economic and ideological supports. The implication of this is that every time the party wants to make its policies attractive in urban areas, the land policy comes into the fore front. The incidents that the case cities were involved in regularizing informal settlements during election campaign periods pinpoints the attempts of the political elite in manipulating the informal management schemes for gaining political support. Land is therefore serving to generate incentives for local level officials to reward political loyalty with land related benefits. Hence, although one may argue that it is the rational choice of the party to reserve spaces for the informal settlements, the effort hampers

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<sup>314</sup> Interview: Mr Dereje F. Kebele 04, June 26, 2016, Assosa.

<sup>315</sup> HE Lemma Magarsa, President of ONRS, TVO, February 18, 2017, Adama

legitimacy of the formal rule and the wider institutionalization of urban land governance altogether.

### ***Formal Vs Informal: Functional or Dysfunctional Relation?***

Informal land holding remain the inevitable urban phenomenon in and around Adama and Assosa. There were no evidences from both cities that the formal regulatory frameworks have controlled abandoned informal land holdings and settlements. Rather in both Adama and Assosa, the regularization scheme of managing informality has created the understanding that informality is a stepping stone for accessing land tenure. The regulations and management schemes to resolve problems of informal land holdings have reinforced more complex problems than they were envisioned to manage.

Informality continues to persist in order to bridge the gaps in formal rule of the game. Officially, there is a tendency to undermine informality as it is dysfunctional, a source of corruption and rent seeking. The paradox is that the political elites covertly employ informality for: 1) seeking votes for political support at times of election from the informal settlers; 2) if the government could not adequately satisfy the land use demand while having the policy of rapid urbanization; and. 3) If the center-city is needed for redevelopment and investment, and want to encourage the movement of the people from the center to the outskirts. Inasmuch as several factors –social, economic and political-and actors partake in informal settlements, informality cannot simply be done away as an object of formal regulatory systems. It can be created by policy as it can be regulated by it.

The input side (policy, law and plan) have not efficiently managed informality in both cities of Adama and Assosa. Instead, they have restricted the delivery system to the mass, and people find the informal (beyond the rules but accepted norm) as the good strategy to access land to attain their socio-economic demands. The strategy is widely perceived as normal and old as long as the processes of urbanization have been largely characterized by informality. The notion of informality has not become informal and /or illegal in the mindset of the people.

Thus, although it would be infeasible to avoid the role of informal institutions or norms in the urban land governance; the role of informality has to be shaped by formal rule. It has to serve complementary and accommodating role rather than substituting and sidelining of the formal rule.

Arguably, the understanding that institutionalization is about how to make the rule of the game workable by employing the functional imperatives of both forms of institutions altogether, and not making dysfunctional relations between formal and informal institutions which is still unfocused.

### ***Contextual Realities Unmet***

In both Adama and Assosa case cities act according to the model, directives and regulations provided to the regional states. The regional states have enacted regulations basically by replicating the model set by the federal government. The Bureaus for Urban Development in respective regions have prepared directives for controlling informality. Yet these directives are essentially from the federal government. Indeed, according to the land policy and laws, the regional states are obliged to conform to the frameworks and standards set from above. But it is debatable whether the regions have the duty to follow the detail regulations, directives, manuals and checklists from the federal body. The tendency to implement uniform regulatory frameworks throughout the country has undermined the capacity to act according to the specificities of the urban contexts. No adequate room is permitted for the regional states to regulate their cities according to their realities.

The challenge of urban land governance in general and informal land holdings in particular is due the age old Addis Ababa oriented understanding of all other urban centers in Ethiopia which has nothing to do with the federal structure. Apart from the capacity, structural condition, leadership and technical skills and historical factors, it is important to look into the institutional relationships between the city, neighborhood and regional state. Further, each of the urban centers has to be first analyzed as a unique case to identify the convergence and divergence of the cities before superimposing the Addis Ababa lens to other urban centers like Assosa and Adama.

### ***Weak institutionalization of Urban Land Sector***

In Adama, the urban land management and urban land planning are institutionally integrated into one Agency, and the Agency is responsible for both administration and provision of information on land. In Assosa, urban land management is just a component of the municipal function, not established as a separate sector or Agency. Structurally, Assosa city has paid little

attention to improve urban land institution and capabilities compared to Adama. Although structural reforms are important, the urban land institutional making and remaking has not constrained the behavior of actors as long as the informal holdings have not been managed.

In the case of Adama, urban land institutions have been reformed frequently but the urban land institutional arrangements have been stagnant and insensible to the changing pace of the urbanization of the City. Moreover, in both cities, the measures of regularizations and demolitions to control informal settlements were found reinforcing informal land holdings as the formal actors who were supposed to control are implicated in exacerbating informality. Both contexts show that the political environment is a triggering factor for the application of informal management schemes rather than relying on stable and principled rules to control informality. The finding has shown that no stable and predictable institutions of urban land at both the city and regional level have been built. This signals the lack of institutions enduring and transcending the party and political exigencies. These conditions of urban land management show the weakness of institutionalization of the ULG.

### ***Weak IGRs in Urban Land Governance***

The Comparative federalism hints that IGR institutions, mechanisms and forums could help in dealing with matters shared between levels of governments. In the Ethiopian context, the legal and institutional arrangement over land fits to ‘interlocking federalism’ whereby the federal government makes laws while the regional states implement the same. The problem in materializing this interlocking feature of federalism is that there are no formal institutional mechanisms by which the views of the implementers (regional states and urban local governments) could be initially included into the urban land policy and legislative frameworks. As it works now the federal government enacts urban laws and formulates policies. The same level of government through its executive organ Ministry of Urban Development prepares other details for implementation of the policy like preparation of model regulations, directives, manuals, checklists. The regional states, based on their constitutional competency of administering any land and natural resources, prepare regulation, directive and manuals. Nonetheless, these instruments of urban land policy implementation are basically the replica of what are already prepared by the MUDHc. This raises the question: Is the MUDHco an IGR institution for urban land issues? Does it entertain the views of all the regions and urban centers

under the regional states? Therefore, how could the administrative competency of the regional states be exercised? Except the party channel that offered smooth communication between the regional land Bureaus and the MUDHco, no clear IGR (principles, forums etc) guides such condition of the urban land administration in the federation.

On the one hand, there cannot be any meaningful autonomy of the regional states and the ethno territorial group's power without territorial autonomy in both tangible (land) and non tangible (symbolic) aspects. To be able at all for any ethnic group is to occupy some place. Hence, ethnicity is essentially territorial (Murphy 1989). Conversely, if land use allocation is restricted according to ethnicity, it will create a sense of exclusion and alienation among other ethnic groups who would be left outside. In this perspective, the challenging problem in urban context is to what extent the urban land allocation is consistent with ethno-territorial group right (self rule) and the rights of individual citizen (shared rule). The federal government through its policy and law making wants to promote the center's interest without however paying adequate attention to the inextricable relationship between ethnicity and territory, and the regional states autonomy in administration of land.

The IGR perspective to analysis of urban land governance shows that the federal government is the dominant actor who controls the city albeit lack of direct contact with the cities of like Adama and Assosa. For instance, the city by itself cannot decide on what is formal and informal, or legitimate and illegitimate urban settlement. The decision however comes from the region or through the region to the city. Several factors have made the federal government a dominant actor: 1) the power over urban land policy and law making as well as urban plan framework formulation; 2) EPRDF's centralized decision making; 3) hierarchic political culture and upward orientation of actors and 4) the ambiguous position of land in the Ethiopian politics.

The principle of IGR particularly more required to the urban-rural linkage. No effective control of informal and illegal settlements in and around Adama and Assosa cities can be achieved without the principles and institutions of intergovernmental cooperation between the city and the neighboring woreda. The ambiguous boundaries and institutional statuses of the city and the surrounding woredas have aggravated the inefficiency of the urban-rural linkages between the cities of Adama and Assosa and their respective surrounding woredas. The effective Urban-rural linkage and management of informality at the fringe cannot be attained without strong and

principled city to woreda lateral interaction which is barely found between the case cities and the neighboring Woredas. It has been the party line accountability that is the devise of binding the urban-rural linkages, and this mechanism of IGR tempted to privilege the informal land holdings at the fringe. Indeed, it is institutionally uncertain at times there is a shift of political solidarities and part line accountabilities. Speculative urban-rural linkage has led to speculative management of informal settlement at the interface between the city and the surrounding woreda.

### **7.5.3 Alternative Solution**

The alternative option to improve urban governance issues relating to urban land is to focus on two functions at a time: 1) to increase the capabilities of the city in terms of institutional, human resources and decision making on land within its boundary; and 2) Since the urban land is the issue of scale involving city, neighborhood, region and federal, there must be clear principles and institutions of IGRs. So far, as evidenced in the cases of Adama and Assosa, no clear principles and guidelines of IGRs tell how the multilevel institutions involve in ULG processes and outcomes. The lack of strong institution of IGR that works according to the jurisdictional division involving and respecting each other's autonomy is the gap in ULG and this is one of the gaps in the implementation of federalism in urban Ethiopia. Particularly, there is a need to build a strong institution that fairly represents and works for a healthy city and woreda relationships in order to improve urban land governance system. This institution has to work for promoting mutual benefit of the city and surrounding woreda, and the control of informal urbanization and implementation of land use plan can be part of the responsibility of institution working on city-woreda relationships. Hence, part of the solution to resolve ULG problem in the federal system of Ethiopia is in the IGR lens to the matter.

## CHAPTER EIGHT

### 8 Urban Water Governance: Local Autonomy and IGR for Water Supply Services in Adama and Assosa

#### Introduction

Water governance as a “range of political, social, economic and administrative systems in place to develop and manage water resources, deliver water services at different societal levels”(Global Water Partnership, GWP 2003, 07).GWP proposes two principles for effective water governance: governance approach that needs to be transparent, inclusive, equitable, coherent and integrative; and the performance that needs to be accountable, efficient, responsive and sustainable (Rogers and Hall, 2003 cited in Plummer and Slaymaker, 2007, 4).

Water Governance, as integral part of the larger political governance system, can be understood in three different models: 1) In Authoritarian Model, the local/municipality has a weak control and participation in water services, and community participation is absent. In such a model, there is very weak integration between Water Supply Service (WSS) and urban planning. 2) The Local Autonomy Model recognizes an explicit mechanism for community participation and social control or the effective mechanism of accountability of the WSS to municipality and the user, and 3) the Integrated Model stipulates for a shared management by the state, municipality and community in order to integrate the WSS internally and externally to other urban services (Heller, 2007).

The Integrated Water Resource management approach (IWRM) appears to be influential in the studies on urban water supply services. IWRM advocates to the management of water from economic, social and environmental perspectives, and the participation of user communities (Bahri 2012). Rees (2006, 9) puts the IWRM as an explicit recognition to “the complex set of interdependent relationships” for urban water supply services. In this perspective, the concept of water governance has shifted from bureaucratic hierarchies to governance networks (Alba 2016). IWRM considers all water services, sources, stakeholders, and impacts in order to create the best possible outcome in the urban water management. Hence, as Rees (2006) further argues, the approach is about the creation of institutional framework within which water relevant roles and functions are to be performed at appropriate scales

Therefore, under the IWRM approach, decentralization is not the panacea for the provision of water supply services. On the one hand, as Rees (2006) puts, the decentralized urban water management presumes demand oriented provision, greater accountability and technical flexibility. On the other hand, for the decentralized urban water services to operate there is a need for strong strategic and regulatory framework and institutions that promote cooperation and coordination. Accordingly, urban water governance involves duties and responsibilities that transcend jurisdictional boundaries of the urban local governments and coordination of the functional boundaries of water utilities.

In the context of Ethiopia, both the federal arrangement and the water policy framework describe that more than one level of government or public authority is required in water planning, management and delivery. To this effect, IGR offers a set of principles and institutions that underpin better coordinated and cooperative governance in urban water supply service. Hence, the central purpose of this chapter is to point out the mechanisms and institutions of IGRs in governance of water supply services in the two case cities of Adama and Assosa. It is the contention of this Chapter that urban water governance is an IGR factor that calls for the analysis of the institutional, political, fiscal and administrative relationships between the city and the upper level governments and the institutional coordination and cooperation between the water enterprises and other social services. The chapter assesses the current status of water demand and supply in Assosa and Adama cities. It enquires about the extent to which the customers are satisfied with the water supply services they get from the enterprise. The chapter also assesses the capacity of the water enterprise and examines how the enterprise coordinates its activities with other stakeholders in both horizontal and vertical dimensions. It identifies and compares the relational factors affecting the water supply service in the cities, and the mechanisms of overcoming the challenges of water supply shortages. Looking into the institutional framework within which the water management is embedded, it essentially analyzes the level of institutional coordination and cooperation within the urban water supply enterprise. Finally, it concludes on the need for matching the local capacity with the functional responsibilities; coherent and strong institutions; and principles and mechanisms of IGRs for forging effective urban water governance in the cities of Adama and Assosa and elsewhere.

## 8.1 Overview of the Urban Water Policy and Institutional Framework

In order to examine the institutions, principles and mechanisms of IGRs in the governance of urban water supply services, it is important to assess the overall water policy and legal framework of the Ethiopian federation. In this light, the federal constitution gives the power to formulate water policies to the federal government while the regional states have been given the power to administer natural resources in accordance with federal laws.<sup>316</sup> The federal government has formulated the Water Resources Management Policy (WRMP) in 1999. Subsequently, federal government has also enacted the Water Resources Management Proclamation No.197/2000 and Regulation No.115/2005. The Proclamation underscores that all water resources of the country are common property of the Ethiopian people and the state. To this effect, the policies cum legal frameworks have established institutions which could play regulatory, supportive and overseeing roles and those which are directly involved in implementation.

The major principles of the WRMP (1999) and the Water Sector Strategy (2001) are: (1) to develop ownership for lower tiers and enhance management autonomy for the lowest possible levels; (2) promote the involvement of all stakeholders; (3) to work towards full cost recovery of the urban water supply system to ensure that all water supply undertakings adequately address costs associated with maintenance and operation, and be based on cost recovery principle; and (4) to enhance urban water supply through autonomous bodies i.e. enterprises. According to the Water and Sanitation Policy (2011), the urban water supply policy is underpinned by two priority actions: 1) to implement cost recovery policies by strengthening capacity and financial autonomy of urban utilities; and 2) to increase focus on water resource sustainability through encouragement of demand management approaches and reduction in unaccounted water usages.

The overall objective of WRMP is to enhance the well-being and economic productivity of the Ethiopian people through provision of adequate, reliable and clean water supply and sanitation services (Kebede 2015, 22). In addition, the WRMP (1999) and Strategic Guideline for the Implementation of the Policy (2013) affirm that the urban water supply Enterprises have to work on the principle of ‘full cost recovery.’ The WRMP of 1999 requires urban centers to cover their

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<sup>316</sup> Articles 51(5) and 52(2) (c) of the FDRE Constitution.

investment, operation and maintenance costs, while rural WSS are required to cover operation and maintenance costs, with some cost sharing (up to 10%) for initial investment cost (Kebede 2015). Moreover, in 2001 the government adopted a water and sanitation strategy that called for more decentralized decision-making; for promoting the involvement of all stakeholders, including the private sector; increasing levels of cost recovery; as well as integrating water supply, sanitation and hygiene promotion activities.

Hence, under the policy and legal frameworks, the Urban Water Supply Enterprise (UWSE) is meant to perform its functions autonomously with very limited supervision and support from the regional and federal governments. Also, the UWSSE has been provided with the duty of covering all its service delivery charges by collecting water tariff from its customers. Hence, implementation of the water policy in urban areas demands fair tariff rating, willingness of clientele to pay for the service and efficient management of the resources.

With regard to UWSS all duties and responsibilities are divided or shared among the multilevel institutions and actors. In this line, it is important to describe the roles and duties of the multilevel water institutions having either direct implementation or supervisory/supportive role, or both. According to the WRMP (1999) and the water sector strategy (2001), the Ministry of Water and Energy (MoWE) is responsible for formulating policies, strategies and action plans. It establishes national standards on quality, water infrastructure and other related standards. The ministry is responsible for supervising and following up the implementation of water policy, and it provides technical support for Regional Water Bureaus (WRMP 1999). In this perspective, the Ministry has not only crafted strategies but has also developed national guidelines on water supply and sewerage services (COWASH, 2012). The MoWE is also in charge of channeling donor funds in the sector to local government entities. Particularly, the structures and the organizational set ups of Urban Water and Sewerage Enterprise which the regional states enacted are primarily developed by the Ministry.

Whilst policy and programme formulation is the major responsibility of the federal ministry, the councils of the regional and sub-regional governments have the mandate to formulate economic and social development policies without prejudice to provisions of the Federal Constitution. As

regions have adopted the federal policy on water there is no separate regional water policy as such” (Yakob *et al* 2010, 12).

The next level of authority is allocated to the regional state government. The regions have been enacting proclamations, regulations and directives with regard to the urban water supply services. At regional level, Bureau of Water and Energy Resources (BoWER) is an executive organ responsible for the implementation of federal policies, strategies and action plans through adapting them to the specific conditions of the region. In addition, Water Bureaus exercise regulatory duties delegated to it by the Ministry. The duties of the BoWER include: (1) to build the capacity of the lower water offices and enterprises, (2) to contract out to private sector, set water tariffs, construction of water schemes (spring developments, small and large gravity schemes, motorized schemes, boreholes and shallow wells), (3) to carry out regulatory duties delegated by the of Ministry Water and Energy, and (4) to study, design, supervise and regulate water projects and exercise regulatory duties delegated by the Ministry. The BoWER has the responsibility for ensuring the provision of water supply services and to cooperate with the city and woredas administrations. It is, therefore, on the broader policy and legal framework that the water supply services in the cities of Adama and Assosa are carried out.

## **8.2 Adama City Water Supply Service**

### **8.2.1 Organizational Structure and Accountability Relationships**

Generally, the urban water governance structure is put in place by obliging what the federal water institution sets as the framework for the whole federation. In Oromia National Regional State (ONRS), the regional Council (Caffee) has enacted the Proclamation No 78/2004 for establishment of Urban Water Supply and Sanitation Enterprise (herein after UWSSE or the Enterprise). This Proclamation along with the Amendment Proclamation No 97/2005 provides for the organizational structure, duties and power of the key organs of the Enterprise, accountability relationships between the Enterprise, Water Management Board and the Regional Water Bureau, and financial mechanisms for the Enterprise. Water Management Board (WMB) is the supreme body of the Enterprise that follows and monitors the overall work of the enterprise.<sup>317</sup> It has the power to examine and approve the annual work program and budget of the enterprise, evaluate the financial and performance reports of the enterprise, determine the

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<sup>317</sup> Article 8 (1) of the Proclamation No 78/2004

structure and salary of the staff of the Enterprise, select and assign the manager of the Enterprise, and can study and amend the rates of charges for the services that the Enterprise provides.<sup>318</sup>

Under Article 7 of the Proclamation 78/2004, the Board functions as organization of several stakeholders at the city level. The Proclamation specifies the number, role and sectors from which the members of the WMB can be drawn. The Mayor of the city is the Chairperson whereas the Manager of the Enterprise serves as Secretary with non-voting participation in the Board. This arrangement has facilitated the City Mayor as the authority to establish the Board as deemed necessary. The other WMB members include: one person from Water Resource Bureau, one person from Health Office, one person from Women's Affairs Office, one person from Finance and Economic Development of the city, one person from Branch Office of Electric Power Corporation in the city, one person from Education Office, and two persons from customers of the Water Supply Enterprise.

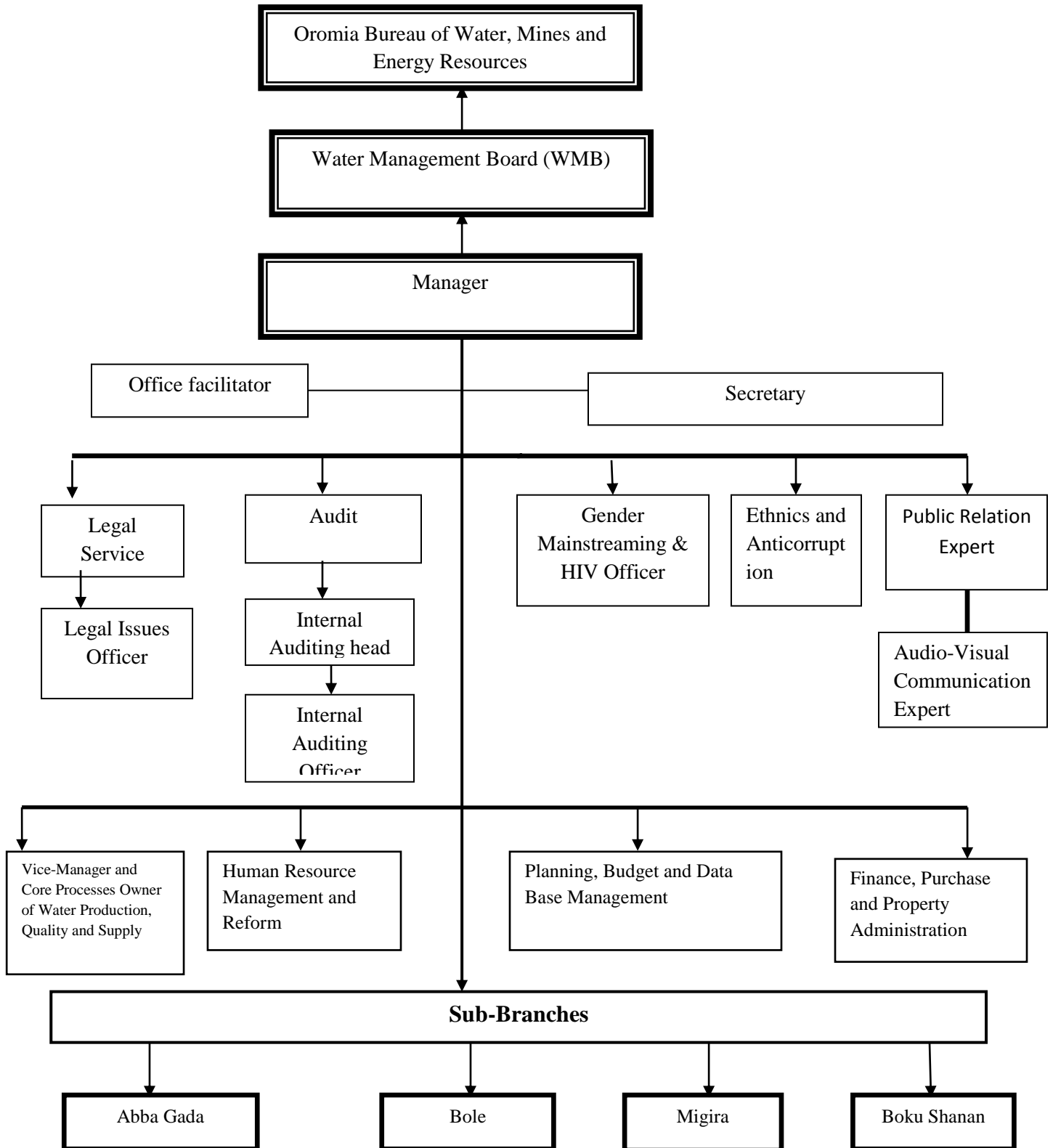
Chart 8.1 demonstrates the organization structure and accountability relationships within the Enterprise, and above. The Enterprise has also opened four sub-branch offices: Bole, Migira, Boku Shanan and Abba Gada within the city. These sub-branches are mainly made responsible for expanding new water connections, maintain customer lines, detect and punish illegal water connections, and inspect water meter. It has reduced the pressure on the main Enterprise, and the nearby customers have gotten services from them.<sup>319</sup>

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<sup>318</sup> Article 8 (3a-f) and 14(2) of the Proclamation No 78/2004

<sup>319</sup> Interview: Mr. Tagay, Head of Human Resource Management and Reform, ACWSSE, August 04, 2016, Adama.

**Chart 8.1: Organizational Structure of Adama City Water Supply Service**



*(Source: Adama City Water Supply Service Enterprise 2014)*

Later, an Amendment Proclamation No 97/2005 to the Proclamation 78/2004 has shifted the power of establishing the WMB from the Mayor to the Bureau of Water and Energy Development (BoWERD). Currently, it is the BoWERD which establishes the Water Management Board for 1<sup>st</sup> and 2<sup>nd</sup> grade cities of the region, and assigning the Chairperson of the WMB is the mandate of the Bureau.<sup>320</sup> The composition of the members of the Board remains the same. Adama being the first grade city of Oromia, the WMB of Adama City Water Supply Services Enterprise (ACWSSE) is accountable to BoWERD. The ACWSSE is accountable to the Board established by the Bureau. The Bureau in turn is accountable to the Regional Cabinet which in turn is accountable to the Regional Council or the *Coffee*. Thus, the legal and institutional framework sets up long and upward accountability mechanisms.

The Key informant<sup>321</sup> from ACWSSE notes that the selection of the members of the WMB helps the political and the party interference from both the city and regional actors. For example, the current Chairperson of the Adama WMB is Mr Alemayehu Tegenu, who is also the Federal Minister of Water and Energy. This shows that the key decision makers in the Board are also key politicians at the supra-local levels. The Manager of the WSSE is appointed by the Board and is accountable to the same.<sup>322</sup> He or she has the duty to implement the decision of the board. He can employ, manage, and terminate the employment of the workers of the Enterprise and perform other duties as assigned to him/her by the board.<sup>323</sup> In principle, the Manager of the Enterprise is expected to be appointed based on relevant water related education and work experience. The appointment in the case of Adama City Water Supply Enterprise, however, shows that the selection of the Manager has been based on political membership and affiliation to OPDO/EPRDF and/ or personnel network within the assigning committee, thus undermining the technical and professional competences. Given the Manager is selected based on the political affiliation than water related skills, the Manager focuses on addressing the political issues and interests of those who appointed him/her. Hence, the Managers' role is to "maintain power relationships with the key decision-makers in the city and in regional levels." Also, the lack of regular meetings of the Board delays the actions of the manger on matters that require the

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<sup>320</sup> Article 2(2b) Proclamation No 97/2005 a Proclamation to amend the UWSSE ONRS Establishment Proclamation No 78/2004.

<sup>321</sup> Interview: Mr. Gezahegn, ACWSSE, Senior Engineer, August 04, 2016, Adama.

<sup>322</sup> Article 8 (3f) and Article 11(1) of Proclamation No 78/2004.

<sup>323</sup> Article 11(2 (c, g and i) of Proclamation No 78/2004.

decisions of the Board. Inasmuch as the Manager is inclined to please politicians, it has become difficult to separate the political from the managerial activities. This condition has obscured the checks and balances between the regulator and the service provider.

### **8.2.2 Demand and Supply Mismatch**

The piped water service in Adama had begun during the Italian period. The Italians had dug two deep wells at Malka-hida on the bank of Awash River, 11km to the south East of the City towards the Wanji Sugar factory. Prior to Italian period (1936 to 1941), people were used to fetch water from Awash River which is about 17kms to the south. The Italians helped to provide piped water from this river and the municipal office of Adama was also created by the Italians (Addisu 2006; Gutema 1996). Initially, when the first protected water source was founded for Adama, the number of customers were 8185. However, in the middle of 1970s, the population of Adama exceeded 100, 000. There are about 10 boreholes at Melka Hida well field, and these wells were sources of freshwater for the city until another water source was constructed on Awash surface water (ACWSSE Work Plan, 2015).

The city of Adama has continually been exposed to shortage of water supply shortages and it was in November 2002 that the source of water supply was shifted from Melka Hidda Groundwater sources to the Awash River sourface water.<sup>324</sup> Besides, the inability to meet the demand, the water supply from Malka Hidda boreholes were abandoned due to the problem of high fluoride concentration which varied from 2 to 8 mg/l and the concentration of fluoride in the distribution system was about 5 mg/l. This fluoride content is beyond the WHO (1.5mg/l) standard and it had seriously damaged the health (bone and teeth) of the consumers (Alebel 2002). At present, the principal source of drinking water for the city of Adama is River Awash which is located west of the City of Adama, about 16 km from the central office. Besides, some of the old boreholes within the city have been made active to supplement the existing water supply from Awash treatment plant.

The average output ranges from 19000m<sup>3</sup> to 20,000m<sup>3</sup> per day while the demand ranges from 35,000m<sup>3</sup> to 36, 000m<sup>3</sup> per day (ACWSSE 2016). The regional standard for water supply for

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<sup>324</sup> Optimization/upgrading report on Adama water supply system, Oromia water, Mines and Energy Bureau , 2012

Adama is 80 Litre/ capita/ day. The Enterprise<sup>325</sup> estimates that the total population for which it provides water supply service from the city and surrounding areas altogether is 440,000. Projected population of Adama city by itself is 356,000. If we take the daily production to be 20,000m<sup>3</sup> and compute the coverage of water supply for Adama city, the estimate of water coverage is 56.18% i.e. nearly half of the population could not access water. However, coverage figures are inflated to 74%.

The city is the second largest in terms of the number of water customers, next only to Addis Ababa. Currently, the Enterprise states that the customers of the water supply are more than 46,000 with about 45l/day/capita, though the BoWERD standard for the city is 80l/s/day. The total number of connections was 9494 in 2002(Alebel 2002). This figure has increased by almost five fold in 2015 to 46,086 as shown below. Thus, the water demands are changing and the water management is under constant challenge.

**Table 8.1: Customers of Water Supply Services of Adama City from 2011 to 2015**

Types of Connections	Fiscal Years					
	2010	2011	2012	2013	2014	2015
Private domestic	26,794	29,651	31,203	38,400	39,120	43,819
Commercial/Industrial	654	847	697	N/A	N/A	740
Government institutions	1675	1570	1761	1761	N/A	1325
Public Fountains	146	152	190	187	198	202
Total water connections	<b>29,276</b>	<b>32,220</b>	<b>33,851</b>	<b>36,543</b>	<b>39321</b>	<b>46,086</b>

*Source: ACWSE 2016*

**Table 8.2: Adama City Water Production, Demand and Supply**

Description	Unit	Fiscal Years					
		2010	2011	2012	2013	2014	2015
Water supplied	M <sup>3</sup>	3.3	4.9	5.5	5.87	6.4	7.1
Water demanded	M <sup>3</sup>	4.8	9.13	10.95	12.41	12.75	13.14
Leakage	%	25	40	35	35	21	20

<sup>325</sup> Interview: Mr Hassan, Head of the Technical unit; Mr. Gezahegn, Senior Hydraulics Engineer, December 28, 2016 Assosa.

coverage	%	74	90	80	73	70	70
Length of water lines	km	200	235.3	348.03	360.38	366.5	390

(Source: Adama City Socio-Economic Profile of the City 2016)

According to the information from ACWSSE, a total of 35,000 visitors come to Adama each day from four directions, and about 5000 people spend their night in the city. Beyond the residents of the city, Adama has been a destination or transit a number of daily visitors in the form of passengers, tourists, conference participants and others who are usually in the rise. Above all university and colleges students and their tutors, and many incomers from the surrounding areas add up to the number of usual residents which give rise to above 400,000 people.<sup>326</sup>,

As the head of the technical design unit of ACWSSE, Mr Hassan<sup>327</sup> puts, the water supply from Awash was designed for 25 years. There were 160,912 persons when the project was constructed and the Adama city population forecast was estimated at 287,169. At the time of inauguration only 50% the water produced was demanded. The water supply from Koka had satisfied the water demands of the population for five consecutive years. Thereafter, the water project, which was meant for 20 years, could not meet the demand of the population even for half of the design period. Instead, the demand has increased by 30% in a decade, and the water produced by the Awash Treatment Plant could not meet the demand (ACWSSE, 2015).

The water supply system was designed to process and deliver drinking water at the flow rate of 330 l/s but currently operates at 250 l/s to up to 280 l/s. Nowadays, as of 2016, the demand is 550 litre per second. The previous project document depicts that the treatment capacity can even go beyond the delineation. Yet, in the present condition scarcity and shortage of water in the town became critical with complaints and daily reports reaching the Supply Office.<sup>328</sup>

The ecological factors have also contributed to mismatch of the water supply and demand in Adama city. The highly degraded nature of the catchment (Akaki catchment, Mojo Adama catchment and Adama Wanji catchment) and the water characteristics of the area have reduced the capacity of the system. The Awash catchment is highly degraded. Silt concentration is high and detection take longer time than expected hampering the production of water. The catchment transports alluvial deposits easily. Hence, the soil of Adama catchment has been subjected to flooding. Flooding has exposed the water pipes to the

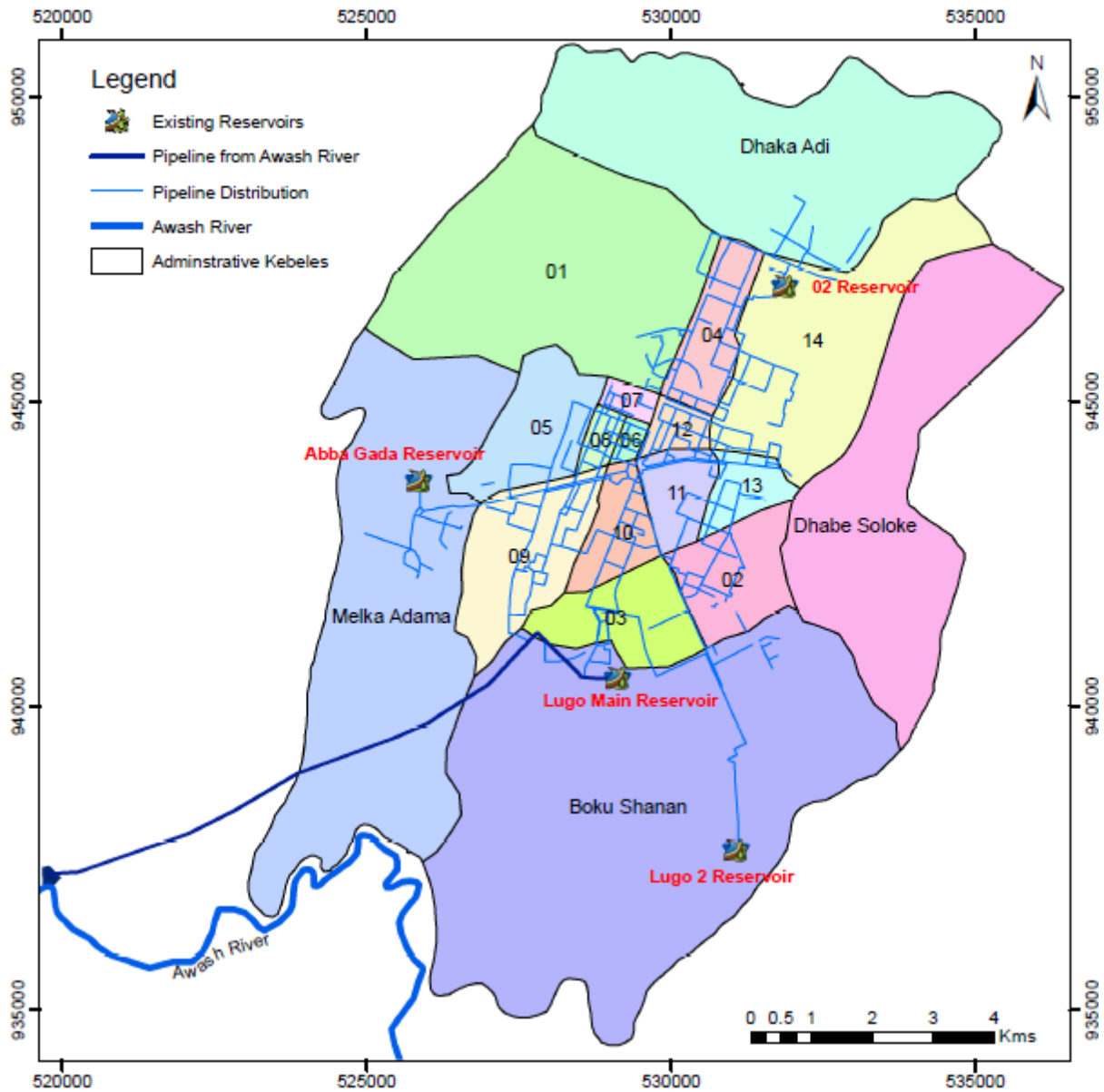
<sup>326</sup> Optimization/upgrading report on Adama water supply system, Oromia water, Mines and Energy Bureau , 2012

<sup>327</sup> Interview on 26 December, 2016, Adama.

<sup>328</sup> Optimization/upgrading report on Adama water supply system, Oromia water, Mines and Energy Bureau , 2012

external damages. The surface water of Awash contains up to 40% iron, and this has caused rusting of water pipes.<sup>329</sup>

**Map 8.1: Adama City Existing Water Pipeline Distribution System**



*(Source: Sketched based on the Data from Adama City Water Supply Enterprise 2015)*

As the Map 8.1 shows, most parts of the peripheral built up areas of the town are currently beyond the reach of pipelines. People suffer from lack of water supply around their residence.

<sup>329</sup> Optimization/upgrading report on Adama water supply system, Oromia water, Mines and Energy Bureau , 2012

They usually go far off distances in search of water and carry it along and also spend much time even in queuing up near the water taps.

Moreover, the expected distributional length of the water supply network in the city is 1000km but the actual length of the distributional line is 473km. Even Worse, the existing distributional line did not appropriately work. The Pressure Zones were not separately studied and water couldn't flow as expected.<sup>330</sup> The senior hydraulics Engineer<sup>331</sup> of the Enterprise underscores that the existing design needs rejuvenation. Different pressure zone plans following the stream is needed. Thus, part of the water distributional problem is due to the problem of design in the pressure zones of the water supply system. Furthermore, prior to the establishment of the Awash treatment plant, the average percentage of leakage was 37% but now averagely 25% of the water produced has been lost because of leakage problem<sup>332</sup>.

In sum, the mismatch between supply and demand for water services has been caused by the rapid rate of urbanization, inadequate design and managerial incapacities.

### **8.2.3 Customers' Satisfaction Analysis**

To analyze the demand side of the urban water governance and satisfaction with service delivery, a five point Likert scale questionnaire was prepared using key indicators like access, equity, affordability, transparency and Responsiveness.

In undertaking the demand analysis, both the service providers and customers were approached. After undertaking the key informant interviews with experts, officials and selected residents, kebeles are then purposely selected. In the case of Adama, out of the 18 kebeles two kebeles-05 and 01- are selected from the core center city, while two other kebeles-Boku Shanan and Dhaka Adi are selected from the relatively peripheral areas to the city. For the questionnaire on the urban water supply service, 45 respondents from each of the four selected kebeles (total of 180 respondents) were taken.

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<sup>330</sup> ACWSSE, Technical Department April 22, 2016, Adama. As the senior Engineer Gezahegn the DMA or the District Meter Area requires differential pressure Zone design

<sup>331</sup> Interview: Engineer Gezahegn, ACWSSE, April 7, 2016, Adama

<sup>332</sup> Interview: Mr Hassan, Head, Technical unit of ACWSSE, December 26, 2016, Adama.

**Table 8.3: Background of the Respondents (N=180)**

<b>Respondents Background</b>	<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
Gender	Male	32	17.8
	Female	148	82.2
Age	18 to 40	141	78.3
	41 to 60	38	21.1
	>60	1	.6
Mother Tongue	Afan Oromo	88	48.9
	Amharic	74	41.1
	Other	18	10.0
Educational Status	Below Certificate	33	18.3
	Certificate	30	16.7
	Diploma	31	17.2
	First Degree	67	37.2
	> First Degree	19	10.6
Employment	Governmental	92	51.1
	NGO and Private	55	30.6
	Other	33	18.3
Occupational Field	Service	98	54.4
	Industry/ Commercial	38	21.1
	Agriculture	15	8.3
	Other Fields	29	16.1
Monthly Income	<= 1500	9	5.0
	1501 - 3000	30	16.7
	3001 - 4500	54	30.0
	4501 - 6000	37	20.6
	6001 - 7500	20	11.1
	7501 - 9000	22	12.2

	9001+	8	4.4
Housing	Personal	79	43.9
	Rental private	79	43.9
	Rental Kebele	4	2.2
	Others	18	10.0
Residential Location	Kebele 05	45	25.0
	Kebele 01	45	25.0
	Boku Shanan	45	25.0
	Dhaka Adi	45	25.0

*(Source: Author's Field Survey 2016)*

### Access

The level of satisfaction of the respondents with regard to the accessibility indicators is arrived at using reverse coded questions on five point Likert scale: Whether the customers get adequate amount of water on daily basis; the average number of days of availability of water supply services per week; and whether the Customers are satisfied with the Shifting/rationing system of water supply services.

Different factors such as age, ethnicity/language, gender, residential location, housing condition and income of the respondents were analyzed in relation to the indicators of the customers' satisfaction on water supply service. The findings on the access indicator shows that access level of customers' satisfaction to water supply service is more influenced by the residential location of the customer in the city. More than other independent factors including income, occupation, employment, housing and linguistic identity of respondents, the residential location (Kebele) of the respondents in the city has been significantly associated with the accessibility indicator. Table 8.4 analyzes the access indicator to water supply service across the Kebeles.

**Table 8.4: Adequacy of Access to Water Supply Services across Sample Kebeles**

Residential Address (Kebele)	Access1: The amount of water you get on daily bases					N	Kruskal-Wallis H Test	
	Far Below Expectation	Below Expectation	Undecided	Meets Expectation	Far Above Expectation		Mean Rank	Test Statistics
	1	2	3	4	5			
Kebele 05	5	10	2	24	4	45	118.10	H=29.391 df=3 Sig.=0.000
Kebele 01	6	22	2	10	5	45	97.23	
Boku Shanan	15	26	0	3	1	45	64.03	
Dhaka Adi	10	22	2	11	0	45	82.63	
Total	36	80	6	48	10	180		
%	20.0	44.4	3.3	26.7	5.6			

The Table 8.4 shows that 44.44% and 20% of the respondents indicate that water service management is below expectation and far below expectation respectively which shows that 64.44% of the respondents generally believe that the amount of water available on daily basis is insufficient. The Kruskal-Wallis Test is also undertaken to test whether there is a difference in the adequacy of the amount of water that customers get on daily bases (Access 1) across the respondents grouped in four residential sites (Kebele). The outcome shows that there is statistically significant difference in the responses of the residents because the p value (H=29.391; df=3) is less than alpha level at 0.05, the mean difference across the different Kebele groups. Besides, the last mean rank of 118.10 is higher for Kebele 05 while the smaller mean rank of 64.03 is scored by the Boku Shanan group. In particular the difference between Kebele 05 and Boku Shanan and Dhaka Adi are significant in terms of their scores on access 1. Thus, an

inspection of the mean ranks for the Kebele groups suggests that Kebele 05 has the highest score, while Boku Shanan has reported the lowest mean rank.

**Table 8.5: Average Number of Days of Availability of Water Supply Services per Week**

Residential Address (Kebele)	Access2: Average Number of Days for the Availability of Water Supply Services per Week								N	Kruskal-Wallis H Test	
	Never	1	2	3	4	5	6	Everyday		Mean Rank	Test Statistics
Kebele 05	0	0	0	1	4	6	17	17	45	140.96	H=88.427 Df=3 <b>Sig 0.000</b>
Kebele 01	0	0	0	4	19	12	3	7	45	105.20	
Boku Shanan	14	2	5	12	5	5	1	1	45	45.90	
Dhaka Adi	0	1	3	18	15	4	3	1	45	69.94	
Total	14	3	8	35	43	27	24	26	180		
%	7.8	1.7	4.4	19.4	23.9	15.0	13.3	14.4	100		

The intermittent nature of water supply and the unspecified times of water flow affect the satisfaction levels of water supply services. In this regard, customers were asked to rate the average number of days they could continuously access water supply services. The descriptive statistics shows that the mean number of days across the four kebeles is 4.21, the median is 4 days and mode is also 4 days. This entails that there are about 3 days of interruption of water supply service per week in each Kebele. Moreover, the Kruskal Wallis test of p value of 0.00 (H=88.427; df=3) indicates that the number of days that customers get access to water supply significantly varies from Kebele to Kebele. There is lack of homogeneity of responses to the frequency of the availability of water across the four Kebeles. The respondents from Kebele 05 agree more (Mean rank=140.96) while those from the Boku Shanan scoreless (Mean rank=45.90). The customers from Kebele 05 and Kebele 01 agree more compared to the two other Kebeles-Boku Shanan and Dhaka Adi.

**Chart 8.2: Average Number of Days for Accessing Water Supply Services per Week**

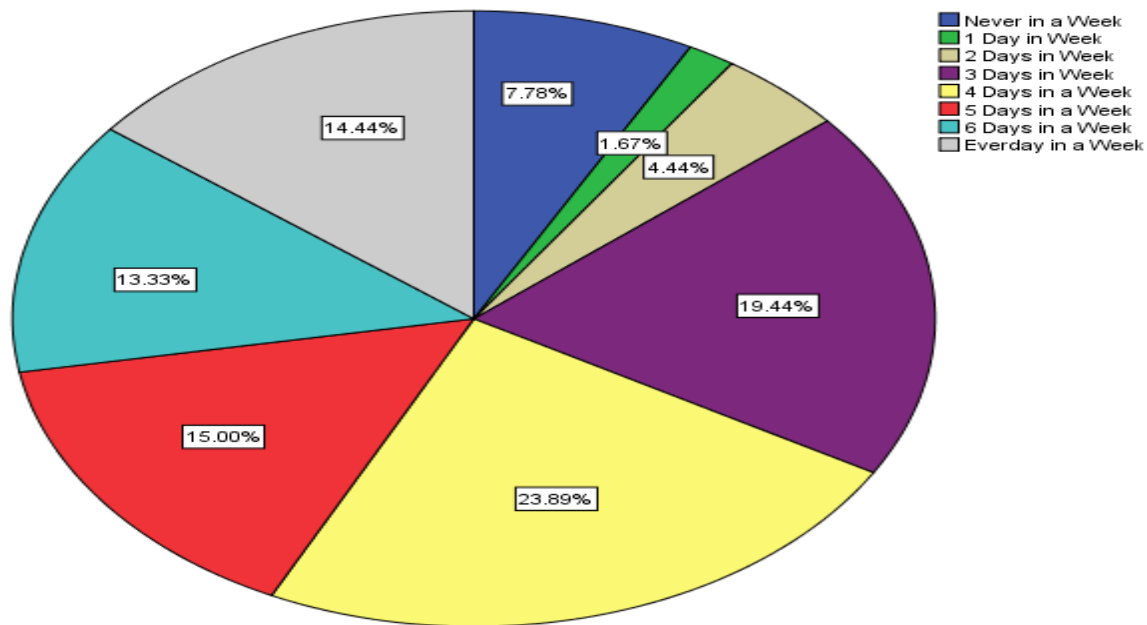


Chart 8.2 demonstrates that 66.7% (sum of 23.89%, 15%, 13.33% and 14.44%) of the respondents rate the availability of water from four days in a week up to everyday day in a week. By and large the residents of Adama city understand that there is shortage of water supply in the city. This brings the issue of fair distributin of services among the settlements and communities of the city. In this light, the accessibility measure for estimating the level of satisfaction of the customers to WSS in Adama City is also examined on the issue of the rationing or shift system of distributing the available water. Because the available water production does not meet the demand, the WSSE has no option but to ration the available water. Table 8.6 indicates the respondents were asked to rank their level of satisfaction on the rationing system of accessing WSS.

Water users particularly from Kebele 01 and Dhaka Adi have appropriated the managerial decision to expand the water pressure Zones and distribute the available water in a controlled manner is a good effort. Nonetheless, it has taken almost four years to reach and be able to implement the shift system of WSS in the city.

**Table 8.6: Level of Satisfaction on Rationing System of the Water Supply Services**

Residential Address (Kebele)	Access3: Level of Satisfaction on the Shifting/Rationing System of Water Supply Services					N	Kruskal-Wallis H Test	
	Very Dissatisfied	Dissatisfied	Undecided	Satisfied	Very Satisfied		Mean Rank	Test Statistics
	1	2	3	4	5			
Kebele 05	6	14	3	18	4	45	105.23	H=12.891 df=3 Sig. <b>0.005</b>
Kebele 01	5	20	6	9	5	45	96.23	
Boku Shanan	13	22	3	6	1	45	69.17	
Dhaka Adi	7	18	6	13	1	45	91.37	
Total	31	74	18	46	11	180		
%	17.2	41.1	10.0	25.6	6.1	100		

As the Table 8.6 shows, about 58% of the respondents are not satisfied with the shift system of the water supply in the city. The mean score is 2.62 whereas the median and modal observations are 2. The Kruskal Wallis test also reveals that there is a statistically significant variation (P of 0.005 is <0.05) between the Kebele respondents. Table 8.7 also confirms that Kebele 05 has continuous access to water supply services while Kebele 01, Boku Shanan and Dhabe Soloqe found access to water for 3 to 4 days in a week. The highest overall ranking is obtained by Kebele 05 respondents. Hence, there is a significant difference between the kebeles with regard to satisfaction of the rationing or shift system of water supply by the Enterprise. The customers who are not satisfied lived in the kebeles where there has been less dependable and intermittent water supply.

**Table 8.7: Water Supply Distribution Schedule of Adama City**

Zones	Kebeles (Gandas)	Access per week
1	05,06, 07, 08, 09, 11, 12, 13 and partly 10 and 14	Every day (24 hours)
2	Dabe Soloqe, Ganda haara, Ganda Gara, 01, Partly 10 and 14	4 days in a week
3	Boku Shanan, Dhaka Adi, 03, partly Ganda 10 and 14	3days in a week
4	Koka HEP Station, Koka palace and Sire Robi	3 days in a week

*Source: Adama City WSSE Annual Report of 2015*

Table 8.7 shows the schedule of WSS in the city of Adama. Accordingly, the information from the Enterprise shows, the Enterprise has divided the water supply distribution into four Zones. Not all zones have access to water all the time. Zone 1 gets water all the time. Zone 1 gets water 24 hours because of its suitable location and design of the water supply distributional system of the city. Water has to pass through Zone 1 to reach out to the rest of the zones. The other Kebeles are located at a relatively difficult slope and the design of the pressure zone has not considered the topography of such places. For example, as the elder from Boku Shanan Kebele<sup>333</sup> notes, Boku Shana is on the relatively higher elevation, and it is one of the expansion areas recently incorporated into the boundary of the city. Though the Enterprise argues that the shift system has brought improvements to the shortages of water supply in the city, the perception of the customer is that the distribution of water supply is characterized by inequality between various zones in the city. Respondents criticize that the Enterprise unfairly have distributed water for some kebeles for 24 hours while others have access to water for 2 to 4 days in a week, and others could not even get water as per the access schedule. According to the informants<sup>334</sup> from the Enterprise, the shift system has helped the wide distribution of water supply and transparency in the service provision. Contrarily, the customers' believe that even the shift system or scheduling of time of water supply have not benefited the Kebeles. On balance, the customers satisfaction on the shifting system of water supply services have been influenced by spatial location, design and service provider's actions. Consequently, the shortage of water

<sup>333</sup> Interview: Mr. Teshome G, Retired Elder, Bokushanan Kebele, December 22, 2016 Adama

<sup>334</sup> Interview: Resident of Kebele 03, December 26, 2016, Adama; Mr Firew, Finance and Adm. Manager, July 15, 2016.

supply is not only due to the limited volume of water produced but also due to the inefficiency in the distribution. The variation in the accessibility of water supply service across settlement locations in the city shows that there is a need to reconsider the design and managerial aspect of water supply services in the city of Adama.

### Equity

Two reversely coded five point Likert scale questions were posed to the respondents in order to assess their level of satisfaction with regard to equity indicator: 1) Respondents view on the fairness of distribution of water supply between settlements and communities of the city; and 2) Whether there is fair treatment of the managerial/administrative decision on the distribution of water supply in the city across settlements and communities.

**Table 8.8: Equity in the Distribution of Water Supply Services of Adama City**

Residential Address (Kebele)	<b>Equity1: The distribution of water supply service is equitable between settlements and communities of the city.</b>					N	<b>Kruskal-Wallis H Test</b>	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>			
Kebele 05	9	18	4	13	1	45	99.69	H=2.575 df=3 <b>Sig. 0.462</b>
Kebele 01	15	19	1	6	4	45	83.83	
Boku Shanan	11	23	1	10	0	45	87.48	
Dhaka Adi	12	19	4	6	4	45	91.00	
Total	47	79	10	35	9	180		
%	26.1	43.9	5.6	19.4	5	100		

Table 8.8 shows that about 44% and 26 % of the respondents disagree and strongly disagree on the question of equitable distribution of water supply services in the city of Adama. The median

response and the modal observation show the disagreement scale that is ranked as 2. The **Kruskal-Wallis H Test** however does not find statistically significant difference between the respondents grouped according to their Kebeles. The p value of 0.462 is greater than the alpha level 0.05 which implies the null hypothesis is acceptable. Hence, the responses for the distribution of water supply service between settlements and communities of the city do not significantly vary across the sampled kebeles.

Further, the respondents were also asked to rank their views on the fairness of the Enterprise's Managerial Decision with regard to the Distribution of Water Supply in the entire City of Adama. Table 8.9 sketches the customers view on the fairness of the decisions made by the Adama City Water Supply Service Enterprise. Moreover, the Kruskal-Wallis H Test revealed a statistically non-significant difference (*P* value .0.752 which is greater than alpha level 0.05) on the fairness of managerial decisions for the equitable distribution of water across four different Kebeles.

**Table 8.9: Assessment of Fairness of Managerial Decision in Water Supply Services**

Residential Address (Kebele)	Equity2: There is fair managerial decision on the distribution of water supply in the city.					N	Kruskal-Wallis H Test	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	1	2	3	4	5			
Kebele 05	9	21	6	7	2	45	87.48	H=1.205 df=3 <b>Sig.0.752</b>
Kebele 01	5	22	8	9	1	45	96.90	
Boku Shanan	5	27	3	9	1	45	90.46	
Dhaka Adi	7	25	4	8	1	45	87.17	
Total	26	95	21	33	5	180		
%	14.4	52.8	11.7	18.3	2.8	100		

According to the technical persons from the Enterprise<sup>335</sup>, the distributional inequality exists because of design and topographic factors. They note that the downstream is 1712meter above sea level but the upstream Bole is 1768 meter above sea level. Some sections of the city like Kebele 09 gets water all the time because water has to pass through Kebele 09 in order to reach the other Kebeles. However, *Ganda Haara* (Bole) is in the peak elevation of the city. The water pump cannot exert enough pressure that could reach up to Bole under the existing design.

Mr Hassan,<sup>336</sup> the Head of the technical unit of ACSSE underscores that the enterprise has taken important measures to resolve the problem of inequity associated with distribution of the available amount of water in 2015. By adoption of redesign and technical solution to increase the number of pressure zones, more efforts are thought for equitable distribution. On the most occasions, the water that comes from the Awash Treatment plant enter into the Lugo reservoirs which is located in Kebele 03 of the city, and the water reaches households by gravity up to 1685m head. But the city extends up to 1740m. Therefore, it has been impossible to reach the rest of the households from Lugo. The people inside the Lugo pressure Zone get water 24 hours but those outside the Lugo pressure Zone could not access water. The residents outside Lugo have later complained about the unfair distribution of water, and the management of the Enterprise along with Regional Water Bureau has decided to expand pressure Zones by constructing Reservoirs. Two other reservoirs and pressure zones were created so as to distribute water to the hitherto unreachable areas. This, according to Mr Hassan's view, has been a success on the part of the Enterprise because it took four years to bring this treatment to the customers of WSS in the entire city.

### **Affordability**

Affordability as the measure of the willingness and capacity of the users to pay for the water supply services is another key measure of the customers' satisfaction on the WSS. It is also strongly connected to the mandate of Enterprises for implementation of the urban water supply policy as regards cost recovery in order to enhance the coverage and ensure sustainability of WSS. In order to assess the affordability variable two key questions were posed to the

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<sup>335</sup> Interview: Mr. Hassan, head of the Technical Department of ACWSSE, December 23, 2016; Mr. Gezahegn, Senior Hydraulic Engineer of ACWSSE, August 03, 2016.

<sup>336</sup> Interview: Mr. Hassan, Head, Technical Unit and Mr. Gezahegn, Senior Hydraulic Engineer, ACWSSE, 26 December 2016, Adama

respondents: 1) Whether the monthly water tariff payment is fair, and 2) Ability of cutomeers to accesss new water meter service.

**Table 8.10: Respondents' View on the Reasonability of Montly Water Tariff**

Residential Address (Kebele)	<b>Affordability 1:</b> The amount of the monthly water tariff is fair					N	<b>Kruskal-Wallis H Test</b>	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>			
Kebele 05	4	9	0	24	8	45	92.06	H=2.352 df=3 <b>Sig. 0.503</b>
Kebele 01	4	10	3	20	8	45	87.22	
Boku Shanan	0	9	3	24	9	45	98.77	
Dhaka Adi	6	8	5	18	8	45	83.96	
Total	14	36	11	86	33	180		
%	7.8	20	6.1	47.8	18.3	100		

The mean, median and mode of the observation for affordability 1 are 3.38, 4 and 4 respectively. These measures depict that the respondents are agreeable to the reasonableness of the monthly water tariff.

**Table 8.11: Respondents View on the Cost of Own Water Meter**

Residential Address (Kebele)	<b>Affordability 2:</b> The Cost of own meter connection fits the capacity of most water users					N	<b>Kruskal-Wallis H Test</b>	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>			
Kebele 05	12	17	4	11	1	45	86.53	H=3.473 df=3
Kebele 01	7	21	7	8	2	45	93.67	

Boku Shanan	1	30	2	9	3	45	99.69	<b>Sig 0.324</b>
Dhaka Adi	10	22	6	7	0	45	82.11	
Total	30	90	19	35	6	180		
%	16.7	50.0	10.6	19.4	3.3	100		

As discussed above there is no statistical difference in terms of the affordability across the grouped Kebeles. Also, the Kruskal-Wallis Test for the indicators whether the customers grouped in terms of income reveals any statistical variation in the capacity to afford own meter connection. The result shows that there is no difference among the income groups ( $p$  value is  $> 0.05$ ). The interview outcomes with the customers and the key informants from the ACWSE also put that the access to water in Adama city is not constrained due to the capacity of the users to pay for user charges.<sup>337</sup>

The Enterprise uses a progressive water tariff system for cost recovery. The following Table 8.12 shows the amount of water tariff per  $m^3$ .

**Table 8.12: Adama City Water Tariff System**

Customer Type	Amount of Water Tariff / $m^3$ (in Birr)			
	(0-5) $m^3$	(6-10) $m^3$	(11-30) $m^3$	>30 $m^3$
Private	5.25	6.30	7.95	8.95
Commercial	6.50	8.30	9.35	10.76
Governmental/ Ngos	5.65	6.65	7.90	9.10

(Source: ACWSSE, Finance Adm Unit 2016)

The results of the interview with the key informants amongst water service providers show a positive view of the water users with regard to the affordability as long as the amount is clear, reasonable and stable.<sup>338</sup>

<sup>337</sup>Interview: Mr Ferde, Expert in the Bill Section, August 03, 2016 Adama.

<sup>338</sup> Interview: Mr. Tagay, Head of the Human Resource and Logistics, ACWSSE, July 27, 2016, Adama; Mr. Gezahegn, Hydraulic Engineer, ACWSSE, July 27, 2016, Adama; Mr Ferde, Expert in the Bill Section, August 03, 2016 Adama;

## Transparency and Responsiveness

Transparency of information is seen as an important tool for increasing governance and empowerment at the local and national levels. Like the other indicators, more than three different but reversely coded questions were prepared in the five point Likert scale. Respondents were asked to rank their views on the transparency of the water supply services including: 1) whether the customers have adequate access to relevant water information; 2) whether there has been openness on monthly water tariff amount; 3) whether the customers have a say in the decision of water tariff rate. Likewise, key informant interview and document review are made to find out the modes and mechanisms that the Enterprise uses to deliver relevant information to its customers, and to assess the views on the customers on the service that the Enterprise provides to them.

**Table 8.13: Customers' Access to Relevant Water Information**

Transparency 1	Rank Code	Scale	Frequency	Percent	Cumulative Percent	Statistics	
Customers have adequate access to relevant water information.	1	Strongly Disagree	34	18.9	18.9	Mean	2.69
	2	Disagree	70	38.9	57.8	Median	2
	3	Undecided	9	5.0	62.8	Mode	2
	4	Agree	52	28.9	91.7	SD	1.296
	5	strongly Agree	15	8.3	100	Max	5
Total			180	100.0		Min	1

Table 8.13 shows that there only 37% expressed that there is relevant information from the Enterprise. Respondents were asked on whether there has been openness on the amount of the monthly water tariff payment. As per Table 8.14, 74% (agree plus strongly agree) of the respondents view that there is transparency on the amount of the monthly water tariff.

**Table 8.14: Transparency on the Amount of the Monthly Water Tariff**

Transparency 2	Rank Code	Scale	Frequency	Percent	Cumulative Percent	Statistics	
The monthly water tariff amount is clear	1	Strongly Disagree	11	6.1	6.1	Mean	3.74
	2	Disagree	19	10.6	16.7	Median	4
	3	Undecided	17	9.4	26.1	Mode	4
	4	Agree	92	51.1	77.2	SD	1.110

	5	strongly Agree	41	22.8	100.0	Max	5
Total			180	100.0		Min	1

The third reversely coded question for the analysis of the transparency as one of the indicators of the level of customers' satisfaction to the WSS was about the respondents view on the extent participation of the water users in the decision of the rate of water tariff. The result shows that 66% of the respondents feel that the water users have no say in fixing the rate of water tariff.

**Table 8.15: Customers' Participation in Rating the Water Tariffs**

Transparency 2	Rank Code	Scale	Frequency	Percent	Cumulative Percent	Statistics	
The monthly water tariff amount is clear	1	Strongly Disagree	38	21.1	21.1	Mean	2.36
	2	Disagree	81	45.0	66.1	Median	2
	3	Undecided	26	14.4	80.6	Mode	2
	4	Agree	28	15.6	96.1	SD	1.097
	5	strongly Agree	7	3.9	100.0	Max	5
Total			180	100.0		Min	1

Through the Kruskal Wallis test, there is no difference in transparency related questions between the groups based on educational background, occupational field and employment.

According to a Key informant<sup>339</sup>, the growing awareness of the people about their rights and increasing request of the residents to see improved water supply service have attracted the attention of multilevel water institutions and actors because the issue of water has increasingly become a political issue that can impact the relationship between the citizen and the government. Consequently, the Enterprise has made good efforts to let the people know about the water information through regional mass media and pamphlets. The Enterprise particularly informs the customers at times of water crises and the existing limitations to water supply during water infrastructural works. However, there has not been a regular flow of information to the people. Contrarily, the official report of ACWSSE shows that there has been an increasing trend of budget allocation for communication to the public as indicated in the Table 8.16 below.

<sup>339</sup>Interview: Mr. Gezahegn, Senior Hydraulic Engineer, ACWSSE, December 22, 2016, Adama; Mr Tadese Shugute, Vice Manager of ACWSSE, July 27, 2016

**Table 8.16: Annual Expenditure of on the Publication and Promotion**

<b>Fiscal Year</b>	<b>Publication and Promotion in Birr</b>
2008	6558
2009	6563.55
2010	18,364.91
2011	26,8008.91
2012	388,651.85
2013	167,150.63

*(Source: ACWSSE 2013)*

The participation of water users' in the decision regarding water charge is guaranteed under the regional urban water supply proclamation No.78/2004. Article 7(2h) of this proclamation provides for the membership of two persons representing the customers in the water management Board which fixes the rate of water tariff along with the Bureau. Furthermore, according to an informant<sup>340</sup>, the enterprise has also established a water forum consisting of 180 members-ten from each kebele and seven executive members from among them, whose aim was to find the existing complaints of the residents and to mobilize the community in the process of finding solutions to the water supply shortages as well as to follow up the financial report of the Enterprise. Adama city has started to encourage water users to establish their own "Customers' Forum" over the last two years but there is no meaningful outcome so far.

### ***On Responsiveness***

Responsiveness of the water enterprise to its service seekers goes a long way with the customers' satisfaction. To this end, the following questions were posed to the customer respondents': 1) whether water users obtain appropriate responses to their complaints; 2) Whether there are strong institutionalized feedback mechanisms for allowing the water users to voice their complaints to water service providers; and 3) what is the degree of responsiveness of the Water Enterprise Service Providers to the customers.

The key informant<sup>341</sup> from the ACWSE stated that the Enterprise has opened four branch offices where customers can pay their monthly bill and get any water services. Previously, it was only

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<sup>340</sup> Interview: Mr. Tagay, Human Resource Director, ACWSSE, December 26, 2016, Adama

<sup>341</sup> Interview: Tagay, ACWSE Humand Resource head, August 2 2016, Adama.

one center that shouldered the serving of the whole of customers. Based on the water users' requests, ACWSE has decentralized the service provision to be as nearer as possible to the customers, and this has improved its responsiveness to the customers' demands.

Nonetheless, the interview with water users<sup>342</sup> show that the responses to the water supply shortages in the city could not attract the attention of the concerned agencies except at times they think that most residents have grievances on the water supply deliveries. When they think that the issue of water could influence the political views of respondents, virtually any number of officials from both the regional and city administration show up and promise to resolve the water related problems as soon as possible. The progressing Adama-Mojo Water project can be speeded up as the result of the growing concerns with regard to water supply and demand mismatch in Adama City.

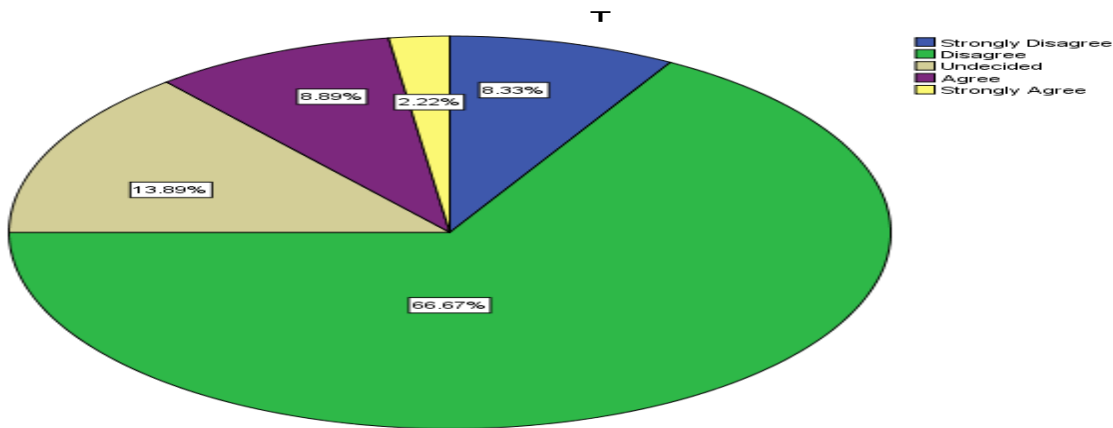
**Table 8.17: Responsiveness of the Enterprise to Compliants of the Customers' across Kebeles**

Residential Address (Kebele)	Water users obtain appropriate responses on their complaints					N	Kruskal-Wallis H Test	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	1	2	3	4	5			
Kebele 05	5	14	11	14	1	45	100.99	H=10.858 df=3 <b>Sig. 0.013</b>
Kebele 01	2	18	13	11	1	45	100.54	
Boku Shanan	7	29	1	8	0	45	71.18	
Dhaka Adi	7	18	8	10	2	45	89.29	
Total	21	79	33	43	4	180		
%	11.7	43.9	18.3	23.9	2.2	100		

<sup>342</sup> Interview: Mr. Haile Dabal, Boku Shanan Kebele, December 23, 2016.

Table 8.17 shows that 44% of the respondents do not believe that the water supply Enterprise is providing appropriate responses on their complaints. Also, 55% of the respondents claim that the responsiveness of the Enterprise to the complaints of customers are below satisfactory, while 18% are undecided to rate the responsiveness of the Enterprise. Whether the responsiveness of the enterprise to customers varies across the residential sites or the Kebeles is also tested by applying the Kruskal Wallis H. The result confirms that there is statistically significant variation across the Kebeles. Kebele 05 and Kebele 01 score higher mean ranks compared to Boku Shanan and Dhaka Adi. The key informant<sup>343</sup> interview also confirms the lack of same degree of responsiveness to the complaints of customers from all kebeles.

**Chart 8.3: Responsiveness of the Enterprise to Customers' Compliants**



As the Pie Chart 8.3 shows, the feeling of the customers on the degree of responsiveness of the Water supply Enterprise to the complaints of the customers. Accordingly, 67% of the respondents believe that there is weak institutionalization on the feedback system of the service providers.

## 8.2.4 Supply Side Analysis

### 8.2.4.1 Enterprise Capacity: Structure, Human Resources and Finance

As Mr Tagay<sup>344</sup>, the Head of the Human Resources Management and Logistics puts, the ACWSSE has no severe human capacity problems. He notes that the existing human resource is enough for the organizational structure developed by the BoWME. Most of the workers are

<sup>343</sup>Interview: Mr Hassan, head of the Technical unit of ACWSSE, December 23, 2016, Adama.

<sup>344</sup> Interview: Human Resource Director, ACWSSE, December 26, 2016, Adama.

qualified, and some are even more than qualified as to the needs of the organization. Hence, pursuant to the structure set by the Bureau, the bureaucracy is occupied by professional personnel. An expert<sup>345</sup> in the ACWSSE, however, stresses that there have been a problem of placing the right person at the right place. For example, positions of planning and budget are not occupied by the economists. Besides, although the structural set up of the Enterprise requires electrical and mechanical engineers, there are no qualified staffs in this regard. It also lacks adequate incentives to hold the highly skilled personnel. The Enterprise pays ETB 7168 for an engineer, and this is found to be unattractive for an Engineer.<sup>346</sup> .

**Table 8.18: Educational Level of the Staffs of Adama Water Enterprise**

<b>Qualification</b>	<b>No of staff</b>
Above first Degree	3
First Degree	52
Diploma	6
Certificate	3
Level 1 to 4	117
Others	53
Total	234

*(Source: Human Resource Unit, ACWSSE December 2016)*

### ***Financial Capacity***

Primarily, the source of finance for the UWSSE is the enterprise itself. The Enterprise should administer itself by its own fund.<sup>347</sup> Accordingly the source of fund for the enterprise<sup>348</sup> includes: water sales and charges, loan, donation and grant both in cash and in kind assigned by the administration of the town and other sources of fund.

Also, “the regional government may grant necessary support for the establishment and expansion of water supply services by assessing their capacity.” In this line, funds for Adama –Mojo Project fund come from loan, regional government grant, city administration donation and the Enterprise’s contribution.

<sup>345</sup> Interview: Mr. Gezahegn Senior Hydraulic engineer, August 44, 2016.

<sup>346</sup> Interview: Mr Hassan, Head of the Technical Unit of ACWSSE, December 23, 2016, Adama.

<sup>347</sup> Article 20 (a) of Proclamation No 78/2004.

<sup>348</sup> Article 20 (2a-e) of Proclamation No 78/2004.

**Table 8.19: Adama City Water Enterprise Revenue and Expenditure Performance from 2009 to 2015**

<b>Fiscal year</b>	<b>Total Revenue</b>	<b>Direct Production Costs</b>	<b>Total Expense (the general administrative overhead cost)</b>	<b>Net income</b>
2009	23,440,422.00	8,091,235.00	9,665,830.00	5,683,357
2010	38,312,340.00	9,686,543.00	8,103,514.00	20,522,283
2011	37,778,356.00	11,413,494.00	12,420,841.00	13,944,021
2012	45,967,423.43	16,967,846.43	12,647,225.44	21,919,774.92
2013	52,921,351.53	13,881,958.41	21,269,736.92	14,674,768.18
2014	62,622,056.64	19,492,095.87	17,222,263.54	25,907,697.24
2015	57,306,357.06	15,832,918.08	26,874,875.73	14,598,563.25

*(Source: ACWSSE Finance Administration Unit, August 2016)*

The revenue of the Enterprise has been increasing from year to year. The net income of the Enterprise, however, has not been increasing. This is because the direct cost of production and the general administrative costs were steadily increasing. Over the last seven years, the Enterprise has averagely raised ETB45, 478329.5229 as revenue and the average expense during the same period was ETB29, 081482.4886. It is however important to note that there is no financial capacity for the Enterprise to respond to the increasing water demands by expanding the water resources and infrastructures.

As part of the water supply service expansion in the city of Adama, the contribution of the regional government has been about ETB100, 897, 579.81 million each year over the last five years (ACWSSE 2016). Hence, the Enterprise mostly depends on other sources of funds rather than on its own revenues.<sup>349</sup> The cost recovery principle has so far made the enterprise self sufficient for recurrent and smaller maintenance and operation activities.

Apart from the structural, human resource and financial factors, the political context in which service provider and users operate influences water supply system. In this case, the members of

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<sup>349</sup> The Enterprise has the duty to administer itself using its own revenue sources including: water sales and charges, loan, fund assigned by administration of the town and any other donation and grants. The regional government also has the duty to support the establishment and expansion of water supply services by evaluating the capacity of the Enterprise. See: Article 20 of Proclamation No. 78/2004.

the key decision making body-the Board- and core process owners have been the political actors. The political class was hardly critical about the service provision capacity of the staff. One seldom witnesses the imposition of sanctions for inappropriate service and rewards for efficient performance. On the other hand, the key informant<sup>350</sup> understands the relationship between water users and the government as follows: *Yoo rakkoo bishaan magaalaa kanaa hin furu ta'e, mootummaan nu wajjin itti fufu hin qabu* ( if the government cannot solve the problem of water availability in Adama city, we should not let it to govern us).

The lack of clear separation between the policy makers and service providers, as both are politically networked, has affected the ability of policy makers to hold providers accountable. Autonomy for the Board is not possible. Furthermore, users should also know how factors such as capacity, federal and regional government legislation and directives, government restrictions on autonomous decision making limit the ability of the providers to meet users demand. Although the Oromia Regional Bureau of Water has the power to determine the form and structure the Enterprise, fund the expansion of water supply services and employ its professional Expertise solely to enable the Enterprise, the reality is that Enterprise lacks autonomy in terms of institutional, structural and financial factors.

#### **8.2.4.2 Institutional Coordination and Stakeholders Involvement**

As hinted already by the institutional and policy framework, Water provision is not the mandate of one actor or institution. Rather multiple actors and institutions are involved in the water supply sector. However, why are the urban water supply services still inadequate? Is this a problem of ineffective urban governance at the city level? Therefore, the following section, first, discusses the relationship between the UWSSE and the BoWERD. Secondly, it assesses the mechanism and institutions of relationship between the ACWSSE and Adama city Administration, particularly with the Urban Land Planning and Municipality. Finally, it examines the relationship between the Enterprise and other service sectors.

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<sup>350</sup> Informal Interview: Anonymous, Ganda Dhaka Adi., April 09, 2016, Adama.

### ***Vertical Relationship between the Bureau and the Enterprise***

The BoWERD has been given the key regulatory powers over the UWSSE. The Bureau has the power<sup>351</sup> to: 1) follow up that the services provided by the Enterprise is in accordance with the federal Water Resource Management Policy and laws of Ethiopia; 2) create favorable conditions that enable the enterprise to get the necessary support from the government and NGOs in the form of loans, grants and gifts; 3) finalize the water tariff recommended by the Enterprise as a whole, amend or reject, or implement the rectified tariff; and 4) to issue necessary directives.<sup>352</sup>

Moreover, the capacity building, support and approval of water project funds are the mandate of BoWERD. The Bureau has been engaged in planning, monitoring and evaluation of urban water supply projects. The Bureau approves water projects funds, while the Enterprise works as source of information, facilitation and participation in the water projects. However, the Bureau has weak support and follow up mechanisms, and the support from Bureau usually comes as firefighting strategy in times of water crises and at moments when urban water problems reach political flashpoints. For example, to resolve the acute problem of water shortage in Adama city, the Enterprise, Adama city Administration and BoWERD have collaborated. In the fiscal year 2014/15, the Koka Water Project expansion was launched with total outlay of ETB 302,739,973.23. The Enterprise, Adama city Administration and BoWERD contributions accounted for 25%, 25% and 50%, respectively (ACWSSE, 2015). Similarly, the Adama Mojo water project also brought the collaboration between the Bureau, the City and the Enterprise. To this end, ETB 905million is the loan from African Development Bank, ETB 79.9million from the Regional state of Oromia, ETB 55.8million is from Adama City Administration and ETB 23.96 million is from the Enterprise (ACWSSE, 2016).

### ***Lateral Interaction of Water Supply Services: Enterprise, Municipality and the City***

The water supply service cannot be met without adequate coordination and cooperation between the Urban Water Enterprise, municipality and the city administration. It is fair to ask: Are there clear principles and institutional mechanisms for the cooperation of the Enterprise, Municipality and the city altogether in order to address problems of water service. According to Article 8 of the Proclamation No 65/2003 on urban local governments, the municipal services include water

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<sup>351</sup> Article 23/2 of the Proclamation No 78/2004.

<sup>352</sup> Article 14(2) of the Proclamation No 78/2004.

and sewerage service, road construction and maintenance, fire and emergency service, land management and development etc. But proclamation No. 78/2004 for the establishment of WSSE separates the water supply service from the municipal services. Hence, water supply service is not under municipal service provisions.

Under the Proclamation 78/2004 till the enactment of the amendment Proclamation 97/2005, the UWSSE Board was chaired by the Mayor. This was later changed and the selection of the chairperson of the water Board has been granted to the BoWERD of Oromia. Now, there is no formal and structural connection between the enterprise and the city. The city Mayor is one of the members of the Water Management Board which is currently chaired by Water and Energy Minister, Alemahehu Tegenu.

The responses from the key informant interviewees show that instead of supporting the capacity building of the Enterprise, the Municipality has been belittling the Enterprise in terms of decision making and financial contributions. On the financial side, the informants<sup>353</sup> from the Enterprise state that the municipality has been reluctant to pay for the damages of the water pipelines caused by them. For example, in the year 2014/15, the Enterprise had incurred up to ETB 20 million due to the municipality's destruction of water pipelines. Subsequently, the Enterprise had planned to collect about 20,607,750.71ETB<sup>354</sup> from the Municipality. But so far no credit could be collected from the municipality. On the decision making side, the manager of the Enterprise could not force the municipality to pay for the destructions it had brought to the water pipelines as the manager and the Mayor gloss over the issue with same party line accountability.

According to the Key informant<sup>355</sup>, the financial experts of the Enterprise have reminded the Enterprise Manager to urge the municipality to pay for the expenses that the Enterprise incurred due to their destruction. Instead of forcing the municipality to pay for the destruction it has brought to water utility lines, the Enterprise manager started repairing the water lines using the enterprise's budget. Thus, the political networking between the Mayor and the Manager as well as the lack of formal institutional relationship between the Enterprise and the municipality has hindered the water supply service of Adama.

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<sup>353</sup> Interview: Mr Ferde F, Auditor, ACWSSE, August 2016; Engineer Gezahegn R, ACWSSE, August 03, 2016

<sup>354</sup> ACWSSE Performance Report 2015

<sup>355</sup> Interview: Engineer Gezahegn R. ACWSSE, August 04, 2016; Mr. Hassn, ACWSSE Technical Unit Head, December 23, 2016, Adama

Another key informant<sup>356</sup> has captured the relationship between the city and the enterprise, thus: at moments the urban water crises influence the political support of the people to OPDO, the city administrators appear to support and make collaborations with the ACWSSE. The same is true for the regional BoWERD. The implication of this is that the political actors realize that the issue of water should not be left to the city level or the Enterprise alone as they cannot address the issue themselves. But this understanding is political expediency rather than as duty and responsibility of the multilevel institutions and actors. Hence, the coordination and partnership between them is for firefighting strategy than a measure by sustained institutional coordination and partnership.

***Relations between the Enterprise and Electric Power Corporation (ELPCo)***

In the views of the service providers<sup>357</sup>, the interruption of electrical power impacts the water supply system in different ways. For example, as a result of the electricity interruption in 2015 for about 196 hours, 160,720m<sup>3</sup> (196\*820m<sup>3</sup>) water was not made available to residents. As illustrated in the Table below, the ACWSSE pays huge money to ELPCo every year.

**Table 8.20: Trends of Direct Water Production Costs**

Fiscal Year	Direct Production Costs			Total	% Share of Electricity
	Electricity	Chemicals	Diesel		
2009	4,214,443.00	3,769,758.00	107,034.00	8,091,235.00	52.08
2010	4,494,196.00	5,095,593.00	96,754.00	9,686,543.00	46.39
2011	4,893,099.00	6,504,546.00	15,849.00	11,413,494.00	42.87
2012	5,491,289.98	10,986,570.03	489,986.42	16,967,846.43	32.36
2013	5,133,697.67	8,660,018.00	88,242.74	13,881,958.41	36.98
2014	12,231,194.21	7,125,490.98	135,410.68	19,492,095.87	62.75
2015	11,812,514.61	3,946,866.04	73,537.43	15,832,918.08	74.60

*Source: Computed by Researcher from ACWSSE August 2016*

From 2009 to 2015, averagely about 50% of the direct production costs were due to the payment made to electric power consumption. According to the expert explanation of an expert,<sup>358</sup> the standard land use plan for utilities including water, telecommunication and electricity is 4m

<sup>356</sup> Interview: Mr. Ferde F., ACWSSE, August 03, 2016

<sup>357</sup> Interview: Mr. Gezahegn, Senior Hydraulic Engineer, ACWSSE August 03, 2016, Adama.

<sup>358</sup> Ibid.

wide. Because of the lack of coordination and integration of their activities, there have been problems of destruction of supply lines one by the other.

### ***Water Supply Service Coordination between ACWSSE and the Surrounding Woreda***

Obviously, water supply services in the City of Adama were and are dependent on the availability of water coming from from the surrounding Woreda administration. The official objective of the Enterprise states that it provides clean drinking water to the city and surrounding areas. Although the city services considerable people in the surrounding areas like Wanji town, there is no formal coordination between them. There are environmental and climatic factors that affect the water supply in and around the city. Flooding is one such problem that disrupts the water supply in the city. There were a number of attempts, for example to create area closure by planting trees so that the flood that comes from the upstream could be controlled. This takes place when flooding affected the city, but there were no sustained follow up measures taken. The lack of formal institutional coordination that could be enforced regardless of the change of key decision makers from their positions reveals the weakness of the interaction between city and surrounding woredas.

### ***Water Project Coordination: Enterprise, City, Bureau and Private Company***

Water project is one of the areas that demand coordination of jurisdiction, expertise and resources. More often than not, the collaboration between the multilevel institutions and other stakeholders has been considered as the most important mechanism of resolving the water shortages in the city of Adama. No doubt, the regional BoWERD have been giving attention to overall water resources planning and the development of water projects which are beyond the capabilities of the local units.<sup>359</sup>

The Mojo-Adama water project which cost ETB 1.065 billion is one such example that has attracted the coordination and collaboration between the multilevel water institutions in the region and beyond. To this end, ETB 905million is the loan from African Development Bank, 79.9million from the Regional state of Oromia, 55.8million is from is Adama City Administration and 23.96 million is from the Enterprise (ACWSSE, 2016). The project is set to increase the water production from 20,000m<sup>3</sup> per day to 47, 000m<sup>3</sup> /day and the distribution Pressure Zones from 3 to 10(ACWSSE 2016).

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<sup>359</sup> ORTO: Mr. Assefa , Head of the BoWERD, December 2016.

In terms of mandate, the enterprise has no power to enforce contractors. The enterprise has a facilitation role. The enterprise cannot resolve the problem of design and the implementation because of the lack of autonomy in water project agreement. The contract agreement on water project is the mandate of the Bureau. The contractual agreement sometimes phases out before implementation by the least bidder who won the project. As informants<sup>360</sup> have underlined, for example, one water reservoir was constructed at Ganda Haara (Bole) for ETB 7.3 million. The enterprise has not approved the completion of this Reservoir because the reservoir could not hold water. The problem of implementation of water project is therefore the problem of integration and coordination of the Client, Contractor and Consultant. The same informants have underscored that the water project fails because of the failure of the follow up of the technical specification and inadequate human resource of the consultant (private or public).

### **8.3 Assosa City Water Supply**

#### **8.3.1 Organizational Structure and Accountability Relationships**

During 1984 to 1989, the urban water supply and service was under Assosa municipal administration. As the municipality was found to be incapable to run the water supply and service delivery, and a remedy to this, the water supply sector was legally established as a separate sector governed by civil service laws (CPA). The sector was accountable to the Regional Water Bureau from 1988 to 2001. Again, the Assosa City Water Supply Service Enterprise was established by Proclamation 28/2002 of the BGNRS, based on the federal Water, Irrigation and Energy policy of 1999, which started that operation and maintenance cost of the potable water should be covered by the customers'. The very essence of establishing the enterprise was to capacitate the urban water Enterprise to finance itself by implementing the policy of 'cost recovery.'

As the Chart 8.4 shows, the WSSE administers the Assosa water supply scheme and reports to the management Board. The WSSE is responsible for operation, maintenance, and management of WSS of Assosa town.<sup>361</sup> The Board is the supreme organ of the urban water supply system. According to Article 9/4 of the Proclamation No. 132/2015, the Board is accountable to the Bureau. The same proclamation gives the power to nominate the chairperson and members of the

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<sup>360</sup> Interview: Mr Tariku A., Water Engineer, April 22, 2016; Mr Gezahegn R, Senior Engineer, April 22, 2016

<sup>361</sup> Article 12 of Proclamation No. 132/2015

Assosa city water Board to the Bureau but it is the President of the regional state of BGNRS, who appoints them.<sup>362</sup> The Board organizes, directs, oversees and monitors the activities of ACWSSE.<sup>363</sup> Under this proclamation it is the Board that submits the proposal for water tariff rating and causes them to be approved by the council of regional administration and the Head of Government of the region.<sup>364</sup> It is the decision maker of the organ of the enterprise. Unlike the repealed Proclamation No 28/2002 which states that members would be selected on the basis of professional competency and profession<sup>365</sup>, Proclamation No. 132/2015 does not mention the criteria for the selection of members of the board. The regulation for the implementation of the Proclamation No. 132/2015 rather mentions that four (two males and two females) of the members should be from the regional state government, two of them must represent the customers (one male and one female) and the manager of the Enterprise participates as secretary.<sup>366</sup>

However, the practice shows that selection of the members is based on the political significance actors rather than the technical expertise. The key informant<sup>367</sup> from the technical department of the Assosa City WSSE notes that some members of the water management board have neither the competence nor the contextual understanding of water supply and services. It is the board that employs and dismisses the enterprise manager. Since the board members are also selected on account of their political standing, the board is politically loyal.

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<sup>362</sup> Article 9(3) of Proclamation No. 132/2015.

<sup>363</sup> Article 10(1 and 2) of Proclamation No. 132/2015.

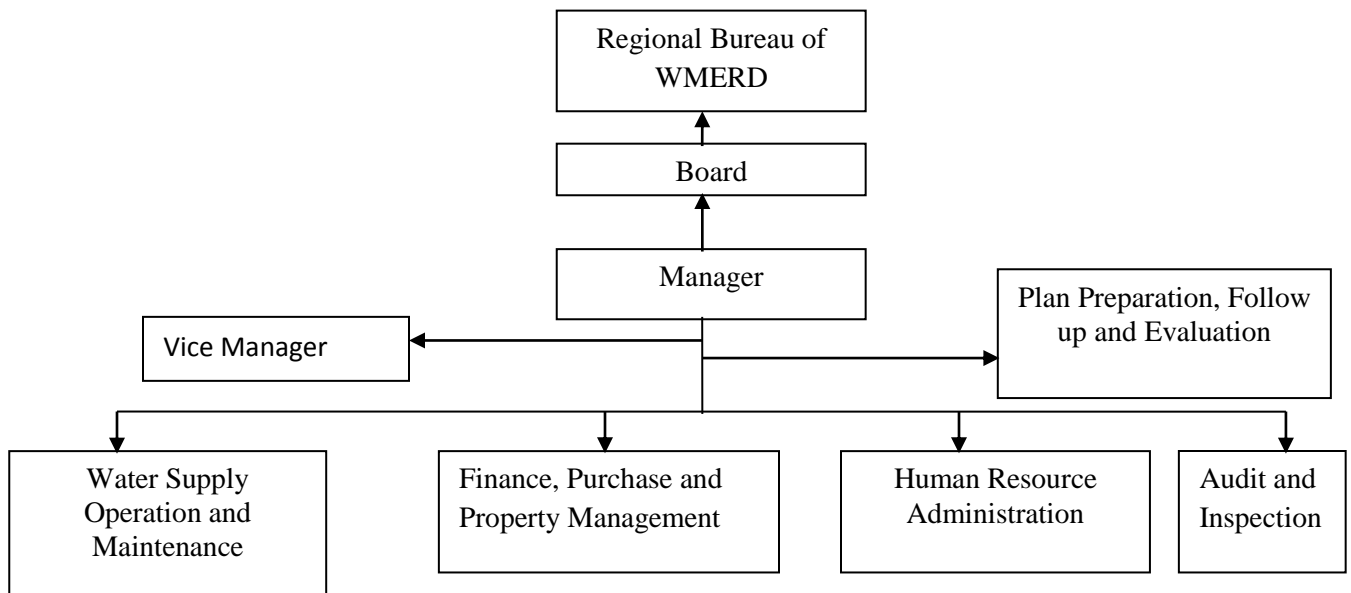
<sup>364</sup> Article 10(9) of Proclamation No. 132/2015.

<sup>365</sup> Article 17/3 Proclamation No 28/2002 for the establishment of BGNRS Cities WSSE.

<sup>366</sup> Draft Regulation for implementation of Proclamation No. 132/2015.

<sup>367</sup> Interview: Mr. Adane Kashay, Mechanics, WSSE, June 30, 2016 Assosa.

**Chart 8.4: Organizational Structure of Assosa Water Enterprise**



*(Source: Assosa City Water Supply and Sewerage Services Enterprise, Human Resource Department, July 2016)*

The WSSSE of Assosa town reports to the management Board. The ACWSSSE is responsible for operation, maintenance, and management of water supply and sewerage services for the Assosa city.

### 8.3.2 Demand and Supply Mismatch

The source of water supply for the city of Assosa is ground water and the city has no problem of water source. As the information from the enterprise shows the average production of water is 19 hours per day.<sup>368</sup> The capacity of water production is 25 liter per second. This capacity of production decreases during the dry season, as the boreholes are dry during this period<sup>369</sup> which reduces the figure from 19 liter per second to 17 liter per second.<sup>370</sup>

The volume of water production prior to the commencement of water supply and sanitation project of 2013 was 1700m<sup>3</sup> per day. The project has increased the capacity to 2300m<sup>3</sup> per day. Besides, the project has built a new reservoir with a capacity of 800m<sup>3</sup> at mount Enzi, a peak

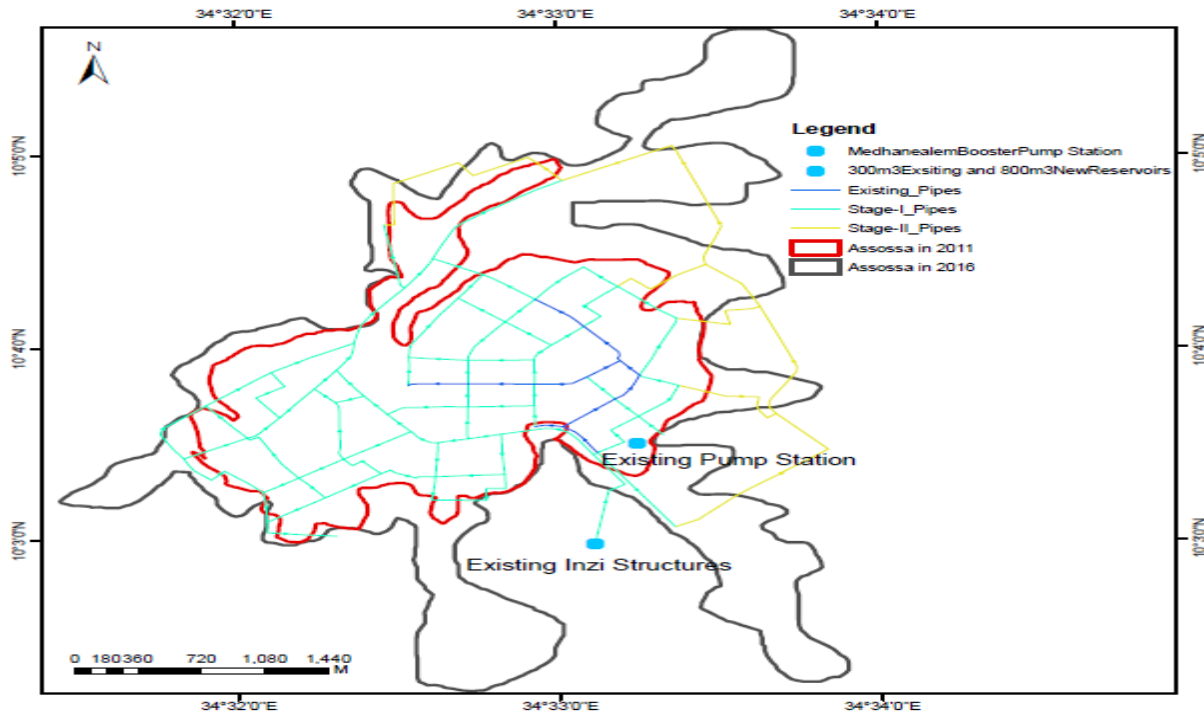
<sup>368</sup> ACWSSE Performance Report of the Enterprise 2013

<sup>369</sup> Interview: Mr.Khojale Abdurman, Head of WSSSE, June 28, 2016, Assosa

<sup>370</sup> Interview: Mr. Adel Almard, Human Resource Process Owner, ACWSSE, June 30, 2016, Assosa.

area around Assosa City.<sup>371</sup> As shown by Map 6.1, the water pipe distribution line also confirms expansion the areal coverage of the pipeline following the Water Supply and Sanitation Project of 2013.

**Map 8.2: Assosa City Water Pipeline Distribution System**



(Source: Sketched based on the Data from Assosa City Water Supply Enterprise 2016)

**Table 8.21: Assosa City Water Production and Consumption from 2007 to 2013**

Description	Fiscal Years						
	2007	2008	2009	2010	2011	2012	2013
Production (m <sup>3</sup> )	222,047	219,152	298,943	417,012	456,491	469,449	558,763
Consumption(m <sup>3</sup> )	125,961	124,365	170,931	258,445	283,060	322,888	400,308
Loss (m <sup>3</sup> )	96,089	94,787	128,012	158,567	173,431	146,563	157,505
% loss	43%	43%	42%	38%	37%	31%	28%

Source: Assosa City WSSE, Potable Water Unit, July, 2016

<sup>371</sup> Information from the WSSSE of Assosa City Report 2015, July 2016

As the Table 8.21 shows that ACWSSSE actually distributes about 63% of the water produced. The rest 37 % is lost every year. The Rate of loss is high compared to the city of Adama which averagely accounts for 25% per year. To calculate the amount of revenue being lost on accounts of leakage for the year 2013: 1m<sup>3</sup> costs 1 Birr, then the enterprise lost 157,505 Birr in 2013. This points out that the inefficiency in the management of water supply system. A reduction of the water loss requires coherent action to address not only technical and operational but also institutional, planning, administrative and financial issues.

**Table 8.22: Customers of Assosa City Water Enterprise from 2007 to 2015**

Fiscal yerar	Number of Water Meter per Customer categories				
	Residence	Private organizations	Public, NGOs & Religious Org	Public Taps	Total
2007	800	99	14	25	938
2008	1006	105	91	29	1231
2009	1337	211	107	38	1693
2010	1707	216	115	40	2078
2011	2209	194	126	43	2572
2012	2548	217	138	43	2946
2013	3022	309	140	43	3519
2014	3299	393	167	46	3905
2015	4020	557	157	53	4783

*Source: Assosa City WSSE, Financial Adm. Process Owner Unit, June 2106*

The Table 8.22 shows the increasing number of customers for water consumption, particularly the individual residents. The number of users per household is estimated to be five persons. The same number of users is estimated for the private, public, NGO and religious institutions. As of the year 2015, the city has a total of 4783 connected customers. However, the estimated number of user per public tap is 250. Generally, 81.53% coverage of water supply exists in the city of Assosa in 2015, as illustrated in Table 8.23.

**Table 8.23: Estimated Water Coverage of Assosa City 2015**

Customers Categories	Number of water meter	Estimated number of users	User Population	Projected number of population of Assosa 2015	Water Coverage  (In %)
Residence	4020	5	20100	45,284	81.53
Private Organization	557	5	2785		
Public, NGO and Religious Institutions	157	5	785		
Public Taps	53	250	13,250		
Total	4783		36,920		

(Source: Computed by the Researcher from the Data Obtained from the Assosa City WSSE July 2016)

### 8.3.3 Customers' Satisfaction: Analysis

In under taking the analysis of customer satisfaction, both the service providers and customers were consulted. After undertaking the key informant interviews with experts, officials and selected residents, the kebeles are purposely selected. Out of the four Kebeles in Assosa kebele 01 and 04 are selected and a total of 120 respondents (60 from each of the selected kebele) were asked to respond to the questionnaire on urban water supply services.

The following Table 8.21 provides an account of backgrounds of respondents of the questionnaire issued to find out the customer satisfaction in regard to water services management in Assosa city.

**Table 8.24: Background of the Respondents (N=120)**

Respondents Background	Category	Frequency	Percent
Gender	Female	19	15.8
	Male	101	84.2
Age	18 to 40	93	77.5
	41 to 60	24	20.0
	>60	3	2.5

Ethnicity	Owner	56	46.7
	Non-Owner	62	51.7
	Others	2	1.7
Educational Status	Below Certificate	23	19.2
	Certificate	15	12.5
	Diploma	23	19.2
	First Degree	45	37.5
	> First Degree	14	11.7
Employment	Governmental	74	61.7
	NGO and Private	28	23.3
	Other	18	15.0
Occupational Field	Service	80	66.7
	Industry/ Commercial	23	19.2
	Agriculture	3	2.5
	Other Fields	14	11.7
Monthly Income	<= 1500	21	17.5
	1501 - 3000	67	55.8
	3001 - 4500	18	15.0
	4501 - 6000	3	2.5
	6001 - 7500	3	2.5
	7501 - 9000	5	4.2
	9001+	3	2.5
Housing	Personal	42	35.0
	Rental Private	67	55.8
	Rental Kebele	3	2.5
	others	8	6.7
Residential Location	Kebele 1	60	50.0
	Kebele 4	60	50.0

*(Source: Author's Field Survey 2016)*

## Access

Access to water supply service in the city of Assosa is measured in terms of the regularity of water supply, adequacy of water available for daily uses and the satisfaction of the users to rationing or shift based allocation of available water.

**Table 8.25: Adequacy of the Daily Access to Water Supply**

Residential Address (Kebele)	The amount of water you get on daily bases					N	Statistics		Mann-Whitney u Test	
	Far Below expectation	Below expectation	undecided	Meets Expectation	Far above Expected				Mean Rank	Test Statistics
	1	2	3	4	5					
Kebele 01	6	18	0	31	5	60	Mean	3.14	61.24	U=1755.50 Z=-.249 <b>Sig. 0.803</b>
Kebele 04	7	20	2	22	9	60	Median	4	59.76	
Total	13	38	2	53	14	120	Mode	4		
%	10.8	31.7	1.7	44.2	11.7	100				

As the Table 8.25 shows, 44.2% of the respondents' view that the quantity of water they get on daily basis meet their demands while 11.7% even put the adequacy of the quantity of water for above they demanded. The median and modal observation rates that the quantity of water available on daily basis by and large meets the expectation. Hence, most of the respondents get the expected quantity of water on daily basis. In addition, the Mann-Whitney U test does not confirm the difference of access to water across the Kebeles as P value of 0.803 is greater than 0.05.

**Table 8.26: Availability of the Water Supply Services per Week (in days)**

Residential Address (Kebele)	Average Number of Days for the Availability of Water Supply Services per Week					N	Statistics		Mann-Whitney u Test	
	3 Days in a Week	4 Days in a Week	5 Days in a Week	6 Days in a Week	Every day in a Week				Mean Rank	Test Statistics
	3	4	5	6	7					
Kebele 01	0	11	19	17	13	60	Mean	5.35	65.57	U=1496.000 Z=-1.648 <b>Sig.0.099</b>
Kebele 04	4	16	14	18	8	60	Median	5	55.43	
Total	4	27	33	35	21	120	Mode	6		
%	3.3	22.5	27.5	29.2	17.5	100				

The frequency distribution reveals that average number of days of access to water in a week is 5.35 (above five days) and the most repeated observation (mode) is 6 days in a week. 74% of the 120 respondents indicate that water supply service is available equal to and more than 5 in a week. The rest 26% has the experience that water supply has been interrupted more than two days in a week. In addition, Mann-Whitney U test is applied to the two independent samples (Kebele 1 and Kebele 4) to make comparison. In this respect, the null hypothesis is that there is no difference between the samples from Kebele 1 and Kebele 4 while the alternate hypothesis is that there is a difference between the two kebeles. The result of Mann-Whitney test shows a  $p > 0.05$ . Hence, there is no difference between kebeles on the numbers of days for which water is available across the Kebeles.

### Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Average Number of Days for the Availability of Water Supply Services per Week is the same across categories of Respondents Residential Address.	Independent-Samples Mann-Whitney U Test	.099	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

**Table 8.27: Level of Satisfaction on the Schedule of Water Supply Services in Assosa City**

Access 3	Rank		Respondents Residential Address		Frequency	Percent	Cumulative Percent	Statistics	
			Kebele 1	Kebele 4					
Level of Satisfaction on the Schedule of Water Supply Services in Assosa City	1	Very Dissatisfied	6	11	17	14.2	14.2	Mean	2.86
	2	Dissatisfied	25	23	48	40.0	54.2	Media	2=Dissatisfied
	3	Undecided	9	10	19	15.8	70.0	Mode	2=Dissatisfied
	4	Satisfied	16	13	29	24.2	94.2	SD	1.161
	5	Very Satisfied	4	3	7	5.8	100.0	Max	1
Total			60	60	60	60	60	Min	5

As the above Table 8.27 shows, more than half (54%) of respondents rate that they are dissatisfied (40%) and very dissatisfied (14.4%) in the shifting system of water supply allocation in Assosa City. The result of Mann-Whitney test shows a  $p > 0.05$ . Hence, there is no statistically significant difference between the group of respondents from Kebele 1 and Kebele 4 on the shifting allocation of Water. Contrary, the Key informant interview<sup>372</sup> uncovers that parts of kebele 04 like *Amerar sefer*, access to water is constant, and there is no application of shifting system to such localities regardless of any water shortages in the supply.

As Mr Dereje<sup>373</sup> briefs his own experience, “I have lived in three of the four kebeles. I haven’t any big difference in terms of accessing water. The interruption problem is common to all the four kebeles.” On an average, people can access water for 7 to 8 hours a day as result of the

<sup>372</sup> Interview: Mr. Sanbata, Resident of Kebele 04, July 07, 2016.

<sup>373</sup> Interview: Mr. Dereje F, customer, June 26, 2016, Assosa

shifting system. Other key informant, however, puts that the existing water supply is inequitable with frequent interruption.<sup>374</sup>

### Equity

Like in the case of Adama, two reversely coded questions were posed to the respondents in order to test the level of satisfaction of the respondents, as the equity indicators on a five point Likert scale: 1) Respondents view on the fairness of distribution of water supply service between settlements and communities of the city; and 2) Whether there is fair treatment by the managerial/administrative offices on the distribution of water supply in the city across settlements and communities. To this end, Table 8:25 and Table 8:26 illustrate the result on the equity indicator of service satisfaction analyzed in relation to the ethnic identity and settlement sites.

**Table 8.28: Equity in the Distribution of Water Supply Services in the City of Assosa**

Residential Address (Kebele)	The distribution of water supply service is equitable between settlements and communities of the city.					N	Statistics		Mann-Whitney U Test	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree				Mean Rank	Test Statistics
	1	2	3	4	5					
Kebele 01	16	23	6	10	5	60	Mean	2.73	65.57	U=1337.000 Z=-2.515 <b>Sig.0.012</b>
Kebele 04	10	15	4	24	7	60	Median	2	55.43	
Total	26	38	10	34	12	120	Mode	2		
%	21.7	31.7	8.3	28.3	10	100				

The scores for the Mann-Whitney U test shows that the responses of the grouped customers from Kebele 1 and Kebele 4 are not the same with regard to the equitable distribution of water supply services across settlements and communities in the city of Assosa. The result shows that the mean rank of Kebele 1 is lower than mean rank of Kebele 4. Since p value of 0.012 is less than alpha level 0.05, there is statistically significant difference between the Kebele 1 and Kebele 4

<sup>374</sup>Interview: Mr. Ambassa, Customer, Kebele 04, July 03, 2016 Assosa.

scores on the equitable allocation of WSS. Thus, the finding reveals that there is a difference in degree of satisfaction level of customers viewed in terms equity between kebeles. Also, the Kruskal Wallis test is performed to check whether there is a statistically significant difference in the mean ranks among the three ethnic groups. The result reveals the  $P = 0.923$  which is greater than 0.05. Hence, the null hypothesis is accepted and there is no statistical evidence depicting the difference in the mean ranks among the ethnic groups for the same equity question.

**Table 8.29: Fairness of the Managerial Decision on the Distribution of Water**

Ethnic Background	There is fair managerial decision on the distribution of water supply in the city.					N	Kruskal Wallis H Test	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	1	2	3	4	5			
Owner	11	27	3	12	3	56	60.25	H=0.160 df=2 <b>Sig.0.923</b>
Non-Owner	8	33	13	8	0	62	60.44	
Others	0	1	1	0	0	2	69.50	
Total	19	61	17	20	3	120		
%	21.7	31.7	8.3	28.3	10	100		

Sabata, an informant from among the customers notes:

In some section of the city water is always available. In Kebele 04 or *Amerer Sefer (regional leaders village)* one can access water twenty four hours. There is no problem of water supply and distribution in this part of the city. Contrary, there are sections of the city that could not get water all the time. In some places water is available on shifting basis. At times of complete shortage of water in the city, those who live in the *Amerer Sefer* and neighboring to it have unlimited access to water supply and services.<sup>375</sup>

According to the informants, therefore, the water supply in areas locally known as *Amerer Sefer* (Leaders Village) of Kebele 4 has been continuous while in the other areas access water is in

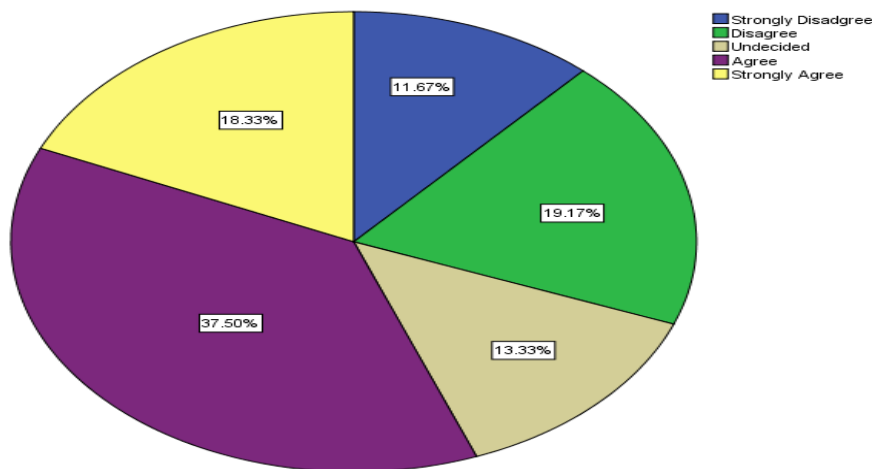
<sup>375</sup> Interview: Sanbata S. Boro Shinasha Dev't Org, Finance and Adm Officer, June 24, 2016

shifts. The explanation on the part of the technical persons<sup>376</sup> from the ACWSSE tells a different story. To them *Amerar Sefer* always get water due to the design and the pipeline is densely laid down in this settlement area. For one thing Kebele 04 hosts the regional palace, hospital and other key regional institutions. Another, the water supply Enterprise promptly removes for any damage on the supply system in this part of the city as priority is often rendered to such area where private and government organizations which can afford the operational and installation costs. Thus, the density of connection of water pipelines and spatial distribution of water points do not match.

### Affordability

The affordability indicator of the customers' satisfaction to WSS in the case of Assosa is assessed through two key questions on the five point Likert scale: Fairness of the amount of the monthly water tariff and the cost of connection of own meter. In Assosa there are two types of tariff that exist to water supply. The first is the pipeline connection tariffs which involve the material and installation costs while the second is the monthly user charge for registered users, the tariff depending on the quantity utilized.

**Chart 8.5: Reasonability of the Amount of the Montly Water Tariff**



Whether the monthly income and housing condition of the customers have influenced the affordability indicator of the customers is examined by using the Kruskal Wallis test. However,

<sup>376</sup> Interview: Abebe, Senior Water Engineer, WMERD Bureau of BGNRS, July 08, 2016, Assosa.

the analysis shows that there is no statistically significant difference in the responses of the customers grouped in terms of income and housing conditions. According to the official narration, the water tariff has been set according to the rate of consumption and capacity to pay.<sup>377</sup> In this case, the more one can consume the more one would pay. The Table 8.27 shows water tariff rate in Assosa.

**Table 8.30: Water Tariff per Square Meter**

Consumption in m <sup>3</sup>	Water tariff(in Birr)
Public tap	5
0-5	5
6-10	9
11-20	13
20-30	25

*(Source: ACWSSE Customers' Unit June 2016)*

In line with the Water Resources Management Policy (1999), Table 8.30 shows, the urban water tariff rate is tied to consumption rates in a progressive manner. But the public taps depend on flat tariff rates. For a decade (Starting from the establishment of the enterprise in 1995 to 2005 EC, there was no change of water tariff. Later, the Board had decided to increase the water tariff in mid 2012. According to the officials<sup>378</sup> of the Enterprise, the water tariff was increased in order to pay back the loan from the World Bank, which the Enterprise received for the water supply and sanitation project. The Enterprise was repaying 1million ETB per year. To this end, 1m<sup>3</sup> of water costs 10ETB. The tariff remained high for two and half years. But in the beginning of 2015, the Water Management Board has reduced the tariff on the bases of the complaints from the customers. This was performed by expanding the range of payment for water consumption payment and the principle of the water tariff according to the amount of consumption.<sup>379</sup>

<sup>377</sup>Interview: Mr. Adel Almard, Human Resource Process Owner, ACWSSE, June 30, 2016, Assosa; Mr. Khojale, the Manager of the Assosa City WSSE June 28, 2016.

<sup>378</sup>Interview: Mr. Khojale Abdurman, Head of ACWSSE, June 28, 2016, Assosa.

<sup>379</sup> Interview: Mr. Befekadu W/Micheal, Elder resident of Assosa City, April 2016, Assosa.

Customers are still very hesitant to pay any increment in the water bill.<sup>380</sup> The payment for installation of new pipeline connection is high, and it is beyond the capacity of the poor households. One informant<sup>381</sup> from new urban settlement at the outskirts of the city states:

My house is 450 m far from the water pipe line. Individually I could not afford to bring water from such distance. Instead, I brought 20 people together and we contributed and paid 44,000ETB to extend the water supply to our site. Each of us has paid 2200 ETB. Other neighbors did not join the group because they could not pay the money as far as access to water is based on the ability to pay. There is no clear institutional mandate that obliges the enterprise or the municipality to provide water for those who have no ability to pay for it.

Most often, the poor living in squatter settlements or slums must get potable water from public standpipes. This comes at a price. For those who control many of these water points, water has already become a source of income. Those who sell water from their own tap collect mark up the cost of water according to their own whims. Hence, communities who live in the inaccessible areas particularly at the urban-rural fringe are compelled to buy water at higher unregulated prices.

### **Transparency and Responsiveness**

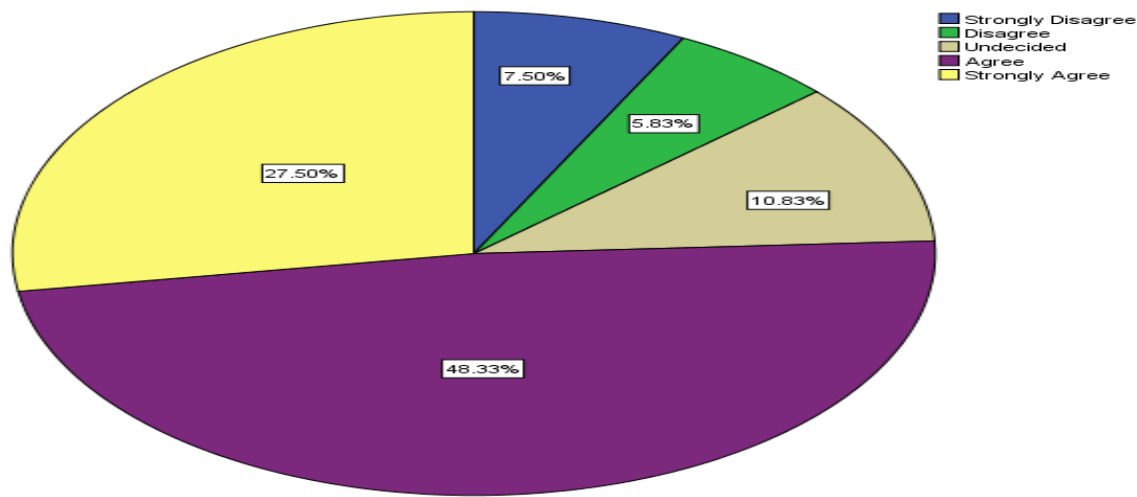
Respondents were also asked to rank their views on the transparency of the water supply services including: 1) Whether the customers have adequate access to relevant water information; 2) whether there has been openness on monthly water tariff amount; and 3) whether the customers have a say in the decision of water tariff rate. The result of the survey shows that 48.33% and 10.83% of respondents are agreeing and strongly agreeing respectively that there is transparency in the amount of the monthly water tariff. This implies that the amount of water tariff is somehow clearer to the respondents.

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<sup>380</sup> Interview: Mr. Abebe, Senior Hydraulic Engineer, BoWMERD, July 04, 2016, Assosa.

<sup>381</sup> Interview: Mr. Fekadu, Ex-Senior Expert of the WMERDB of BGNRS, July 02, 2016.

**Chart 8.6: Transparency of the amount of the Montly Water Tariff**



According to the Manager of ACWSSSE, Mr Khojale, the enterprise has been providing information through FM Radio with regard to the water supply services about interruptions due to various reasons. He went on noting that the enterprise cannot regularly use the media in order to be transparent to its customers because of the huge money that the media request for the transmission.<sup>382</sup> This implies that the Enterprise did not regularly inform its customers except during water crises.

Many informants<sup>383</sup> affirm that the enterprise provides water service related information only in times of crises. The enterprise has not placed any regular mechanism of informing the customers. Sometimes the customers have to go to the enterprise even to know whether water supply is indeed interrupted or not. Even there they hardly find anyone who could give clear information on the cause of interruption and the time at which the water supply become regular.

The Board mainly comprises the key executives of the city, the enterprise and the water bureau. The evidence shows that there is lack of customers' voice in the decisions of the Board. It is only in 2016 that the Board tried to listen to community representatives from the Kebeles through water forums. Specifically, the lack of regular forums for the involvement of the consumer in decision making process especially in the process of fixing the amount of monthly tariff rates have created bitterness in the relationship between the customers and service providers.

<sup>382</sup> Interview: Khojale Abdurman, Head of ACWSSSE, Bertha, June 28, 2016, Assosa.

<sup>383</sup> Interview: Mr Abebe, Senior Engineer, BoWERD, July 04, 2016; Mr Fekadu, Ex-planner and programmer of BoWERD, July 02, 2016; Mr. Adel Almerdi, Human Resource Process Owner of ACWSSSE, June 30, 2016, Assosa

## On Responsiveness

The customers were also asked a number of reverse coded questions to rank their opinion on the service provider's (the Enterprise) responsiveness to their demands. These include: 1) Whether water users obtain appropriate responses on their complaints; 2) Whether there are effective voicing mechanisms when the water supply services fail to meet the demands of the customers; and 3) the degree of responsiveness of the Water Enterprise Service Providers to the customers.

Responsiveness related to the level of answering the questions and resolving the problems that customers face in the processes of water service delivery. 50% and 25 % of the respondents rated the degree of responsiveness of the Water Enterprise to customers as slow and very slow respectively. The Customers were also asked whether there are ample and effective voicing mechanisms when the water supply services fail to meet their demands or found to be intermittent.

**Table 8.31: Responsiveness of the Water Supply Enterprise**

Residential Address (Kebele)	Water users obtain appropriate responses on their complaints					N	Mann-Whitney U Test	
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		Mean Rank	Test Statistics
	1	2	3	4	5			
Kebele 01	5	24	11	17	3	60	59.02	U=1711.000 Z=-.488
Kebele 04	4	18	20	17	1	60	61.98	
Total	9	42	31	34	4	120		
%	7.5	35	25.8	28.3	3.3			<b>Sig. 0.626</b>

As Mr. Mohammad<sup>384</sup> puts, the responsiveness of the service providers, especially the technicians for operation and maintenance, depends on the extra money that the service seeker could pay for them. Some of the members of the staff shamelessly ask for money for their regular and official activities. In Assosa, there have been a few meetings or forums with the

<sup>384</sup> Interview: Mohammad Arabo, Kebele 04 Manager, ACWSSE, June 08, 2016, Assosa.

public where they could air their complaints. This is particularly true in the ACWSSSE. Currently, there are new beginnings of course at Kebele level that brings the members of the community to the water committee.

Most of the clients are satisfied with regard to the overall water supply and service delivery of the Assosa City WSSE. This is because the supply and distribution of the water has shown significant change since the commencement of the new water project which was worked out by the money lent from the African Development Bank.

### 8.3.4 Supply Side Analysis

#### 8.3.4.1 Enterprise Capacity: Structure, Human Resources and Finance

The responsiveness of structure and competent persons at the right place can increase the efficiency of the ACWSSSE. The enterprise lacks personnel with the necessary educational background for the optimal functioning of the enterprise. As it stands now, the structure of the enterprise, which is set by the Bureau, does not attract highly qualified personnel. The positions are occupied by non-professional persons. The enterprise neither attracts nor maintains sufficiently skilled manpower.

**Table 8.32: Number of Staffs of Water Enterprise**

Fiscal year	Number of employees			
	Human Resource	Finance administration	Potable water supply	Total
2007	23	8	13	44
2008	24	9	14	46
2009	42	9	14	57
2010	32	10	12	54
2011	29	10	15	53
2012	27	14	15	56
2013	33	14	16	63

2014	33	13	16	62
2015	32	15	15	62

(Source: Human Resource Department of the Assosa City WSSE, Assosa, July 2016)

The human resource record shows that there were 63 employees in 2013. Out of these, 23 of them hold college diploma while the rest 40 hold the certificate or below. 8 out of the 63 have college diploma in accounting while 8 of them hold college diploma in electricity and mechanics. No one including the Enterprise Manager holds a first degree. Under such condition of human resource, it is not possible for the Enterprise to bring about effective governance in the provision of water supply services. Also, the relations that the Enterprise could make with the Board and the regional water Bureau and other stakeholders have been hampered due insufficient human capacity.

The very objective of establishing an enterprise is to grant operational autonomy and enable the enterprise to be efficient and sustainable.<sup>385</sup> According to the information from the Human Resource Department of ACWSSE<sup>386</sup>, the enterprise lacks personnel with necessary educational background for the complete functioning. People were working out of sole experience than with skill in profession. The structure of the Enterprise does not take account of the urban dynamics. There are huge gaps with regard to the structure of the enterprise. For example, though the water Board inevitably requires them, there are no staffs with engineering, hydrology or geology backgrounds in the ACWSSE. The technical department has been occupied by people with no adequate knowledge of the water supply design system. Besides, the existing human resource has not allowed the Enterprise to rely on computerized billing system, as the existing workers cannot fit to these new tasks. The key informants<sup>387</sup> from the Enterprise have underscored that the salaries and incentives are very poor and not competitive with market wages and benefits, making the ACWSSSE neither attractive nor able to retain competent personnel.

Further, the appointment of the manager depends on the identity and political affiliation than on the relevance of the educational and work experiences required for the positions. The

<sup>385</sup> Preamble of Proclamation No. 132/2015 for the establishment of BGNRS UWSSE.

<sup>386</sup> Interview: Mr. Adel Almerdi, ACWSSE Human Resource Process Owner, June 30, 2016, Assosa.

<sup>387</sup> Interview: Mr. Adane Kashay, Mechanics, AWSSE, July 04, 2016; Mr. Adel Almerdi, ACWSSE Human Resource Process Owner, June 30, 2016, Assosa; Mr. Ibrahim Abdul, Team Leader of the Financial Adm, June 25, 2016.

information from the enterprise<sup>388</sup> shows that the key position and technical departments of the enterprise are allotted mainly to the Berthas, as they are one of the five owner nationalities. Hence, the structure of the Enterprise is made to fit into the capacity of ethnic Berthas so that they could be employed into different positions. The effectiveness of management unit to operate, manage and maintain the water supply services is constrained due recruitment mechanisms. Thus, both the structure and the ethnic requirement have adversely impacted the capacity of the enterprise to deliver the water supply services.

Again, some technical staffs deliberately make distributional system of water dysfunctional, in order to get corrupt money. The customers doing businesses were ready to pay for maintenance and operation costs.<sup>389</sup> Whenever managers change position –both leadership and expertise– everything gets stuck. Under such circumstances, the free flow of information and institutional memory are obstructed. Thus, the enterprise works under severe capacity problems caused by inefficient organizational structure, shortages of skilled manpower, and inability ACWSSE to invite adequately trained and experienced staff. ACWSSE has insufficient and unqualified personnel for effective management and governance.

The source of fund for the enterprise include: water sales and charges, loan, donation, grants both in cash and in kind, and funds assigned by administration of the town.<sup>390</sup>

**Table 8.33: Revenue and Expenditure of Water Supply Enterprise**

<b>Fiscal year</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Net Balance</b>
2007	949,630	753,403	-
2008	960,968	1,105,746	-
2009	1,449,709	1,157,115	-
2010	2,547,665	1,993,077	-
2011	2,288,890.60	2,275,113.00	-
2012	2,726,970	2,466,677	380,000
2013	7,423,843	3,734,357	4,267,350

<sup>388</sup>Interview: Adane Kashay, Mechanics, AWSSE, July 2016; Mr Fekadu A, Ex-Water Resources Planner and Program Coordinator, July 02, 2014, Assosa.

<sup>389</sup>Interview: Mr. Adel Almerdi, ACWSSE Human Resource Process Owner, June 30, 2016, Assosa.

<sup>390</sup>Interview: Mr. Ibrahim, Head of the Finance and Administration of ACWSSE, June 30, 2016, Assosa.

2014	7,874,641.12	5,183,282.25	7,647,600.33
2015	9,974,250.33	5,297,261.11	14,142,414.69

(Source: Compiled from ACWSSE)

As the Table 8.33 shows, the revenue of the enterprise has tripled in the year 2013. This was due to the average of water tariff as decided by the Board of the Enterprise. After two and half years, the customers have complained on the quantum of the tariff, and there was a decision to reduce the tariff as of April 2015.<sup>391</sup> By this financial maneuver, the Enterprise can only cover small operational and maintenance costs. But the delivery of urban water supply requires a high level of investment that cannot be handled by the Enterprise.

In sum the structural, human and financial capacity of the Enterprise is limited, and this has made the Enterprise to rely on the regional water Bureau or other upper level supports through the Bureau. The governance of urban water supply service is not only constrained due to the capacity at Enterprise level but also due to the institutional coordination between the enterprise and concerned bodies.

#### **8.3.4.2 Institutional Coordination and Stakeholders Involvement**

Urban Water supply is the rallying point for a number of institutions and actors. Both for institutional design and functional realities, the water supply and service relies on coordination and cooperation between the enterprise, its upper levels and the relevant stake holders. Hence, the section analyzes how the level of institutional cooperation between Enterprise and the regional water bureau, between the enterprise and the City Administration, between the enterprise and the other social service sectors like Electricity.

#### ***Vertical Relations between the Water Bureau and the Enterprise***

Article 18 of the Proclamation No 132/2015<sup>392</sup> outlines the roles and responsibilities of the Water Resources Development Bureau to: 1) Study and prepare the design of water supply services or facilitate the mechanism by which study could be carried out; 2) Facilitate the mechanisms by

<sup>391</sup> Performance Report of the ACWSSSE 2015.

<sup>392</sup> Proclamation No. 132/2015 for the Revised Urban Potable Water Supply and Sewerage Services Reorganization, BGNRS.

which the Enterprise can get access to loan and grant from government and/ or nongovernmental organizations for the expansion of urban water supply services; 3) Perform activities of capacity building for supporting the Enterprise's service delivery; 4) ensure that water works and water materials are up to the standard; 5) provide for technical support; 6) Follow up and control whether potable water supplied by water services is in compliance with quality standards of the Country; and 7) Follow up whether the service delivered by the Office is in accordance with Water Resource Administration Policy and law of the Region.

The Bureau has key roles in the water supply service by the enterprise. These mainly include the appointment of the water management Board, technical support and follow up, and directives. The Bureau has the mandate to build the capacity of the Enterprise. But the Bureau has not built the capacity of the enterprise in full in terms of structural, financial and human capabilities. The Enterprise is institutionally and functionally dependent on the Bureau.

On the one hand, the Enterprise has no structural capacity that enables it to identify its needs and do research on water. On the contrary, the Bureau wants to extend its support only in times the water availability becomes political.<sup>393</sup> Next, the Bureau offers technical support and water infrastructural support when water project fund is secured as matter of duty. The coordination and cooperation between the Enterprise and the Bureau did not exist with regularity and in an institutionalized manner. In fact, the field observation reveals that the coordination and synergy between the Bureau and the Enterprise depended on the political consequences of the issue of urban water service rather than resolving the urban water shortage. The institutional and structural framework of the Enterprise has made it functionally dependent on the Bureau, but the Bureau has not performed this mandate carefully.

### ***Lateral Coordination between Enterprise and Municipality***

In principle, the water supply and municipal functions like roads, urban land use are inevitably linked to one another. The provision of water supply services has been more often interrupted by a number of municipal activities. It has been repeatedly interrupted due to the road construction of the municipality. The WSSE often lays down the water utility lines according to the urban

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<sup>393</sup>Interview: Mr. Abebe, Senior Engineer of WMERB of BGNRS, July 04, 2016, Assosa; Mr. Mohammad Arab, Kebele 04 Manager, July 08, 2016, Assosa.

land use plan it has received from the city's urban planning department. However, urban planning department was found to disrupt the utility lines.<sup>394</sup> The water pipes have repeatedly been damaged by the municipality for the purpose of cobble stone constructions.<sup>395</sup>

Also, another informant<sup>396</sup> reveals that the workers of the enterprise were found to have laid down water pipes in areas not reserved for the water utility lines. They did so in lands reserved for road and residential houses. The municipality destroys such of these water pipe lines when they build the roads. The research has not found any clear evidence that the municipality has paid for the damages it brought upon the water pipes. As both the key decision makers of the municipality and the enterprise are politically networked and since both of them are members of the water management board, there are no practices of enforcing each other to compensate the damages.<sup>397</sup>

Moreover, the key decision makers in the municipality and Enterprise have no technical knowledge of how to coordinate the municipal and water works before they could bring damage to each other's activities. Thus, the lack of integration and coordination between urban planners and urban water supply service providers have not only interrupted water supply services but also dwarfed the revenue capacity of the Enterprise.

### *Lateral Relations between the Enterprise and Electricity Supply*

The water supply and service delivery is highly dependent on another utility sector namely electricity bound. Despite the huge amount of money that the enterprise pays to the Electricity sector, frequent interruptions of electricity have constrained the water supply and distribution in the city of Assosa. As Mr Abdu<sup>398</sup> rightly notes, the interruption of electricity not only interrupts the water supply and distribution but also reduced the revenue generating capacity of the enterprise, and the enterprise has been exposed to unnecessary direct production costs for diesel and fuel expenses

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<sup>394</sup>Interview: Customer resident, July 04, 2016, Assosa.

<sup>395</sup> Performance Report of the ACWSSE 2015, Assosa.

<sup>396</sup> Interview: Mr Fekadu, Customer, Ex-Senior expert of the Regional Water Bureau of BGNRS, June 04/05, 2016, Assosa.

<sup>397</sup>Interview: Mr. Adel Almard, Human Resource Process Owner, ACWSSE, June 30, 2016, Assosa.

<sup>398</sup> Interview: Mr. Abdu Hassan, ACWSSE Technical department head, June 30, 2016, Assosa.

**Table 8.34: Direct Production Costs**

Fiscal Year	Direct production costs (in Birr)		
	Electricity	Chemicals	Fuel and diesel
2011	327,989	2915	372,781.00
2012	458,043.42	-	389,676.63
2013	381,276.33	-	197,782.10
2014	666,244.26	-	76,330.63

(Source: ACWSSE, Finance and Administration Unit, July 2016)

As the Table 8.34 shows, the enterprise has been paying on an average about ETB 458,106 per annum for the electricity consumption for pumping up water from the boreholes. From the Boreholes water reaches to the reservoir, with electric power while it is by the gravity that it reaches out to the customers.

In the views of the key informants<sup>399</sup>, more than the energy interruption, the energy supply fluctuation has burned down a number of pumps. This implies that the energy sources of water supply are not reliable. However, the enterprise has no coherent institutional interaction with the Electricity sector. Even the regional water bureau has no clear line of enforcing the electricity sector to pay for the damage it has brought to the water pumps and pipelines in the Assosa city. Electricity is in the federal jurisdiction while the urban water supply service enterprise is a local jurisdiction. The local enterprise could not interact with the federal body. In order to resolve the damage caused by energy fluctuation on the water pipelines, as the informants<sup>400</sup> from the Enterprise notes, the Enterprise has bought a separate transformer in order to control/maintain the amount of electric energy supply for the water production. But ELPCo has distributed energy from this transformer to the other non water institutions and households. Consequently, the fluctuation of energy supply and interruption continue to damage a number of pumps.<sup>401</sup>

<sup>399</sup> Interview: Mr. Adane Kashay, Ex-technical Department Head, ACWSSE, June 30, 2016, Assosa.

<sup>400</sup> Interview: Mr. Adel Almard, Human Resource Process Owner, ACWSSE, June 30, 2016, Assosa .

<sup>401</sup> Ibid.

### *The Water Supply Project Coordination and Cooperation*

Assosa city has got the water project fund in 2011. The water fund was an opportunity for the city to get through the Federal Ministry of Water Resources. The Assosa City Water Supply Sewerage Project was meant to re-habilitate the old distribution lines. The project involved different governmental and nongovernmental stakeholders. In the vertical dimension, Assosa city WSSE, the regional Bureau of water, mines and energy<sup>402</sup> and the Ministry of Water resources are the governmental institutions and actors involved in the project while the contractor and the consultant are the private institutions. In this case, as per the project agreement, the SESK PLC is the contractor of the Water Supply and Sanitation Project and DH has been the consultant of the project.

The lack of coordination and cooperation was the key challenge observed during the undertaking of the project. Several letters written by the SESK contractor reveals that there were delays in discharging responsibilities on the part of the client (WSSE) and the Consultant (DH Consult). The client has not supplied the required pipes, fittings and accessory as per the project agreement and in time; and the consultant has not given the required written approval of the project works in time. Likewise, the Consultant has cautioned the contractor for the delays in project. The exchange of letters between the contractor and consultant were full of accusation of one against the other. These accusations, however, point to the same underlying problem on each part, the lack coordination and partnership as required and at the right time. That being said, the poor relationship between the contractor and consultant has delayed the completion of the project on time.<sup>403</sup> Moreover, the client (WSSE) points out that the contractor has not run the project as per the agreement. This was due to lack of the necessary capacity, human and material resources. According to Mr Adel<sup>404</sup>, there were two problems on the part of Contractors: quality and completion of the project on time. Moreover, the project was supposed to reduce the leakage problems from 30% to 20%. Contrary, the leakage increased to 39%. The contractor SESK lacks

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<sup>402</sup> The regional government has granted about 7million birr for the Assosa city Water supply and Sanitation Project.

<sup>403</sup> Letters written by the SESK Contractor PLC dated 16 June, 2012 Ref No.SESK/02/974/2004; 20 February, 2012 Ref No. 02/906/2004; 09 March, 2012 Ref. No. SESK/02/1002/2012; 19 July, 2012 with Ref No. SESK/as/01/081; and the letter written by DH Consultant dated 29 June, 2012 Ref. No As-DH-30/129/2012.

<sup>404</sup> Interview: Adel Alnard, Human Resource Process Owner, ACWSSE, June 30, 2016, Assosa.

the necessary capacity and the consultant DH could not avail itself at the project site.<sup>405</sup> There were no regular and structured dialogue among the client, contractor and consultant to foster mutual trust and resolve the project related matters in collaboration.<sup>406</sup> The enterprise and the Bureau has not created conducive environment for the water stakeholders.

### **Relations between the Enterprise and Assosa Woreda**

The enterprise's water supply service is not restricted to urban space. Three rural kebel: Amba 5, Amba 1 and Enzi Ashederia have also an increasing stake to the water supply.<sup>407</sup> Some of the bore holes are in the rural woreda territory. They are issues of compensation payment for those holdings dislocated by the water works. Both for identification of the land holding rights as well as water distribution to those villages where the water pipelines pass, the enterprise needs cooperation from the Assosa Woreda administration. People who are not in the urban municipal boundary are supposed to have some residential records in the rural woreda administration. The enterprise should not supply water for illegal houses as they lack legal rights of holdings. So, both from the municipality and rural administration require the Enterprise formal permission for making water available to the people in and around the city which is difficult to obtain.

### **Conclusion**

According to the water policy and legal frameworks of Ethiopia, to varying degrees, the city, state and federal governments or other stakeholders are involved in the provision of urban water supply services. Improving urban governance in water supply services is not just dependent upon urban local government and the water institution at the city level but it involves multilevel institutions and stakeholders. To this end, the IGR perspective to urban governance in water supply services has helped to analyze the institutional, technical, financial and policy structures, and the mechanism of interaction between governmental units and water sectors in the provision of urban water services in the cities of Adama and Assosa.

In both cities of Adama and Assosa, there are mismatches between the demand and supply for urban water. These mismatches are mainly caused by three important factors: rapid urbanization,

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<sup>405</sup> Although the project has improved the water production capacity because it has built two new boreholes and one big reservoir, the distributional extent of water supply does not still meet the physical expansion of the city (Interview: Khojale Abdurman, Manager of ACWSSE, June 28, 2016, Assosa).

<sup>406</sup> Key Informants Interview at both the Enterprise and Bureau levels June 2016.

<sup>407</sup> Interview: Khojale Abdurman, Head of ACWSSE, June 28, 2016, Assosa.

faulty technical design and lack of management. However, these factors on the delivery of urban water supply service cannot be addressed by the water Enterprise alone at the city level. First, in the case of Adama, rapid urbanization does not only put pressure on the water supply services but also it required the upgrading and restructuring of the water design system in a way that water could reach the new urban settlements. The population for which the water supply was being designed is far less than the actual population demanding the service. The city's physical expansion has already gone further than the pressure zones of water supply and distribution. On the one hand, the urban planners and the municipality are required to act according to the plan for implementation of the utilities but this barely is the case in practice, and the Enterprise is not given the power to administer its land use plans. Rather, the urban land development and management Agency has been given the authority to do so. On the other hand, the technical expertise to study the design and fund the required water project has to be performed by the regional bureau, as the cities have no jurisdiction and capacity for handling the water projects.

The study shows that the accessibility and equity aspects of water service provision have been problematic in both Adama and Assosa. Some kebeles particularly in the case of Adama are unfairly treated. On the side of service providers, the elevation and design factors have created the variation in accessibility and equitable distribution of the available water. In contrast, the demand side of the story puts the issue of accessibility and equity as unfair treatment of settlements and communities in this city.

One of the key reasons for the imperative of institutional and functional cooperation for the urban water supply service delivery is because of the capacity factor. The capacity -structural, technical and financial- is at regional level whereas the actual function of water supply system is at the city level. In fact, it has been the regional Bureau of water resource that studies the structure of the enterprise, do the capacity building tasks and the enterprise cannot reverse the control from the region in the form of expertise and fund, as these are legislated already. Moreover, the supreme organ of the UWSSE Management Board is established by the Regional Water Bureau, and the Board is accountable to the Bureau. This system has set up the long and upward accountability mechanisms.

There have been inadequate professionals who are not equipped with the necessary technology at the enterprise level. Both Adama and Assosa face similar challenges with regard to the technical/design aspect: One, the design has been found incompatible with rapid urbanization due to population increase and physical-horizontal expansion. Two, there are inadequate professionals who could carry out the design upgrading at the local or the enterprise level. They rely on the expertise and material support coming from the regional water bureau and beyond. The people in the Enterprise are required to have the capacity to integrate the hydrological and governance aspect of UWSS. They have to understand the wider relationship between water, society and ecological processes. Three, the finance that the Enterprise collect does not enable it to go for design upgrading or redesigning as water projects requires huge fund. The weak revenue raising capacity is also a barrier to a more responsive water supply services concomitant with changing nature of demands due to rapid urbanization in both cities.

Compared to Adama, Assosa water supply service is hardly affected by natural barriers. Topography and the character of soil in the catchment of Adama have constrained the production and purification of water, which is not the case in Assosa. The source of water, the water character or ecology of the Adama city creates susceptibility to water shortages than Assosa. Adama city water governance is therefore contingent upon the coping strategies and innovative solutions to natural and ecological factors than Assosa.

As the national guideline for urban water service and sewerage (2013) states, the urban water supply Enterprise works with full autonomy with very limited supervision and support. Although the establishment of water enterprise vows to set up autonomous water institution in terms of the cost recovery, the enterprise lacks the required capacity-structural, financial and human-to cope up with the increasing demand for UWSS. Both cities of Adama and Assosa occupy first levels in their regional contexts. They attracted greater attention from the upper level governments. Both of these cities are development corridors, and no development could be realized without sufficient water supply and delivery. The regional states viz. Oromia and Benishangul Gumuz have retained the power to determine on the structure, form and human resource and funding of urban water supply projects for the Regional Water Bureaus. In the case of Adama, the water Management Boards of the city is administratively accountable to the Oromia water resource bureau, and the bureau in turn is accountable to the regional cabinet which in turn is accountable

to the regional council or the Caffee. The board is not accountable to the city council or the city administration. The same approach works in the case of Assosa. In order for Adama and Assosa to improve, the water project has to come through the upper levels-regional and federal. The regional bureau focuses on finding the loan source and technically engages once the loan is secured. Meanwhile, the Enterprise could not finance much more than recurrent expenditure and small operational and maintenance costs. The evidences from both Adama and Assosa show that the enterprise cannot function autonomously because the capacity of the enterprise to deliver urban water service is undermined by the lack of the required human, material and financial resources at the local level.

On the one hand, especially in the case of Assosa, the manager of the Enterprise has been selected on the ethnic and political bases than the educational and work experiences relating to urban water management. The managerial position in the case of Assosa is unofficially allotted for Bertha, hence ethnic factor comes in before professional capacity to deliver the water services. In contrast, the managerial position in the case of Adama has been allotted for a person who could work in Afaan Oromo at the same time giving primacy to the party activities than to deliver services. The party influence has not only personalized relations of power between the Mayor and the Manager of the Enterprise but also managers have been caught of emphasizing on the party activities than discharging the responsibility for water service provision, which created a blurred line between the political and managerial aspect of water supply services. Besides, the selection of manager of the Enterprise and its unofficial political accountability to the city Mayor and the ruling party demonstrates the political significance of the managerial position than the required professional role.

On the other hand, the capacity of the enterprise cannot cope up with the changing water demand with rapid rate of urbanization (demographic size and spatial expansion of the cities). The revenue generated by the enterprise cannot cover the additional water infrastructural expansion. It covers the recurrent costs and some operational and maintenance works. Thus, the enterprise cannot be autonomous under such political and fiscal constraints, and the capacity of UWSSE could not cope up with changing urban demography, urban settlement and intensity of demand for water supply services.

The establishment of urban water supply enterprise appears to downsize the role of politics on the delivery of urban water services. Yet the political dimension is the key factor influencing the water supply services in Adama and Assosa. Indeed, water problems will not be solved by enterprise managers and professionals *per se*. It inevitably needs the involvement of power holders/authorities who set priorities and allocation of resources at national, region or local levels. But there should be a clear boundary between those who control/follow the implementation of their decision and those who implement or engage in service provision. In practice, the enterprise managers are engaged in the political activities than the responsibilities they are supposed to discharge, and hence the controller and service provider are intermingled. In both cases, the managers focus on their clientelist relations with the upper level Board and the Bureau than to the local community. The local political context has not set conducive environment for managerial and technical expertise to focus primarily on the service provision. The service providers of the Enterprise who are supposed to dwell on bringing efficient water supply service have been engaged in frequent political meetings than finding out the way outs for bringing adequate water supply service in the city. Moreover, the hierarchical and predominantly upward accountability embolden the influence of political factor from above.

In both cities urban water supply projects were sometimes seen as recipe for political support and the method of seeking voice at times of election. In the case of Adama, for example, two conditions that have attracted the attention of city and regional leaders alike: water crises and periods of election campaign. Both of these conditions were derived by the need for maintaining political support which all the key decision makers at all levels want to retain. Demonstratively, the water supply projects have been either launched or inaugurated during election campaign. Thus, the water issue is one of the key urban issues that have been the instrument of political support from the urban residents.

This chapter has shown that the problem of urban governance in water service is the problem of how to integrate the technical and governance aspects of water. The technical interpretation tends to give depoliticized understanding to water supply systems while the practice actually tells that the water issue is highly politicized. Conversely, the key decision makers try to subsume all the problems of urban water supply services as lack of good governance, which undermines the scientific and technical explanation of water supply services in a politically flavored rhetoric.

Water policy, legal and regulatory frameworks as well as the capacity and political networking have made the multilevel institutional cooperation and stakeholders' involvement in urban water supply systems a necessity than a choice. This arrangement presumes that full decentralization of water governance may not be desirable or optimal because of the inevitable need for coordination and share of responsibilities than limiting the responsibility to one level of government. This has brought this study to explore how the institutional coordination and stakeholders' involvement takes place. Beyond, the capacity of the water enterprise at city level, it is the lack of institutional coordination and cooperation that has hampered the provision of water supply services. In this line, the chapter has examined the relations between: the enterprise and bureau, enterprise and the city, enterprise and electricity and Enterprise and the surrounding woreda.

The involvement of regional water Bureau and city in the process of water supply service is usually observed at times the water crises reach its climax. The same is true for the Enterprise and the city administration. As the finding of the study shows, the water supply and distribution in both cities have been interrupted due to the municipal activities like road construction. Unsurprisingly, the enterprise does not have any clear institutional and functional relationships with the municipality and the city administration altogether. The proclamations for the establishment of urban water enterprise by both Oromai and Benishangul Gumuz regional states have not adequately defined how the urban water enterprises could communicate with the city administration. The legal framework sees the UWSSE as an independent body free from the city influence. It has been the party channel and/or the personal relationships that connect the Mayor of the city and the manager of the enterprise, both of them being affiliated to the same ruling party. Besides, they are members of the Enterprise's management Board where they could meet with regard to decision making on water supply services. The municipality is, for example, expected to pay for any damage it brought to the water pipelines. This didn't, however, happen as there is lack of clear formal rules that enforce the city as well as the unofficial political accountability of the Enterprise to the administrator of the cities. There are no coherent principles and rules that guide the institutional coordination between the enterprise and the municipality and city administration. Thus, the WSSE establishment is deficient in that it fails to consider the institutional mechanisms for the inevitable relationship with the municipality.

The chapter has taken up that urban water governance is a function of the level of autonomy of the water Enterprise and IGR along horizontal and vertical dimensions. The findings reveal that neither the degree of decentralization (water enterprise's power and capacity) nor the IGR (institutional coordination and cooperation) are sufficient to deliver effective urban water supply services. In both cities, coherent principle, settled relationship between the enterprise, city and the regional water Bureau is a requirement. The mechanism of coordination should not be limited to mere informal communication rather it needs clear formal rules that enforce the actors to engage in water supply services. Also, the mode of interaction among water institutions should not be limited to times at which the political implication of water supply condition in, around and beyond the city is at scene. Thus, there is an urgent need for matching the local capacity with the functional responsibilities for provision of urban water services at same time coherent and strong institutions, principles and mechanisms of IGRs is a requirement for bringing effective urban water governance in the cities of Adama and Assosa.

## CHAPTER NINE

### 9 Summary, Conclusion and Recommendation

#### Introduction

This chapter is arranged in four sections. The first section recaps the main ideas perceived in each chapter. The second reflects on the theoretical framework of the study, and answers the research questions of the thesis. The third section suggests some policy recommendations. The final section presents some avenues for future research

#### 9.1 Summary

In the urban local contexts of federal settings, urban governance cannot be relegated to a single municipality. The city, for policy implementation and service provisions, must remain vertically connected to upper level governments and horizontally to its surrounding local rural governments. It was along this theoretical assumption that this study took the main objective to sketch the institutions and mechanisms of IGR and thereby explain the implication of the same on urban governance in the federal system of Ethiopia. In order to achieve this objective, the thesis has been written in nine chapters.

Following Chapter one, where its objectives, research questions and methodology are being outlined, chapter two dealt with the concept and the place of IGR in federalism. The chapter has highlighted that IGR is central to the functioning of the different models of federalism-dual, cooperative and competitive. IGR has already become not only an indicator that distinguishes federal and non federal states but also it is the basis for dynamism of a given federation. The chapter assessed the place of municipal governments in some selected federations including Switzerland, Canada, India and South Africa. It also reviewed how municipal governments have been partaking in the IGR schemes of these federal systems. The review showed that each federation has some peculiar arrangements for the place of municipal governments in federal dynamics. Some federal systems like South Africa fully recognize urban local governments as one of the building blocks of the federation. Others like India and Switzerland partially set the framework for municipal governance while the creation of municipality is left to provincial government in Canada, suggesting the IGR at a minimum level.

The Comparative assessment on involvement of municipal governments in IGRs revealed that federal systems which has already put constitutional/ legal basis to the IGR schemes is criticized for leaning on the political party line rather than on the constitutionally or otherwise entrenched formal rules (e.g South Africa). Conversely, the federal systems which have reasonable IGR practices without sufficient constitutional/legal bases have been calling for the higher degree of formal institutionalization of IGRs (e.g. Canada). Despite the idiosyncrasies arising from the federal contexts, the intergovernmental institutions have emerged or on the process of emerging in response to practical realities including management of urbanization and urban questions. The comparative IGR review with reference to urban locality has shown that a single municipal government alone cannot be blamed for the problems of governing urban spaces, and a solution to this problem must be found by empowering the city itself.

Chapter three identified and reviewed some urban theories of the pre-1991 Ethiopia. It discussed how the urban spaces were captured and metaphorized as leading to the nation-state of Ethiopia. The pre 1991 urban system was influenced by and integral to the political, economic and ideological systems of the historical epochs. Further, the pre-1991 institutional arrangements and center to city relationships explained that the ruling class at the center created urban formations, policy of urbanization and administration with visions of the nation-state formation. The chapter has shown that the process of urbanization and urbanism before adoption of federalism in 1995 were characterized by: urban bias policy of the center, urban structures as part and parcel of the center, urbanism as a tool for exploiting the periphery, processes of informal urbanization, and urban social injustices promoting one specific cultural and language group and paving way for economic ascendancy of the same. Put simply, through the urban structure and the land holding system, the center had controlled over urban formation and urban administration.

Based on the urban background prior to the adoption of federalism, Chapter four justified the IGR perspective as a possible framework to study urban governance under the federal system of Ethiopia. The place of IGR in the federal system of Ethiopia in general and urban local units in particular, is characterized by its subordinate status in the constitutional and institutional arrangements of Ethiopia. The power of the city is designed by the regional state and it could be redesigned by the regional or federal state at any time. Nonetheless, urban centers are made responsible for policy implementation which inevitably connects the locality hierarchically to

regional and/or federal governments. The issue of service provisions following rapid urbanization has additionally and horizontally linked the city to the surrounding local rural administrations.

Chapters five and six dealt with contextual and relational factors pertaining to the case study cities-Adama and Assosa. These first dwelt on assessing the regional contexts and neighborhood contexts. In order to assess the relational influences on the governance of the case cities, these chapters have discussed the relations between the city and the regional state, between the city and surrounding woredas, and the municipal governance structures and lines of accountability. These chapters have sketched the vertical and horizontal relationships in which the case cities were involved, and the implication of these relations on the nature of governance in the city.

Both Oromia and Benishangul Gumuz regional states have already understood that the legislated autonomy for the city is insufficient for meeting urban governance, and that the need for urban governance is inevitably linked to the sub-national and neighboring local administrations. The regional city proclamations have provided the city's local autonomy, city's accountability to the region and the need for cooperation, mutual respect, support and partnership as the underlying principles of interaction between the city and the region. The institutional frameworks also understand that the city (urban) and surrounding woreda (rural) are inevitably linked and they cannot function well without the support of each other. Beyond such general understanding, the mutual interaction between the cities and surrounding woreda, as both Adama and Assosa revealed, that concrete and coherent institutional ties between the cities and surrounding woreda were barely developed. The key pressing issues that are matters of concern between the city and surrounding woreda such as land, particularly manifested at the fringe areas, were handled by *ad hoc* committees. Adama and Assosa cities are the head quarters for the surrounding woredas and Zonal Administrations. In spite of this fact, both cities have no institutional/structural connection with these administrations. Matters of concern between them were simply performed through party line and personal ties. In sum, these chapters showed that municipal governance structures and IGRs were characterized by weak institutionalization and the net effect of which is ineffective and unstable urban governance.

No urban governance issue could be effectively analyzed without focusing on the key urban issue i.e. land management which is conditioned by political, economic and socio-cultural

factors. Chapter Seven has assessed the local city capacity in land management particularly about land holdings and the management of urban informal settlements. It has identified the causes for informal settlements and assessed the capacity of the urban land institutions to manage informality. Despite slight difference in nature and intensity of the causes of informal urban settlements, both cities have essentially adopted similar mechanisms of managing informality: regularization at one instance and demolishing at another instance. Here, the chapter found out the existence of weak urban land institutions at city levels and their weak vertical and lateral IGRs in the management of urban land and widespread informality in land related matters.

Chapter 8 took the urban water supply service as the acid test for IGRs. In both cities of Adama and Assosa, there have been mismatches between demand and supply of water services. Comparatively, the two cities revealed that the water enterprises at the city level have inadequate capacity-structural, human resource and finance- to meet the water demands. Likewise, the institutional water supply service coordination within the water sector and across utilities has undermined the synergy of jurisdiction, expertise and resource to address the water supply demands.

## **9.2 Findings**

### **9.2.1 Reflection on Theoretical Framework of the Research**

The thesis took IGR approach to urban governance in order to sketch an explicit account of the city, neighborhood, regional and/or federal governments. The reasons for selection of IGR as a theoretical framework are manifold. The first is that IGR is already inherent in the concept of urban governance, since urban governance is not the same as urban government, and it encompasses local (city), neighborhood locality and upper level governments particularly in multilevel/federal arrangements. The second is the historical account on the basis of which the contemporary urban issues are shaped. Specifically, in pre-1991 context of urban Ethiopia, urban administration, urban structure and the urbanization processes were principally shaped by the policy of the center. During the imperial regime, urban structures were simply tools of the center-periphery relationships, exploiting the surrounding rural masses. The third factor points to the federal structure of Ethiopia which establishes at least two layers of governments-regional state and federal-and with some provisions for the establishment of the third layer by the

respective regional states. Such an arrangement necessarily invites IGR perspective to the urban issues. This perspective does not only focus on the shared responsibilities between levels of government but also presupposes the sketching of what powers and responsibilities are granted to each level, and possible ways by which jurisdictions can coordinate their responsibilities in horizontal and vertical dimensions. Further, IGR can be more buoyant in respect of dynamic nature of urbanization. Cities are undergoing rapid albeit informal urbanizations. The issue generated because of urbanization, particularly the service delivery, often goes beyond the city capacity. Hence, the urbanization process by itself is another internal factor that seeks IGR perspective to urban governance analysis. On balance, the IGR lens to urban governance was an effort made to sketch the multilevels-city, neighbors, regional and federal governments and authorities- account of urban governance. It requires an urban center as vertically connected, internally interconnected and horizontally linked mechanisms for urban governance.

The findings of the thesis show that the urban governance of Adama and Assosa cities were ineffective because the mismatch between local capacity and functional responsibilities and weak institutionalization of IGR between the city, surrounding Woreda and regional state governments.

### **9.2.2 Mismatch between Local Capacity and Functional Responsibilities**

As it exists, the capacity of cities or local autonomy is inadequate to resolve urban governance problems. The capacity of the city to improve urban governance is weakened by the subordinate position of the urban local governments in the constitutional and institutional arrangements. In this case, the urban water supply service affirmed the problem of incapacity. The water Enterprises could not cope with water service demands because the necessary sources of finance and technical skills are not put in place. The attempts of structural reforms of urban water supply service have facilitated the regional influences than ensuring the local capacity. In the case of Adama, Water Board is accountable to the Bureau, and the chairperson is appointed by the Bureau head. In contrast, in the case of Assosa, both the chairperson and members are selected by the bureau but has to be endorsed by the regional president. In the case of Adama, the potential institutions from which members of the Board could be selected are clearly outlined by the UWSSE proclamation. The same is not true in Assosa. The tendency in both cases however is towards empowering the regional water bureau and regional authorities in urban water supply

services. Consequently, for seeking water funds and technical water works cities rely on upper level regional bureaus and beyond. The fiscal constraints and technical skills serve as one of the instruments for control over urban water supply services from above.

In the case of Assosa, the regional organ like Urban Land Development and Management Department of the Regional Bureau of Urban Development and Housing which was given the mandate to build capacity itself lacked capability. The capacity building responsibility without capability implies the lack of commitment to build capable city/local institutions altogether.

The other is the problem of overlapping of the political and administrative staffing. The key professional positions like urban land and water managers were occupied based on political affiliation and ethnic backgrounds. This condition has undermined the merit based staffing of efficient persons required for the administrative and technical urban service delivery issues. Consequently, those who were supposed to lead municipal functions have been turned out to be unaware of how the urban services and technical skills could work. Many of the urban issues that the cities are supposed to resolve were either beyond the city capacity or decisions have to come from above.

The municipal governance models gave primacy to the political control over city than efficiency in governance institutions. Adama (Oromia) municipal reforms were routine, unstable and uncertain while reforms were stagnant and insensitive to changing urban dynamics in Assosa (Benishangul Gumuz). The Mayor-council Model has not ensured stable Mayor in Office. The habitual change of Mayors without serving for a term of city council was attributed to lack of capacity and mal-governance, and the capacity of the mayors to understand political and technical factors of the city has been a suspect.

Both Cities follow the same principle of appointing Mayor from the indigenous/territorial group. In the case of Assosa, Mayor should be from the city council and he/she would be elected from the indigenous groups. The positive aspect of the appointment strategy is that the Mayor is a member of elected councilors at the city level. The drawback of the strategy is that the mechanism did not give leverage for finding out capable person outside the councilors. To become a mayor one has to member of the city council. In terms of the principle of local democracy the appointment Mayor-council model of municipal governance of Assosa appears

better. The practice however suggests that the city could not find stable Mayor. There has been change of Mayors short of the city council tenure due to either rent seeking or capacity problems. In contrast, the case of Adama is criticized for the appointment of the Mayor by the regional president and accountable to the same. This arrangement has given the flexibility for change of Mayors at any time deemed necessary. The limitation of this model, the Mayor is not an elected member of city council and hence criticized for lack of commitment to local democracy and the Mayor acts as regional representative than part of the city council. In addition, the municipal governance models have not resolved issues of empowerments (tension between political and economic empowerments), representation and inclusion.

### **9.2.3 IGR in Urban Governance**

The IGR in urban governance was analyzed by looking at the relationships between the region and the city and the city and the surrounding woreda. Here, the city is considered as part of the whole system, and the structural and functional relations of the city to its neighborhood and supra-city governments indeed determine the nature of governance in the city. In this line, the findings of this research and answers to the research questions are presented as follows:

#### ***City and Regional State Relation***

The study showed that the Regional State understands that the legislated autonomy is insufficient for meeting urban governance, and that the governance system is inevitably connected to the sub-national and neighboring local administrations. Both regional states have provided important principles of interaction between the city and the regional state. It presupposes the city's local autonomy, city's accountability to the region and the need for cooperation, mutual respect, support and partnership as underlying principle of interaction between the city and the region. The IGR, however, has been performed through the ruling party and sectoral line networks. In this way, the relation between the city and the regional states barely moderate the main forces-decentralization and urbanization-shaping the urban governance.

The mechanism has not helped to build cooperation, partnership and hierarchy-free working relationship. Yet, the institutional relationship between the city and regional state is unsettled and subjected to unforeseen future. It is unsettled in the sense that the status of the city and its relationships with the regional states can be changed at any time the regional ruling party is

interested. The relationship is characterized by informal and party line network and actors operate in hierarchic orientation. Under insecure legal status of the city and unrestrained influence of the party, lack of strong urban institution and IGR remain a challenge for urban governance.

### ***City and Surrounding Woreda Relation***

The cities and the surrounding local governments are not only interdependent but they also cannot properly function without each other. Both the regional city proclamations and urban development policy papers underscore the need to establish mutual urban-rural linkages. Beyond the informal relationship and party line coordination for crises management between the city and surrounding woreda, one hardly finds settled principles and rules of interaction between them. The institutional failure between the city and surrounding woreda has contributed for rapid and informal urbanization which in turn has complicated matters related to service delivery and land management.

This gap in the city and woreda interaction has also created the view that the urbanization process is for the city but against the livelihood of the surrounding people. In addition, the nature of interaction between the city and its neighbor on matters pressing concern like land depends essentially on the direction that comes from regional organ or through regional organ. The weak institutional ties between the city (urban) and the surrounding woreda (rural) are due to the incoherent understanding of the interconnection between these spaces. The city is still seen as separate and loosely connected to its neighboring territories and community. The *ad hoc* relationships that existed were hierarchic, dependent and lack of mutual interdependence between the city and surrounding woreda. This condition disregards the neighborhood effect on the governance in and around the city.

### ***City and Other Urban Institutions***

Urban governance is also quite challenged by the relationships between the city administration and other urban institutions within the city itself. Evidently, the city administrations have no formalized relationship with the city's Water Supply Enterprise. Except the fact that City Mayor and the Manager of the Water Enterprise are members of the Water Board, there is no formal accountability and legislated duty of cooperation between the city administration and the Water

Enterprise within the City. The problem of coordination between the city and other urban institution has also been witnessed by the gaps in streamlining the water supply service with municipal as well as urban planning implementation activities. The attempts to resolve water supply shortages in the cities have shown up as mechanism of crises management rather than as duty and responsibility of the multilevel institutions and actors to act under normal conditions. Hence, the coordination and partnership between them is for firefighting strategy than a commitment to build a sustained institutional coordination and partnership for efficient SD.

### **9.3 Factors Affecting IGR Capacity to Resolve Urban Governance Challenges**

Beyond the mismatch between local capacity and functional responsibilities of the city, the intergovernmental practices did not empower urban local governments. A number of factors have hindered the IGRs's solution to the problems of urban governance. These factors have not only dwarfed the institutionalization of IGR but also sidelined the place of cities in the IGR schemes of the federation thereby undermining the intergovernmental cooperation in resolving urban governance issues. These factors include: Urban Vision, Model of federalism, Ambiguity in regulation of the City, and Degree of IGR Institutionalization (Formal and Informal Balance), and political expediency

#### **9.3.1 Model of Federalism and Degree of Institutionalization of IGR**

Models of federalism not only show the degree of institutionalization of federalism but also the place of IGR in a given federation. In federal systems like Switzerland, the cooperative nature of the federation is guaranteed by clear principles of cooperation, consultation, subsidiarity and municipal autonomy. South Africa has guaranteed not only the duty to cooperate between spheres of governments but also some degree of distinctiveness of each sphere. However, the 21<sup>st</sup> century understanding of federal democratic theory needs to comprise a good balance of dual federalism (coordinate theory or independent existence of the tiers), cooperative federalism (equality of the orders of governments and mutual interdependence) and competitive federalism (local democracy and policy experimentation) (Kincaid 2011; Watts 2006).

Compared to the three three models of federalism along with their IGR, the Ethiopia federation and its IGR definitely has not been competitive inasmuch as the constituent units have seldom innovated policies. The ruling party/EPRDF visualized the Ethiopian model of federalism as a

‘cooperative federalism.’ However, dominant party system and party line IGR made the cooperative nature of Ethiopia federalism debatable as long as the essence of cooperative federalism such as spirit of partnership, equality, nonhierarchical orientation of actors and political culture of cooperation are barely observed in the governmental interactions.

The study has showed the interactions between levels of governments across jurisdictional boundaries and sectors have been hierarchically oriented. The regional states and cities under the regional states were principally considered as implementers of the policies of federal government. The IGR forums and informal communications between levels of governments were objects of control from above than consultative ones. Thus, the representation of Ethiopian federalism as cooperative federalism and the understanding of IGR in such model are far from cooperative.

### **9.3.2 Ambiguous Urban Vision: Embedded or Enclave?**

The ambiguous conception of ‘urban’ starts from the constitutional status of urban local units along with the overall local self rule provisions. What is provided for local self rule below the regional state is not clear. Is the federal constitutional status of urban and rural local governments the same or different? The regional constitutions have already made a distinction between the urban and woreda administrations whereby the former is not secure while the later has got sub-national constitutional status.

Undoubtedly, the pre 1991 urban history showed that these urban centers were built as distinct spaces in terms of language, culture and ethnic identity compared to the surrounding rural mass. The age old understanding of urban place as superior, different from the rural area and the policy favor to urban issues remains lingering in the urban vision of Ethiopia. But the federal dispensation has shifted this vision and cities are embedded within the regional state contexts. This view does not put urban spaces as unique spatial units outside of the regional contexts but as integral parts of the overall spatial and political organization. However, the urban issues are still disposed by political culture of the unitary state and its urban outlooks. The municipal institutional architecture, the relationship between the city and upper regional governments are also influenced by the old spatial principle of urban superiority. In this sense, the federalist

understanding of urbanization and urban governance is yet to be seen, and IGR carries the burden to prove this.

If the city is to be considered as enclave, it means that the surrounding mass (rural hinterland population) is loosely connected to the city. This view advocates for the city as special status vis-à-vis the surrounding jurisdictions. The tendency to put Adama as special Zone, for example, highlights the weakening linkage between the city and the hinterland; the city and the regional state. It paves the ground for an unforeseen spatial principle to be applicable to the city. This treatment of Adama shows that the urban visions in Ethiopia are incoherent to develop effective urban governance. Any further effort to bring efficient urban governance in Ethiopia needs to settle the clash of imaginations about urban jurisdictions and boundaries.

### **9.3.3 Who Regulates the City?**

In the federal system of Ethiopia, urban localities are the legal creations of regional states. Which of the two- region or federal government- regulates the city needs policy specific answer. In this line, with regard to urban land, the federal government's role has already gone to the extent of regulating the city without direct intuitional connection with the urban centers. On accounts of framework setting, standardization and lack of capacity on the part of regional state, the federal government is essentially regulating the city through the model regulations, directives, manuals etc that it has prepared through the federal ministry of urban development. The regional states have merely replicated the regulatory frameworks set by the federal organ. The impact of such policy on the regional autonomy, power relationship between the city and the region, city and neighborhood interaction are not in tune with the federal spirit of the state, and this has put a suspicion on the regulatory power of the region over the city. Thus, if one agrees to the view that whoever controls/regulates land does control the city, it has been the federal government who essentially regulate city. The overlapping federal and regional authorities did clearly complicate the regulatory matters rather helping the land management.

Hence, the urban policy has been the area where federal government dominates, regional state replicate what the federal government does and cities are compelled to subserve.

#### **9.3.4 Political Expediency and Electoral Contingencies**

The structure of the city government and the relationship between the city, neighborhood and regional state are attuned for political and electoral contingencies than for moderating the urban governance tensions. Any tension in Oromia regional political landscape has impacted the status of Adama. This illustrates that the political network dimension of IGR than any other dimension of interaction between the city and regional state. Municipal reforms particularly in Adama were largely driven by the political exigencies rather than rigorous institutional analysis.

The municipal reforms usually came as imposition made at the highest level, showing intergovernmental hierarchy and intervention into local affairs. Municipal reforms and urban institutional restructuring have always been made under political pressures and exigencies. This raises not only the inadequacy of decentralization at the city level but also making the reformer responsible for the urban governance failures.

The nature, time and contexts in which the municipal reforms were carried out pinpoint political exigencies as the driver of the reforms and intergovernmental influences. The same factors have affected the urban institutional structure and the institutional connections and disconnections between the city, neighborhood and the regional state. The same factor has made: 1) the urban governance institutions and structures unstable and uncertain; 2) the institutional relationships weak and unsettled.

#### **9.3.5 Ethnicity and Territory**

Scholars have understood that ethnicity is inherently territorial, and to be at all for ethnic group is to be at some place (Murphy 1989; Orum and Xiangmin, 2003). In a country wherein virtually everything is connected/tied to land and its products, there won't be any meaningful ethnic autonomy without possession of land (urban, rural, fringe). On the one hand, Article 39 guarantees the inextricable attachment between territory and ethnicity. On the other hand, Article 40 guarantees access to land use as right of any citizen of Ethiopia. The same article provides the land ownership to nation, nationalities and people and the State. These provisions show that land has both individual and group right aspects. Article 40 appeared to have established different land regimes between urban (lease system) and rural (permit system). The fringe or urban rural

interface is the object of the interception between the land regimes. Moreover, federal government has a policy and legislative power over land while the (ethnic) regional states are given the power to administer land. The issue of land affects all scales/tiers of governments including city, neighborhood and upper level governments.

In this sense, the question of urban land is highly complex and inextricably connected to identity and power. More often than not, the economic value of land is increasingly shaping urban habitats. This condition has already reinforced the view that ethnic and political empowerment should be translated into economic empowerment.

The finding of this study has shown that urban lease policy is good mainly for two reasons: it increases the municipal revenue without which city cannot develop infrastructures. Second, it helps to use land efficiently-brings higher income for the city. The principle of economic efficiency however did not maintain equity in land use delivery because the poor has been excluded, and ethnic autonomy over land use undermined resulting money playing key role. Consequently, the issue of urban land has become the question of who benefits from it. Whether the security of ownership is guaranteed beyond symbolic association between ethnicity and land? How the city governs has essentially become how urban land is managed, administered or developed.

### **9.3.Recommendation**

This study suggests the following recommendations

#### **1. Institutionalization of IGR: Clear Model of Federalism and Place of Urban Local Governments**

Theoretical arguments and empirical findings of this work would advise the multilevel actors to consider the institution and process of IGR in and around urban areas. The extant IGR-party line and scattered workshops- lacks coherent guideline that fits into the development of strong and resilient institutions of IGR. However, the argument of strong institutions of IGR in urban governance seek three important concerns investigated by this study: 1) Clear visions about the relation between urban spaces and models of federalism; and 2) recognition of local governments in the federal schemes; and 3) Nexus between formal and Informal Institutions of IGRs

First, there is a need to have clear model of federalism. Without clear definition of urban space, its place in the multilevel system and its clear areas of interaction in both vertical and horizontal dimensions, it is barely possible to concretize the role of IGRs in addressing urban questions stemming from the federalization and urbanization processes. The approach not only helps for internalizing how federalism works at the city level but also it brings together the efforts of the different levels of the governments in order to meet the same primary goal of serving the people through inter-jurisdictional and sectoral lines of Cooperation. IGR, therefore, continues to be instrumental to address service delivery issues.

IGR in mature federations like Switzerland were developed in both political and technical dimensions involving all the spheres, and decisions about powers and functions are reached after full consultation and regular review of results. The case of emerging federation of South Africa has gone farther than even the developed federations in terms of making IGR and cooperative governance a constitutional matter. The effort to formalize IGR under the guise of cooperative governance in South Africa could not however produce cooperative federalism as it was supposed to be. The influence of the dominant party system on the formalization of IGR has turned cooperative federalism into coercive type (Steytler 2010). Thus, the comparative experiences illustrate that there is a need to be conscious about the model of federalism envisioned through the formalization IGR, and the influence of the party system in the process as well. The argument here is that the institutionalization of IGR has to be constructed with coherent vision on the model of federalism. Also, as long as the federal system of Ethiopia is based on ethno territorial principles, IGR in such context is not about mere governmental relations but also it is about intra (inter) ethnic relationships.

Secondly, ULG deserves to be remembered in the federal operation in general and IGRs in particular. The involvement of urban local governments in the institutionalized IGR matters helps to prove that the implementation of federalism and decentralization reaches the bottom level. The inadequacy of the legal security of urban local governments in the federal system of Ethiopia can be moderated through the efforts of involvement of urban local governments in the institutionalization of the IGR schemes. There is a need to have some IGR mechanisms by which cities / local voices are consulted prior to and in the process of policy implementations. IGR forums have the potential to develop spirit of cooperation and partnership which in a way

improves the federality of the federation. If the efforts for institutionalization of IGR are restricted to vertical (federal-region) and horizontal (region to region), it implies that the federalization/decentralization processes stop at regional level, and cities remain junior IGR actors. Therefore, the efforts to develop the formal and policy frameworks of IGR should not treat urban local governments simply as the end edge of the food chain. There is need to include the urban local governments in the table of intergovernmental affairs as the participation of cities in IGR forums has the benefit of improving the junior partnering and the invisibility in federal system. In particular, at a regional level, the cities have to be consulted prior to decision on the intergovernmental transfers.

Furthermore, the involvement of urban locality in the IGR schemes helps them to understand their jurisdictional mandates in so far as IGR is a good schooling for federalism. It helps to build a political socialization- the values, motives the behavior needed for federalism or helps to build a political culture of federalism. IGR helps LGs meet their needs and reduce unnecessary overloading from supra-local. It can also help to improve the urban governance condition through integration of jurisdiction expertise and financial capacities. In a nutshell, urban administrations could receive benefits that they couldn't otherwise receive if they are considered in the IGR schemes.

Thirdly, balance the functional nexus between formal and informal IGR. This study converges with the proposal for formal institutionalization of IGR in Ethiopia. But, as much as formal rule, the argument for the institutionalization of IGRs seeks the functionality relationship between the formal rule and informal norms. This directs the attention of institutionalization of IGRs to allow some degree of informality in logic of formalization.

On the one hand, there is a need to establish effective institutions and principles of IGR which could help understand the jurisdictions and responsibilities of the multiple institutions and actors; ensure consultation and participation of the actors in policy processes, regulate forums etc. On the other hand, the informal institutions have to complement and accommodate the gaps in the formal IGRs. So far the exercise of IGR have been characterized and dominated by party or personal line networks, which epitomizes the weak institutionalization of IGRs. To speak of strong and effective institutional relations between the multiple levels-city-region-and federal- there must be some clear formal frameworks that shape the health combination of formal rule

and informal norms of IGRs. This necessitates paying close attention to how much of the political resources, how much law and how much of practical innovation could be needed to make efficient interaction between levels of governments. The functionality imperative demands a policy direction and working towards bringing federal political culture and spirit of partnership.

## **2. IGR in Urban-Rural Linkages**

Another major policy implication of the research points to the urban-rural linkages. So far the policy documents understand the need for mutual linkages between the city and its surrounding. The policy directions are by and large inclined to promote the urban development without however the federal and decentralization spirits or governance questions that arise in the process of largely urban biased relationship between the cities and surrounding woreda. Little institutional linkages have been put in place. Cities appear higher than its neighbors and no accountability relationships or clear lines of information sharing are put in place.

There is lack of institutional/ structural ties between the city and its neighborhood. The interaction has relied on *ad hoc* committees and scattered along policy issues. The interactions were often appeared as fire fighting strategy to manage crises particularly on the land issues. Although both Adama and Assosa are the seats for the surrounding Woreda and Zonal administrations, the level of interaction between them have been weak. In addition, the arrangement has made the city and the woreda to depend on the upper level government instructions. This study suggests the need for clear institutional relationship between the city and the surrounding woreda in order to collaborate in service deliveries as well as manage mutual risks that affect both administrations. This institutional relation could also have the advantage of managing urbanization which has been rapid and informally expanding the boundary of the city beyond its municipal boundary. The effort should involve undoing of the legacy of administrative actors and policy makers' bias towards favoring either urban or rural, pitting one against the other.

Here, inasmuch as the ULG are vertically connected to the upper level governments and horizontal linked to neighboring local governments, there should be a guideline governing the interaction of the city in both directions. Specific IGR forums involving the participants from the city, Woreda, Zonal and Regional administrations for land management and water service deliveries districts are also worth recommending.

### **3. Giving Responsibility for Capacity Building to the Capable**

There is no point in granting the capacity building role for an institution if the same institution suffers from capability even for its internal affairs. In the case of Assosa, for example, a Regional Bureau of Urban Development and Housing has the capacity building responsibility to support the city. But the Bureau itself lacked capacity. As it is shown in the assessing the institutional coordination in the urban land governance, one of the challenges of implementing the land policy is the capacity problem. This has created the city dependant on the region or created leverages for the federal influence. Similarly, the effectiveness of the cities' in provision of urban water services is highly influenced by inadequate capacity (structural, human resource and fund) at city level. This shows that the blame for meeting the service demands should not be restricted to city level responsibilities in as much as the capability is retained at the higher levels. Thus, without ensuring the capability of the service sectors, the overdosing of responsibilities would remain elusive.

### **4. Need for Stable and Secured Urban Administration**

Urban local administration is one of the unsettled issues particularly in Oromia. One of the alternative mechanisms of safeguarding the problem of status and uncertainty with regard to urban structure, City and Surrounding Woreda/Zone relation, City and Regional State Relations, it is better to settle these issues in the very regional constitution at least in order to sideline abrupt reforms at indefinite time.

### **5. Awareness of IGR as School for Federalism**

Federalism is a complex governance arrangement that needs adequate awareness on how it works. The IGR forums and institutions could serve as one best alternative along this line which currently is a gap in the federal practice of Ethiopia. Particularly, the urban governance processes and municipal reforms should focus on the learning processes rather mere reorganization of institutions. Institutional development in federal setting needs the development of underlying federal idea, institutions designed for implementing the ideas and behavior of actors operating according to the institutional rules of the game. The comparative IGR studies show that it was through IGR that the utility of federalism under the changing conditions were adjusted. The principles, institutions, objectives, practices of IGR would also develop a political culture and

actor's orientation consistent with federalism. This merits emphasis because of the belief that the dynamics of federalism depends on institutions of IGRs.

#### **9.4. Avenues for Further Research**

Through IGR lens to urban governance, this research has tried to analyze federal solution to urban problems. It has made an effort to link the urbanization theories with federalism. However, the impact that urbanization process as one of the internal challenges to federalism and the alternative institutional solutions are yet to be investigated fully. The extant theories of urbanization were developed in the context of the hitherto centralized nation-state setting. These theories barely capture urban spaces under a federal system, which radically shifted centuries of state society relationships. The IGR perspective to urban governance could be considered as one of the academic exercises trying to investigate urban places from the vantage point of federalism. It, however, does not claim any exhaustive research with regard to urban governance under the federal system of Ethiopia. Therefore, much more researches are needed to develop a 'federal urban theory' in order to capture the interface between federalism, urbanism and urbanization.

The following avenues for further research are suggested:

- I. Federalist understanding of urban problems is yet to be in the cognitive map of the actors. Here, understanding the multiple relationships between urbanization and federalism could itself be an object of inquiry as long as there is a responsibility on the part of federal urban scholars to analyze urban question and processes of urbanization under federal system of Ethiopia.
- II. More research is needed on cities (urban local governments) in IGR schemes of federal systems particularly focusing on comparing the mature and emerging federal systems.
- III. Future research needs to investigate the institutional and political conditions under which federalism brings efficient, responsive and accountable urban service provisions, and governance of the same altogether.
- IV. Further research is needed on urbanism with relational perspectives including: Citizen to land; ethnicity to land; federal government to land, state government to land; and local government to land.
- V. The policy of urbanization and ethnic autonomy needs further research. Particularly, the housing and settlement policy would be a starting point along this line.

VI. Also, for anybody who what to uncover the operation of federalism and decentralization in and around urban places, IGR would remain as the promising analytical tool.

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