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**College of Development Studies**  
**Regional and Local Development Studies Department**

**Assessment of Local Economic Development Practice in  
Addis Ababa, Ethiopia: The Case of Arada Sub City  
Administration**

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**Addis Ababa Ethiopia**

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**Assessment of Local Economic Development Practice in Addis  
Ababa, Ethiopia: The Case of Arada Sub City Administration**

**By, Beneber Teshome Tesfe**

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the MA Degree in Regional and Local Development Studies**

**June 2023**

**Addis Ababa Ethiopia**

## **Letter of Declaration**

I hereby declare that this thesis entitled “Assessment of Local Economic Development Practice in Addis Ababa, Ethiopia: The Case of Arada Sub City Administration” is my original work to the best of my knowledge and has not been presented for an award of degree at this or any other universities and that all reference materials contained therein have been duly acknowledged.

By,

Beneber Teshome Tesfe

Signature \_\_\_\_\_

Date \_\_\_\_\_

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## Declaration

As members of the Examining Board of the final MA open defense, we certify that we have read and evaluated the thesis prepared by: Beneber Teshome Tesfe entitled: “Assessment of Local Economic Development Practice in Addis Ababa, Ethiopia: The Case of Arada Sub City Administration” and recommended that it be accepted as fulfilling the thesis requirement of MA Degree in Regional and Local Development Studies.

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Final approval and acceptance of the thesis are contingent upon the submission of the final copy of the thesis to the Council of graduate studies through the departmental graduate committee of the candidate’s major department.

I hereby certify that I have read this thesis report prepared under my direction and recommend that it be accepted as fulfilling the College of Development Studies, Regional, and Local Development Studies department MA thesis requirement.

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Thesis Advisor

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Date

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## **Abbreviations**

CED	Community Economic Development
CPD	Continuous Personnel Development
ED	Enterprise Development
FDRE	Federal Democratic Republic of Ethiopia
GI	Green Infrastructure
GTP	Growth and Transformation Plan
ILO	International Labour Organization
INGO	International Non-Governmental Organization
LAP	Local Area Program/Project
LAYE	Local Area Youth Employment
LD	Locality Development
LED	Local Economic Development
LNGO	Local Non-Governmental Organization
Mo FED	Ministry of Finance and Economic Development
OECD	Organization for Economic-operation and Development
PPP	Public Private Partnership
RLDS	Regional and Local Development Studies
SPSS	Statistical Package for Social Sciences
UCLGA	United Cities and Local Government of Africa
UNDP	United Nations Development Program
YDP	Youth Development Plan

## ***Abstract***

*In Ethiopia Local economic development is adopted by the Federal Government and now applied in local areas with the intention of intensive participation of local communities. The objective of this study was to assess LED implementation practices of the Arada sub-city Administration. The study used descriptive survey design and the study relies on the data gathered from primary and secondary sources. The primary data collected for this study were from 156 sample respondents from 8 woredas of Arada sub city. The secondary data were obtained from existing literature and a review of relevant LED-related documents including policies, plans, and reports. The current status of the study area's LED practice is considered good and promising. The study shows that the benefits resulting from LED implementation include improve social, economic, and public infrastructure development, enhance business diversification, enhance better local resource mobilization, improve information flow between business developers, investors, and controllers, and to measure the performance results. The main identified challenges of LED practice in the study area include lack of good governance; high level of corruption, bureaucracy, and irregular practice, Lack of business enabling environments such as limited economic resource and unstable political and economic condition of the country. The study finding implies that a Local government should provide training to the identified potential local actors to accelerate LED implementation and maximize the benefit gained from the programs. Finally, it is suggested that to enhance LED implementation, both researchers and policymakers should target testing the performance of the implementers and controllers.*

**Keywords:** Local Economic Development, Practice, Benefit and Challenges

# Chapter One

## Introduction

### 1.1. Background of the Study

Local economic development (LED) has in recent years, gained widespread acceptance, as a locality-based response to economic challenges and is now firmly agenda of many national and local governments and key international agencies (Mbeba, 2014). LED combines economic development activities, urban planning, infrastructure development, and social development activities to improve local conditions. It is a process that brings together resources from within and outside the community to address Local economic and societal-related challenges and to promote economic growth in a systematic and organized manner at a local level. LED is also considered a means to achieve the effective mobilization of locally based resources by encouraging investments with the highest rate of socio-economic return.

LED is a process that encourages partners from the community, public sector, private business sector, and non-governmental organizations to work collectively to create better conditions for economic growth and employment generation to improve the locality economic future and the quality of life for all citizens Mandisvika (2015). LED can be sustained by scanning the local areas and responding to the main needs of local communities using locally based resources to ensure its sustainability. Its main objectives are to stimulate investments that will promote sustained high growth in the local community. In doing so the LED actors must respect the religions, cultures, beliefs, and dignities of the local area community.

According to Christian's (2015) review, LED has emerged globally as a vital planning approach for local economies. This is because the success of a community today depends upon its ability to adapt to the dynamic local, national, and international market economy. LED creates a greater opportunity for local government, private and not-for-profit sectors, and local communities to work together to improve the local economy (Seberang, 2016). The partnership between the public sector, private business sectors, non-profit organizations, and local community becomes crucial for a successful and sustainable local economic development process allowing the convergence in investment programming between the different local actors.

LED programs have been officially commenced in Ethiopia with the support of the United Nations Development Program (UNDP) in two phases focusing on "cities/localities" local development though the program overlooks rural territorial development (Defferew, 2022). Accordingly, the first LED intervention program was implemented in 2009 in seven cities of Ethiopia including Bahir Dar in the Amhara regional state, Adigrat and Mekele in the Tigray regional state, Asella and Nekemte in the Oromia regional state, and Sodo and Hawassa in the Southern Nation Nationalities and People regional state as a pilot study (UNDP, 2012).

The second phase of the LED program was started in 2012 and end up in 2015. During this phase, the LED intervention program was implemented as an up-scaled project in 27 localities (7 existing and 20 new localities) (UNDP, 2012). The strategy and implementation plan preparation has also involved an assessment study of localities which identified local potentials by creating an inventory of existing and potential economic development resources available in each locality. The implementation plan indicated that mobilizing the community for LED, creating an investment-friendly environment, promoting private sector development, and strategic planning were required as support mechanisms.

However, regarding with the aims of testing the program applicability and current status assessment there were no studies conducted in the study area specifically on LED implementation practices. So, this study was done to understand Local economic development practices of the Arada sub-City administration and share good practices and experiences gained from the study area with the remaining other 10 sub-cities of Addis Ababa city administrations.

## **1.2 Statement of the Problem**

In most developing Nations including Ethiopia, LED (LED) is advancing and gradually gaining relative importance as an alternative development approach to decrease poverty, unemployment, and inequality at the local level and address the negative consequences of globalization (Meyer, 2008). It is continued up to now and the policy of LED is currently attracting considerable attention in government and development circles in Ethiopia predominantly in Addis Ababa city administration of all sub-cities including Arada sub-city administration by both local government and community levels. It relies on endogenous development policies which make use of potential and existing local resources including human skills, and institutional and physical resources found locally to solve the problems and challenges of local communities.

However, as observed from the study area, LED is still less widely implemented in the Addis Ababa figure sites where, in most instances, it appears to be in an initial phase, and local communities were not benefited from LED initiatives and its policy execution. As the researcher tried to analyze selected article papers and LED-related studies which were conducted at the Arada sub-city, most of them were focused on good governance and others but not specifically on LED implementation practices. The study was conducted by Samson (2018) specifically on good governance in the study area the main problems were identified and the solution options and recommendation was suggested by the researcher.

The other study/assessment conducted on LED practices by United Cities and Local Governments of Africa (2016) focused on seven cities/urban areas of Ethiopia that were not addressed fully the local area on sub-city levels of Addis Ababa city government. There is a lack of an empirical study that examines the practice and data from Public sectors, Private business sectors, and NGOs found in the study area. As the researcher tried to explore from concerned local area public officials, there were no studies conducted with the aims of examining Local economic development practices in the study area. These are the main gaps that motivated the researcher to do this study in the Arada sub-city. Therefore it is necessary to conduct this study to understand the obstacles behind the low progress of Local economic development implementation in the study area and tried to fill the identified gap by the study.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The general objective of this study was to assess the current status of local economic development practices of Arada sub-city administration.

#### **1.3.2 Specific Objectives**

The specific objectives addressed by this study were the following:-

To know the current status of Local economic development practices in the study area.

To assess the main benefits resulting from Local economic development practice.

To examine the main challenges of LED and to recommend solution options.

#### **1.4 Research Questions**

The main research questions of this thesis work were the following.

1. What are the main benefits of Local economic development to the city/study area?
2. What are the challenges encountered in the Local economic development operation process?
3. What are the main strategies used to bring successful Local economic development?

#### **1.5 Significance of the Study**

This study was concerned with the assessment of Local economic development Practices of Arada sub-city administration. The LED implementers including the Arada sub-city and its woredas, Local communities, Private business sectors, and non-governmental organizations will use the main findings of this study to improve their LED practice and give solutions for the identified implementation challenges. The one who may want to gather data and acquire information on local economic development practice will use this thesis find as a source of reference to organize the study-related literature.

#### **1.6 Scope and Limitations of the Study**

This study was done on an assessment of LED practices and was concerned only with the areas within the boundary of the Arada sub-city administration. The selected sectors that are actively working on local development were the main focus of this study. The study doesn't include sectors that did not provide a major LED service in the selected study area. The study was limited to the area of Arada sub-city administration located in Addis Ababa city; due to this the research finding may not provide valuable insights to the other regional cities that are found outside the Addis Ababa city administration.

#### **1.7 Organization of the Study**

The remaining part of this paper is organized as follows: Chapter two presents the review of related Literature which includes concept and definition of LED, theoretical review, empirical studies and study related gaps. Chapter three presents the research design, study population, sample and sampling techniques, and others. Chapter four focused on the required data analysis which includes descriptive data analysis, and interpretations of data results. Finally, the last chapter, chapter five presents a summary of key findings, conclusion, and recommendations of the thesis work.

## **Chapter Two**

### **Review of Related Literature**

#### **2.1 Meaning and Concepts of Local Economic Development**

Local economic development (LED) has been defined in many ways by practitioners and academics alike. Blakely (1994) and Nel (2001) define LED as the process by which local government and community-based organizations engage to stimulate or maintain business activity and/or employment. Scheepers and Monchusi (2002) define Local economic development as: "a process managed by cities following the economic component of their constitutional mandate to promote social and economic development". For them Local refers to a process of valuing the Local potential, making optimal use of the already existing local capacities; Economic is directed towards the identification of investment chances, supporting Local activities, and facilitating access to markets and development is the process that is aimed at promoting an improvement in the living and working conditions of the community through the creation of new jobs, retention of existing jobs and generation of income.

For the ILO (2006), LED represents a "participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy by making use of the local resources and competitive. This participation helps for creating jobs, secure livelihoods, improve infrastructure and manage local resources.

##### **2.1.1 Evolution of Local Economic Development**

The concept of LED as a development strategy was relatively a recent phenomenon and not sufficiently acknowledged in the existing economic thinking until recently (Birkholzer, 2005). According to the World Bank (2004, 2009a), and cited by Defferew (2022), LED has gone through three broad developmental stages or waves and each of the stages has its instruments and attention. In each stage, practitioners of LED have developed a better understanding of both effective and failed LED programs. The focus of the first stage of LED which started in 1960 and ended in the early 1980s was an emphasis on investment in mobile manufacturing and production of agriculture. Investment in infrastructure by providing subsidies, and the attraction of foreign direct investment was the central focus of this wave (kanyane, 2008).

The second stage was experienced during the period of the 1980s to 1990s and the focus during the stage shifted towards expansion and retention of existing local businesses and inward investment as well by emphasizing specifically targeted sectors. This was attained through supporting business start-ups, direct payment for individual businesses, and provision of both soft and hard infrastructure. In the third- wave from the late 1990s onwards and during this wave, the emphasis was more on the creation of a conducive environment for the whole business supporting the establishment of the business cluster through intensive training and education with the assumption that free enterprise will be encouraged (World Bank, 2002).

The policy and practice of the LED are presently found in its "third wave". According to Helmsing (2003), LED is in its third wave and this wave is also described as multi-level, multi-sector, and multi-actor by its nature. For him, multi-actor indicates that the success of LED relies on the participation of government, businesses, and civil society actors while multi-sector implies the significance of government, business, and civil society sectors of the economy in LED initiatives. The final point- multilevel- denotes that LED success requires not local initiatives but also considers opportunities and threats of dynamism in globalization.

## **2.2 Theoretical Review of Local Economic Development**

Local development is a relatively young theory in social sciences based on the identification and use of the resources and endogenous potentialities of a community, neighborhood, city, municipality, or equivalent. The Local development approach considers the endogenous potentialities of territories. The history of LED extends decades, and the actions taken by local organizations have become even more relevant in the face of increasing levels of global economic integration. There are a few theories that are more related to LED discussed below.

### **2.2.1 Location Theory:**

Location theory is a core theory and a common area of study in economic geography and regional economics it originated from classical economics and can be traced back to the classical location theory of Germany (Fengru, 2016). Economists found that locations and places are related to economic processes very early. Location theory addresses questions of what economic activities are located where and why. Location theory or microeconomic theory generally assumes that agents act in their self-interest. Firms thus choose locations that maximize their profits and individuals choose locations that maximize their utility.

### **2.2.2 Cluster Theory:**

Cluster development (or cluster initiative or economic clustering) is the economic development of business clusters. The cluster concept has rapidly attracted attention from governments, consultants, and academics since it was first proposed by Michael Porter in 1990. The theory states that concentrating industries in specific regions creates several advantages. Most economists believe that there are four compositions of clusters that can be identified: Geographical cluster: - A cluster of firms in a geographical location where enough resources have accumulated to give a competitive benefit to industries in a given economic branch. Sectorial clusters- A cluster of businesses working together from within the same economic development sector. Vertical cluster - These are alliances between businesses that belong to different levels of the same supply chain, such as a buyer assisting its suppliers in upgrading. Horizontal clusters - Are built between businesses that compete for the same market.

### **2.2.3 Stage Theory:**

This theory was developed by Walter Rostow (1960s) and adopts the concept that regional development happens across different stages of growth. Regions develop starting by evolving from lower stages to higher ones, but the progress is not automatic and can also be delayed or unachieved for many reasons. According to Rostow (1960s), Stage theory addresses five stages of development and these include: - Traditional: Regions in the traditional stage have limited availability of technology compared to other regions and a very rigid hierarchy social structure; Takeoff preconditions:

The second stage is entered when a region has investment flows to exploit resources. Investment in the industry is brought along with basic physical infrastructure investments, skilled labor is introduced, and economic and social structure changes; Takeoff: This happens when an external incentive (development programs or investments) brings in investment within the region and the political and social order hosts and sustains the investment; Maturity: Maturity is reached when a region has accomplished a diversified economic base and has a complex linkage of inter-industry. His causes the region the ability to produce many goods and services that were previously imported from outside and Mass consumption: Finally, this stage happens when regions export numerous goods and services that they used to import. Also, the local economic base is diverse and advanced and it can compete with external markets.

### **2.3 Empirical Review on Local Economic Development**

LED occurs in the social, political, economic, and geographical areas where those individuals and communities exist. The purpose of LED is to build the capacity of a defined territory, a municipality, and a region, to improve its economic future and the quality of life for inhabitants (Meyer, 2013). Successful public-private partnerships or a local development actor's relationship create wealth in local communities. Thus, there needs to be strengthened partnership initiatives between different stakeholders for the sustainability of LED programs in the localities to benefit local communities. In general, LED relies on endogenous development policies which make use of potential and existing local resources including human skills, and institutional and physical resources found locally to solve the problems and challenges of local communities and need to be supported by the participation and activities of individuals and communities. This study also tried to assess LED practices and challenges of Arada sub-city and is expected to contribute to future studies as a source of literature.

In most developing Nations including Sub-Saharan Africa (SSA), Local economic development (LED) is advancing and gradually gaining relative importance as an alternative development approach to decrease poverty, and unemployment & inequality at the local level and address the negative consequences of globalization (Meyer, 2008). According to Almos (2005), the traditional LED strategy which was particularly characteristic from 1950 to the mid-1980s consisted of attempting to attract individual firms by emphasizing cheap factor inputs or subsidized infrastructure and providing direct subsidies or tax reductions depending on the authority of the relevant taxing jurisdiction. Because the term "local economic development" refers to a process of constant movement and changes in operating actors, who in this process are limited primarily by available sources of financing.

As newly emerged by Bradford (2003) and presented by Almos (2005), the linkage of LED policy-making to quality of life and the recent emergence of "cluster theory" there are seven building blocks that may yield a successful LED initiative. These are (1)The emergence of local champions; (2)The formation of institutional intermediaries; (3)A commitment to equitable participation; (4)A civic culture of creativity; (5)The provision of financial and technical resources;(6)Robust accountability mechanisms; (7)Development of indicators to benchmark progress. This will enhance LED and result in efficient public involvement in the process.

As discussed by Nel & Rogerson (2005), the following challenge exists regarding the LED process from policy to implementation in the local government sphere and these include that policy doesn't automatically lead to implementation, improved skills levels are required, staff and funding shortages need to be resolved, poor community involvement in the planning and implementation of LED projects exist and poor monitoring and evaluation. According to Khanya-Aicdd's (2006) study, the role and functions of LED are vague with a lack of willingness for partnerships with the private sector. LED program in Ethiopia financially relied on donor support, specifically UNDP. But, the sustainable LED needs dependable and diversified sources of finance and collaboration (Defferew, 2022).

Meyer (2013) also published an article conducting his study in South Africa on Local economic development (LED), challenges and solutions: The case of the northern Free State region, South Africa. On this solution options indicated for the main identified challenges, LED processes could achieve its promise of ensuring improved quality of life if LED strategies are formulated for effective implementation. The related study conducted by Mashinini (2017) is highly concerned with assessments of factors influencing the implementation of LED policy in Gert Sibande district municipality, South Africa. This study tries to see only the main gaps in policy options that are related to LED.

In Ethiopia, Various studies were conducted by researchers on LED practices and challenges. According to Defferew (2022), the current government of Ethiopia has implemented different pro-LED policies since 1991, yet, there is no separate LED framework in the country. The commencement of LED has prompted awareness and interest among the government at the local level where it was implemented. But, existing LED exercise in selected localities of the country has been run as a project activity and there is no easily identifiable LED structure within the system of the local urban government budget and responsibility. Similarly, the partnership is a critical component for the success of LED. In Ethiopia, however, there is inadequate room and space for non-state actors to fully engage in the overall development efforts in general and in the LED process at localities.

According to the United Cities and Local Governments of Africa (2016) report in Ethiopia, there is not enough space and room for the non-state actors namely the private sector, business entities, and civil societies to engage fully in development efforts in general and in LED processes at local

levels. At a local level, there is an attempt to create an enabling environment for business development, the attraction of investment, and stimulating the economy. Another study was conducted by Prof. Tegegne et al (2011), on the Assessment of the LED Approach in Ethiopia in the seven localities of the four big regions including Assela, Nekemte, Awassa, Sodo, Bahridar, Mekele, and Adigrat. The study tried to assess the LED programs and address the overall context of the issues in the areas of Ethiopia. Kassahun et al (2019) also conducted a study on Local communities' perceptions and use of urban green infrastructure in two Ethiopian cities: Bahir Dar and Hawassa and the main objective of this study is to examine local communities' perceptions and use of green infrastructure (GI) in two case study cities: Bahir Dar and Hawassa in Ethiopia.

#### **2.4 Summary of Gaps in the Existing Literature**

LED encompasses a range of disciplines including physical planning, economics, and marketing, all intending to build up the economic capacity of a local area to improve its economic future and the quality of life for all. Regarding LED concepts, there is no practical work done by various countries rather than conducting studies, formulating a policy, and establishing LED subcommittees/units in the local areas. When we see our country Ethiopia as a whole and Addis Ababa city administration specifically the study area, the government work on the Local development concept is very minimal. Due to this, the practice of LED initiatives in the study area cannot fully respond to the local problems of the sub-city administration. This gap will be created due to awareness creation gaps about LED concept and practice especially regarding its purpose and on LED related policies.

There is a lack of an empirical study that examines the data from Public sector/Local government, Private business sectors, and non-Governmental Organizations, that are currently operating in Arada sub-city administration. As the researcher tried to explore from concerned local area public officials, there were no studies conducted specifically on LED practices in the study area. These are the main gaps that motivated the researcher to do this study in the Arada sub-city. Therefore it is necessary to conduct this study on the assessment of LED implementation practices to understand the obstacles behind the low progress of its implementation in the study area. This study tried to assess the current status of LED implementation practices of the Arada sub-city of Addis Ababa City administration and attempted to fill the identified gaps of the study.

## **Chapter Three**

### **Research Design and Methodology**

#### **3.1 Background of the Study Area**

Addis Ababa is the capital city of Ethiopia and the set of African Union and is often called the "African Capital" due to its historical, diplomatic, and political significance for the continent. It is an important administrative center not only for Ethiopia but also for the whole of Africa. The headquarters of the African Union and the United Nations Economic Commission for Africa can both be found in the city. This historically significant city in its enchanting mountain setting is recognized as one of the world's most problematic, yet fascinating and beautiful cities.

Addis Ababa city is located in the foothills of the Entoto Mountains and standing 7,726 feet (2,355 meters) above sea level, it is the third highest capital in the world. It is located in the geographic center of the country. It is also the largest city in the country by population, with a total population of 3,384,569 according to the 2007 census. The city has through recent years seen a robust annual growth rate, and population counts as of 2017 are growing closer to 4 million. It is one of the chartered cities and as such, is considered both a city and a state (the City Government web, 2023).

Arada is one of 11 districts of Addis Ababa, the capital of Ethiopia, and is mentioned its name with the name of Addis Ababa regarding its historical foundation. The district is located in the northern area of the city, nearby the center. The reign of Emperor Minilik II in 1886 and Emperor Taitu Butil decide this place to be the seat of their government. Most of their governmental structure, residences, and other social economic and political infrastructures are established mostly here in Arada. Arada sub-city was the famous and central place of Addis Ababa city and the meeting place of the peoples of Ethiopia from different regions.

The seat of Addis Ababa city municipality has been established here in the Arada sub city and it was located around St. George's and is the seat of the federal government of Ethiopia. The sub-city is bordered by the districts of Gullele, Yeka, Kirkos, Lideta, and Addis Ketema. The land area covered by the Arada sub-city is 949.86 hectares and this constitutes 1.82% of the city which makes Arada in 8th place in the land area covered from the 11 sub-cities. The administrative structure of the Arada sub-city is divided into 8 woredas.

Recently, woreda three is merged with woreda two, and woreda ten is now merged with woreda five. Among the 8 woredas, woreda one covers 150 hectares which is 16% of the sub-city land area and Woreda ten covers the smallest area which is 40 hectares in the sub-city land area. According to the Ethiopian Statistics Service (2022), the Arada sub-city population projection was 298,044 from which males constituted 138,410 and the remaining 159,634 female population (Samson, 2018).

Arada sub-city is also a center of culture and education, with a great number of schools, cultural establishments, and annual cultural events. Since the seat of the Minilik regime came here a lot of historical events and foundations such as modern educational institutions and the first modern Hotel established in 1808E.C here in the Arada area Namely Etighie Taitu Hotel. There are a lot of historical institutions, Building monuments such as the palace, Parliament, worship buildings and...etc established in this sub-city. So Arada is not only the name of the sub-city but it has historical assets. The area is known as the center of the old and the new generations' artistic, social, cultural, and urban lifestyles.

In general, Arada is one of the ancient parts of Addis Ababa and also one of the areas where the early history of the city is most apparent. Landmarks/ villages, In the Arada sub-city there are several villages; Most of them are very historical since Emperor Minilik II. Some of the famous are Eribekentu, Dejachwubie, and Taliansefer...etc. These villages have got their names some are from events that happen at that time and others are given the name of higher officials who were given that area land as owners by the emperor Minilik II. Its main sights include St. George's Cathedral, the great Minilik II Square, the Hager Fikir Theatre, and many other historical areas and structures (Arada sub-city Magazine, 2014).

LED program is now taken as a preferred development approach for developing country like Ethiopia. The objectives and strategies of the LED program in Ethiopia indicated that LED is envisaged as a pro-poor intervention that is mainly focusing on reducing poverty and creating employment. The main players of the LED program implemented in the study area/Arada sub-city administration include public sectors, private business sectors, Local and foreign Non-Governmental Organizations, and Local communities. The role of local government is based on the promotion of job creation and economic growth by investing in effective public services as well as making a local area favorable to healthy living and work.

### **3.2 Research Design and Approach**

According to Claire (1962) and Kerlinger (1986), a research design is a conceptual structure used to structure the research to show how all major parts of the research project work together to address the central research questions or to test a research hypothesis. The study employed a descriptive research design considering the main objective of this study. The research approaches adopted for this study were quantitative and this approach helps to study the issue in breadth. Hence, a quantitative method involves the use of a household survey.

### **3.3 Study Population**

A population is defined as all elements including individuals, objects, and events that met the sample criteria for inclusion in the study (Prosper, 2018). Mugenda (2003), explains that the target population should have some observable characteristics, to which the research intends to generalize the result of the study. To make the research manageable, the researcher selected the Arada sub-city from Addis Ababa by using a simple random sampling method. The main reasons for using this sampling method include (Similarity of LED policy currently used by Addis Ababa city in all 11 sub-cities and the existence of challenging features of LED in the study area which is urban displacement created due to old city reconstruction to be more attractive for tourism).

The study population participated in the filing questionnaire consisting of a person responsible for and actively participating in the LED program of Arada sub-city administration in all eight woredas. For this study, the main participant includes Local communities, public sectors, private business sectors, and NGOs for triangulation. A purposive sampling technique was used to select appropriate respondents for this study. The below sample populations or organizations especially the public and private sectors were selected by considering their level of participation and contribution to their local area economic development initiatives.

The choice of such a population is considered to be most appropriate for this study because they are majorly involved in LED operations; hence their opinions offer reliable information for this study. To understand more about LED the researcher decided to include all sampled populations/sectors.

*Table 1 Total number of planned sample respondents of the study from the Arada Sub-city*

S. No	Key informant (Name of sample respondent) from all 8 Woredas	Numbers of respondents
1	Arada Sub-city woreda Level gov.t office (Finance, Small, and Microenterprise/job creation and Food security/, Labour and Social affair, trade office and Local community participation and coordination office)	72
2	Private Business sectors mainly (Vocational Skill training centers)	34
3	Non-Governmental organizations (Local and Foreign)	9
4	Local Community/ Service users of the study area/	45
	Total	160

### **3.4 Sample and Sampling Techniques:**

A sample is an element selected to find out something about the total population from which they are taken. The purposive sampling technique was used to select the study respondents for this study to get appropriate data from the appropriate local government/woreda level public sectors/departments and responsible persons. This purposive sampling technique helps the researcher to get first-hand information from the right person, address all the research objectives, and to reach on valid conclusion. For this particular thesis respondents' sample size determination, the researcher includes all targeted populations to participate in this study.

### **3.5 Data Types and Collection**

Collection of data refers to a purposive gathering of information relevant to the subject matter of the study from the units under investigation. The task of data collection began after the research problem has been properly defined and the data collection tools properly formulated and refined. Most scholars including (Creswell, 2009) argue that the use of qualitative and quantitative approaches provides the researcher with a better understanding of the research question, and employing multiple data collection tools can be helpful for the triangulation of the results.

The required data was collected using quantitative means and the study mainly relies on both primary and secondary data. To collect the required primary data for this study the researcher used

Questionnaires. Questionnaires both (open-ended and closed-ended) which were drawn from the statement of the problem and the objectives of the study were administered to sample respondents. The researcher send the survey questionnaires through email and in person with a permission letter to the targeted study population including Local communities, public sectors, private business sectors, and both Local and foreign NGOs who are found in the selected Arada sub-city and more active in LED practice.

To get more data, to check the validity of the questioner and to triangulate the study findings, the researcher used Secondary data were collected from sampled organizations and types of documents analyzed in this research include the study area LED-based annual and quarterly program and finance report, LED implementation policies and procedural manuals currently in use by the sampled local actors, and the previous study conducted on LED in Ethiopia specifically on Addis Ababa city administration.

### **3.6 Data Analysis Techniques**

This study used a descriptive analysis technique to describe a phenomenon to which the researcher gives high attention. The phenomenon, in this case, is the assessment of LED practices and challenges of Arada sub-city administration. The responses from survey questionnaires presented the degree of agreement on the statements related to the research question. This study used quantitative data analysis techniques. After quantitative data have been collected from a representative sample/ population, the next step was analyzing them carefully to answer a research question. This was helping the researcher to ensure that the data are accurate, complete, and suitable for further analysis.

The required data was obtained from copies of the completed questionnaire entered into a computer using SPSS V. 20 software and then data cleaning was carried out. The primary data which were obtained during the data collection period were analyzed using descriptive data analysis techniques including percentage, Mean, Standard deviation (SD), variance, and narration analysis to reach on conclusion of the study. Particularly the study data obtained using data collection tools of the study were followed in two steps. First, categorizing the responses of respondents in different themes and the second step comprehended how frequently the themes are raised by the respondents. The opinions of the respondent were presented in the form of narratives and direct quotes.

### **3.7 Data Validity and Reliability**

The validity and reliability of this study were tested using different methods and techniques. To ensure the thesis report data quality; data collection tools were adequately designed and applied to meet the purpose of quantitative data used for the study. In line with this, the researcher carefully planned and performed the data collection and gives timely corrections by identifying the data collection gaps which were created during data collection and analysis. The qualities of the study result were realized using questionnaires, and document analysis. The research instruments were tested for their validity and reliability through pilot testing of questionnaires.

To check the validity and reliability of the collected data result the researcher made a reliability test using Cronbach's  $\alpha$  measure. In this test, Reliability is assessed using Cronbach's  $\alpha$ ; it is the most commonly used to test and determine the internal consistency of an instrument. Based on Roberta and Alison (2015), Cronbach's  $\alpha$  result is a number between 0 and 1. Cronbach's alpha value has  $\alpha \geq 0.9$  Excellent,  $0.8 \geq \alpha < 0.9$  Good, and  $0.7 \geq \alpha < 0.8$  Acceptable,  $0.6 \geq \alpha < 0.7$  Questionable, and  $0.5 \geq \alpha < 0.6$  Poor,  $\alpha < 0.5$  Unacceptable. The instrument is come across the test of validity and reliability as per the required standards. So this paper the Reliability was tested using the Cronbach Alpha test with a threshold of 0.883 and considered good.

### **3.8 Ethical Consideration**

This study were under taken on Assessment of Local Economic development Practice of Arada Sub City administration and the researcher gives due respect to the sample organizations and their workers with non-interference on their working cultural and workers personal life. The respondents were informed about the purpose of the study and their right to participate or not to participate in the study process including on questionnaire. In addition, respondents were initially guaranteed that their information and identity will be held confidential. After gaining verbal consent from respondents, the questionnaire were administered. The respondents were not be pushed to answer any questions that uncomfortable with them. Beside this, the participants of this study were get informed by the researcher is that; their participation is completely voluntary. They also get informed that if they do not wish to participate they can inform to the researcher at any time and leave from participation on the study.

## Chapter Four

### Data Analysis, Results, and Discussion

This chapter presents data presentation and analysis, data interpretation, and discussion of the study which includes; the demographic profile of respondents, results of descriptive statistics, and discussion of results. Descriptive statistics were used to describe the basic features of the data and provide summaries about the sample respondents. The data presented in this chapter were collected through a questionnaire. The data collected using questionnaires were analyzed, triangulated, and presented using tables, frequencies, and percentages. To meet the study objectives, the researcher distributed questionnaires to 160 respondents out of these 156 were filled and returned which is 97.50% of the total sample of this study.

#### 4.1 Respondents Profile Analysis

In this section of the study, the researcher tried to make a fundamental analysis of the following issues which include respondent's categories, Respondent Organizations type, and distribution of them by woredas. From the total sampled respondents' public sectors, local communities, private business sectors, and NGOs constituted 44.2%, 29.5%, 20.5%, and 5.8% respectively.

*Table 2 Descriptive Statistics Result of Survey Respondent*

Respondents category	Frequency	Percentage
Local Government [Arada cub city /8 Woredas]	69	44.2
Local communities /service users/	46	29.5
Private Business organizations	32	20.5
Non- Government organizations	9	5.8
Total	156	100.0

When we see the Local government respondent's category by their sectors, from total 156 respondents 4.5% of them were from Arada sub city 8 woredas finance office, 10.9% from Small and Micro Enterprise/job creation and food security office/, 6.4% from Labour and Social Affair office, 10.9% from woreda level trade office, 11.5% of them from Local community participation Office, 29.5% respondents were from all eight Arada sub city woredas Local communities /service users/, 20.5% of them from Private business /vocational skill training centers/ and the remaining 5.8% from Non-Government Organizations.

Based on data; From the total 110 of three category respondents ( public sectors, private business sectors, and non-governmental organizations) majority 42% of them had a staff no. from 11-50, and the remaining others 24%, 15%, 10% and 9% of sampled organizations had a staff no 6-10, 1-5, >200 and 51-200 respectively. As shown in the data respondents say that; in their organization staff residential area, a majority (59%) of organizations staffs were from other sub-city (outside the Arada sub-city and from other regions), and some 41% of sampled organizations' majority staff were from Arada sub city. The majority (43.6%) of sampled organizations experienced difficulties in finding qualified employees for their organizations and were still challenged to meet their organizational objectives.

Table 3 shows a distribution of sampled respondents including (Public sectors, Private business organizations, Non- government organizations, and local community service users) by the study area (all eight woredas of Arada sub-city administration). From a total of 156 sampled respondents of the study, 12.8% of them were from Arada sub-city wereda one and the remaining 13.5%, 12.2%, 14.1%, 10.3% 12.8%, 9.0%, and 15.4% were from wereda 2, 4, 5, 6, 7, 8, and 9 respectively.

*Table 3 Survey result of the distribution of main respondents by the study area*

Distribution of main respondents by the study area Arada sub city Eight Woredas	Respondents category				Total
	Public Sectors [Arada /8 Woredas]	Private Business organizations	Non-Government organizations	Local communities (service users)	
Arada wereda - 1	8	8	0	4	20
Arada wereda - 2&3	8	4	1	8	21
Arada wereda - 4	10	2	2	5	19
Arada wereda - 5&10	9	5	1	7	22
Arada wereda - 6	8	0	3	5	16
Arada wereda - 7	9	3	1	7	20
Arada wereda - 8	9	0	1	4	14
Arada wereda - 9	8	10	0	6	24
Total	69	32	9	46	156

The purpose of the demographic analysis is to describe the characteristics of the sample such as the age of respondents' proportion of males and females in the sample, level of education, and working position of the respondent. Accordingly, the following variables about the respondents were summarized and described below.

#### 4.1.1 Sex and Age of Respondents

The below cross-tabulation table 4 shows the sex and age of the respondent. Accordingly, from a total of 156 respondents, 80.1% of them were male, and the remaining 19.9% of female respondents. The survey had an age of response of 20-30 (18.6%), a response age of 31-40 (54.5%), a response age of 41-50 (23.1%), and a response of above 50 years 3.8%.

*Table 4 Respondent's Sex and Age Cross tabulation*

Respondents Sex	Respondents Age				Total
	20-30 years	31-40 years	41-50 years	>50 years	
Male	20	72	29	4	125
Female	9	13	7	2	31
Total	29	85	36	6	156

#### 4.1.2 Educational Level of Respondents

Education is a vital tool for accelerating LED initiatives and sustaining their implementation. As the study shows in Table 5 the total; 31.4% of respondents' educational level was MA and above and 62.2% of the respondents were BA degrees and the remaining 6.4% of them had a Diploma. This result implies that most (93.6%) of the respondents have a BA Degree and above.

*Table 5 Survey result of Respondents' Educational Level/Qualification*

Respondents' Educational level/Qualification	Frequency	Percentage
MA/MSc and Above	49	31.4
BA/BSc Degree	97	62.2
College Diploma	10	6.4
Total	156	100.0

### 4.1.3 Respondent's work Positions in their Organizations

Based on data presented in Table 6, the majority (48%) of the respondent in this study were in a higher level or Managerial position and more responsible for the Implementation of LED in their local areas. From the total of 110 respondents, 35% of the respondents work position as General Manager and Department Manager, 13% of them was Supervisors/Team Leaders, and the other 25% and 27% of them had Expert and Officer Positions respectively. This implies that majority of them have the skill to develop LED policies, procedures, and projects for their organization.

*Table 6 Respondents' Work positions in their respective organizations*

Respondent's job title /position	Frequency	Percentage
General Manager	15	14%
Manager	23	21%
Team Leader	14	13%
Expert	28	25%
Officer	30	27%
Total	110	100.00

### 4.2 Descriptive Data Analysis

The results and discussion part tries to complete the objectives of the study and answer the research questions. In this section, the results are discussed based on the data collected and the analysis done. The data collected using questionnaires were analyzed through descriptive statistics and frequency distribution analysis. The discussion attempted to accomplish the objectives of the study and answer the research questions which were mainly associated with the assessment of LED implementation practices and challenges of Arada sub-city Administrations.

To address both general and specific objectives of the study, this section briefly discussed the following main areas which include the status of LED practice in the study area, benefits of LED implementation, challenges of its implementation, and other sections which are directly related with the study objectives. The data collected using a questionnaire from the sampled respondents were analyzed and presented using tables, frequencies, and percentages.

#### 4.2.1 Current Status of Local Economic Development Practice of the Study Area

The level of the community's economic growth and the overall enabling environment change in the study area for the last three years is evaluated by the sampled respondents. Of the total respondents majority 92 (59%) of them were considered as improved and the remaining 23.7% and 17.3% of them measured the overall enabling environment change as stayed the same and deteriorated respectively. More or less the study result shows that there is a promising change in business enabling environment in the study area. To know and understand the progress and level of the community's economic growth in the study woreda of the last five years, all sampled respondents were asked the following question which is "In your opinion how you rate the level of the community's economic growth in your woreda of the last five years". Their response is presented in Table 7 below.

*Table 7 The level of the community's economic growth in the study area over the last five years*

In your opinion how do you rate the level of community's economic growth in your woreda of the last five years?	Frequency	Percentage
Rapid growth	12	7.7
Moderate growth	37	23.7
Slow growth	62	39.7
The economic base is stable; no real growth or decline	17	10.9
Modest decline	13	8.3
Significant decline	15	9.6
Total	156	100.0

As shown in the above table 7, the level of the community's economic growth in the study area over the last five years was rated by 39.7% of respondents as slow growth, 7.7% measured it as rapid growth, 39.7% think it as moderate growth, and the remaining 10.9%, 8.3% and 9.6% of them were considered as stable, modest decline and significant decline respectively. The response result shows that there is moderate growth with the 3.17 average mean values and still not growing as considerably. A well-designed and implemented LED policy and initiatives have a positive contribution to the growth of business activities. To know the fastest-growing sectors of the study area, the respondents were asked a question, and their responses were presented in Table 8 below.

*Table 8 The three fastest-growing sectors/industries of the study area*

In order of importance, which are the three fastest-growing sectors/industries in your community?	Frequency	Percentage
Manufacturing sectors	36	23.1
Merchandising sector	33	21.2
Service Sector	70	44.9
Construction sector	17	10.9
<b>Total</b>	<b>156</b>	<b>100.0</b>

Based on data; The majority/ nearly half or 70 (44.9%) of sampled respondents understood that the service sector is the fastest growing sector of the study area and the remaining 36%, 33%, and 17% of their responses on this issue is manufacturing sectors, merchandising sector, and construction sector respectively. The result shows that the service sector is the fastest-growing sector in the study area. The sampled study respondents were also asked to give their response to the question "Which one among the following actors is most active in promoting LED in your community?" and their response is presented here in Table 9 using percentages.

*Table 9 Most active Local Actors in promoting LED in the study area*

Which one among the following actors is most active in promoting local economic development in your community?	Frequency	Percentage
The woreda's government sectors	44	28.2
A formal incorporated public-private partnership organization	20	12.8
Private business (Chamber of Commerce, Board of Trade)	29	18.6
Local Communities	29	18.6
Non-Governmental Organizations	28	17.9
I don't know	6	3.8
<b>Total</b>	<b>156</b>	<b>100.0</b>

According to above table 9, the Local area development actors including the Local government sectors, a formally incorporated public-private partnership organization, Private business (Chamber of commerce, Board of trade), Local communities, and Non-Governmental sectors were not actively involved in promoting LED of the study area. The response rate of respondents showed that their activity is considered Low with 2.74 mean values. This tells us the main local development actors were not actively involved in their local area's LED activities.

As the study result shows, from 156 respondent's 72.4% of them and their office are now actively working on Local area-based programs and projects independently. A majority (55.8%) of sampled organizations' working strategy enables public users and Local development actors to participate in LED initiatives in the study area. This shows that the sampled organization experience of participating public users and Local actors still needs to be improved and there is a Low of coordinated effort.

*Table 10 The main strategies used to bring a successful Local economic development*

What are the main strategies used to bring successful Local Economic Development?	Frequency	Percentage
Participating Local Communities	60	38.5
Participating in Local Business sectors	64	41.0
Formulating policies and procedures	24	15.4
Participating in NGOs and others	8	5.1
<b>Total</b>	<b>156</b>	<b>100.0</b>

To bring a successful LED sampled study respondents used the following main strategies. Based on the response rate of respondents, the majority 41% were participating in Local business sectors, 38.5% of them were participating in Local communities, and the remaining 5.1% were participating in NGOs and all other Local area development actors to bring a successful LED. But a few 15.4% of respondents agreed on the initial practice which is formulating policies and procedures to bring a successful LED. This shows that to bring successful LED, there must be a Local area development actor's participation including Local communities, local government, private business sectors, and Non-governmental organizations.

The respondent organizations and a local community/service user's level of participation in LED are very crucial to bring sustainable and fruitful benefits to the local community. As observed from the sampled respondents' response, 58 (37.2%) of respondents' level of participation in LED activity of their locality were medium with a mean of 2.83, 12.8% of them were very low, and the remaining 24.4%, 18.6% and 7.1% of sampled respondents participation rated as low, high and very high respectively.

As the researcher observed from the respondent's responses on questioner provided for them to reply, from a total respondent's majority 72 (46.2%) respondents evaluated the LED policies and procedures of the study area as good and the remaining others 23.1%, 18.6%, 10.9% and 1.3% of them were rated as poor, very good, very poor and excellent respectively. The LED initiatives practice of the study area was also rated by 77 (49.4%) of sampled respondents as good and the remaining 23.1%, 16.7%, 9%, and 1.9% were considered as poor, very good, very poor, and excellent respectively. This study data result confirmed that the LED policies, procedures, and practices are considered as good.

Based on the respondent's responses, the majority 92 (59%) of respondents understand that their local area government/woreda is playing its role in promoting LED initiatives. But still 64 (41%) of them have not seen the active role of the government in LED promotion and they considered the Local government's role as low. This shows that the Local government's role in LED promotion is still in the medium phase. From the total 156 sampled study respondent's majority 73 (46.8%) of them confirmed that their local area/woreda government had a LED plan and the remaining 33.3% and 19.9% of them responded No and I don't know responses respectively. This shows that the LED plan of the study area /Arada sub-city 8 woredas/ were not known by the majority 53.2% of respondents.

Based on this fact the respondents who stay; majority 103 (66%) of them expect that LED policies have different effects on the different social and cultural within a society, or on different local areas within one Area and the remaining 44% of them said No and I don't know by their response for this question. This explained that the LED policies have different effects on the different social and cultural within a society found in one area.

From survey data, more than 1/3 (63) or 40.4% of sampled respondents think that there are capable technocrats and a workable public-private institutional structure in place to support local leadership in a LED initiative. But the remaining 30.8% and 28.8% said to do and don't know in their reply on the issue raised on the questionnaire. This shows that the availability of capable technocrats and a workable public-private institutional structure to support local leadership in a LED initiative is considered as low.

From a total sample, 41.7% confirmed that there are one or more reform-oriented, locally-elected, or appointed leaders with the energy, determination, and willingness to work with their Local

community. But the majority 91 (58.3%) of sampled respondents still replied No and don't know the response about the issue the above that they requested. This shows that the availability of reform-oriented, locally-elected leaders with the energy and willingness to work with their Local community is considered Low.

From a total 156 sample population, some 60 (38.5%) respondents think that there is free access to obtain information on LED implementation-related policies, laws, and regulations in their local area. But the majority 96 (61.5%) of respondents say no and don't know as there is free access to obtain information on LED-related policies, laws, and regulations of their locality. This implies that there is low access to obtain information on LED implementation-related policies, laws, and regulations in the study area.

To know the date that the sampled respondents spent per month dealing with Local communities on their Local area economic development regulatory-related activities, all sampled respondents were asked the following question which is "approximately how many days per month do you or your organization's head spend with local communities dealing with LED regulatory related activities?" The respondent's response rates were indicated and analyzed using percentages.

Based on the data analysis, more than 1/3 (43.6%) of respondents spent 1-2 days per month dealing with local communities on their Local area economic development regulatory-related activities. The remaining 28.2%, 23.1% and 5.1% of respondents spent > 8 days/month, 3-5 days/month, and 6-8days/month respectively dealing with their Local area economic development regulatory related activities. The majority 88 (56.4%) of sampled respondents considered it Reasonable and the remaining 36.5% and 7.1% of them considered the time they spend on dealing with LED regulatory-related activities as too little and too much respectively.

The main three LED approaches used by the respondents include Community economic development, enterprise development, and locality development approaches. The majority of 81 (51.9%) respondents now applying the enterprise development approach to contribute to the LED and the remaining 35.9% and 12.2% of respondents used community economic development and locality development approaches respectively. This shows that enterprise development approaches were used by the majority of sampled respondents to contribute to their local area local economic development.

From the revealed data, the Majority (61.5%) of the respondent organization had experience and a good trend of participating in local communities to evaluate their LED practices. But still, 38.5% of these study respondents were not participating in local communities on the LED practice evaluation process. This result shows that the participation of local communities in the LED practice evaluation process is still not reasonable.

As observed from the data result, 37.2% agreed that their office encourages local actors to participate in the decision-making process with a 3.17 mean value, and others 25.6%, 17.9%, 10.3%, and 9% of them the response was Neutral, Disagree, Strongly disagree and strongly agree respectively. This result shows the involvement of local actors to participate in the decision-making process as a medium. Some of them (37.2%) agreed that their organization has a mechanism used to consult the Local communities before LED projects or programs are implemented with a 3.18 mean value. Other 26.9%, 24.4%, 7.1%, and 4.5% response on the above issue is Neutral, Disagree, strongly agree, and strongly disagree respectively on the issue raised on the above. This result shows that there is an agreed mechanism used by organizations to consult the Local communities before LED programs are implemented.

From the total 156 study samples, the majority of 86 (55.1%) respondents think that, is there exists strong Monitoring and Evaluation procedures in their organization to follow up on the implementation of the LED policy. But the remaining 44.9% of them confirmed as there are no strong monitoring and evaluation procedures in place to follow up on the implementation of the LED policy. This indicated that the monitoring and evaluation procedures used to follow on up the operation of the LED policy were not fully functioning.

On the below Table 11 of this particular study, sampled respondents gave their responses on the LED strategy that best describes the study area/ Arada sub-city of all Eight woredas/ and their responses were presented using percentages. Nearly 1/3 (33.3%) of respondents agreed that the office of the sub-city or woreda/ chief executive officer/ city manager has responsibility for LED activities. Few others 13.5% of respondents described the LED as a centralized function carried out by several line departments and 17.9% of respondents described the LED as decentralized functions carried out by several line departments.

*Table 11 The local economic development strategy that best describes the study Woreda*

Which of the following best describes the local economic development strategy in your woreda?	Frequency	Percentage
The office of the sub-city or woreda/chief executive officer/city manager has responsibility for LED activities	52	33.3
Local economic development is centralized and functions are carried out by several line departments	21	13.5
Local economic development is decentralized and functions are carried out by several line departments	28	17.9
Some local economic development functions are centralized while others are carried out by separate line departments	19	12.2
Local economic development is a function of an agency, such as a community development office, that is responsible for housing, zoning, and inspections	13	8.3
I don't know	23	14.7
Total	156	100.0

Of the total respondents, 12.2% considered Some LED functions are centralized while others are carried out by separate line departments, 8.3% of respondents comprehend LED is a function of an agency, such as a community development office, that is responsible for housing, zoning, and inspections and 14.7% were don't know about a strategy that best describes the LED in of the study area/their woreda.

Based on the sampled respondents' response, the most important official local economic development plans now started to implement in the study Areas includes urban productive saturate programs, Social and economic development plan, public infrastructure development plan, a Technology development plan to improve technology system and community participation guideline to improve local community participation and to create market access and develop merchant vendor shop in every village.

#### **4.2.1.1 Public Infrastructure Accessibility of the Study Area**

Public infrastructure is required and used as a main input to implement LED policies and initiatives in a given local area by participating potential local actors including private business sectors, local communities, non-governmental organizations, and public sectors to bring sustainable economic development with the aim of improving local communities social and economic conditions. The study area's public infrastructure availability and accessibility were discussed in the study below.

Blow table 12 shows the public infrastructure accessibility of the study area and all 156 respondents provided their responses. As observed from their reply, there is an average accessibility of public infrastructures in the study area including Water supply service, Health care Sectors, Education sectors, Road accessibility, Electric power supply, and Public social service sectors with a mean of 2.74, 2.94, 3.29, 3.13, 2.9 and 2.74 respectively. But the availability and accessibility of vocational skill training centers, public capacity building centers, and other infrastructures such as education sectors are low and the local government efforts in support of those sectors are very minimal. The study finding shows that the study area's public infrastructure accessibility is average and still, there needs to be improvement on vocational skill training centers and public capacity building centers to accelerate LED initiatives.

*Table 12 Public Infrastructure accessibility of the study area*

How do you evaluate your woreda's public infrastructure accessibility?	No	Mean	Std. Deviation	Variance	Estimation Degree
Water supply service	156	2.74	1.147	1.314	Average
Health care Sectors	156	2.94	1.027	1.054	Average
Education sectors	156	3.29	1.053	1.110	Average
Road accessibility	156	3.13	1.094	1.196	Average
Electric power supply	156	2.90	1.114	1.241	Average
Vocational skill training centers	156	2.44	1.209	1.461	Low
Public social service sectors	156	2.74	1.089	1.185	Average
Public capacity building centers	156	2.43	1.137	1.292	Low
Other infrastructures	156	2.33	1.170	1.370	Low

The Local government office identified by the study respondents which most positively affects the development of the study area Local area program/project activities includes women, children, and social affairs office, productive safety Nate coordination office, job creation, and small and medium enterprise development office, Local community participation office, business associations, youth league centers those who work with youth to be productive, education and health office and Local based peace and security office. Office of Trade and Industry, vital event

registration agency, water and electricity service supply office, and land administration office are identified as Local government office which most negatively affects the development of the study area LED program activities.

Excess youth manpower, quality health, and education services, digital consultancy services, and availability of financial institutions are identified by sampled respondents of the study as the most attractive businesses enabling environment features of the study area for investors. And also based on the respondent's response, the following are categorized under the worst businesses enabling environment features of the study area which includes hard currency, Inflation, unstable political environment, increased corruption, low level of Local leaders' responsibility and accountability, bureaucracy, lack of transparency and lack of workspace, lack of awareness and shortage of finance resource.

#### **4.2.1.2 Support of Local Actors to the Study Area LED Initiatives**

To address the LED needs, Local actors should be supported technically and financially. In addition to this, the local actors must understand the LED needs and share the practice of their local area LED initiatives. As the researcher understood from the respondent's responses 122 (78.20%) of respondents shared the LED practice of their locality and the other remaining 21.8% were not. Of the total selected study respondents 58 (37.2%) of them think there is LED funding support to their local area from their sub-city and woredas. But the majority 61 (39.1%) of them think there is no funding support from their local area government for their locality and the remaining others 23.7% of them were don't know whether there is support or not. The result indicated that the support from a study area Local government to develop a local economy of the woreda is still not satisfactory.

As revealed below in Table 13, the support provided by local actors including (Business associations, professional associations, local government, central government, professional private services, LED office, regional economic development office, International organizations, and Foreign and Local NGOs to the study area LED initiatives is satisfactory with 2.50 average mean value. But this support of local actors and the needs of LED of the study area are still not matched and needs more support to address the LED needs of the local community.

*Table 13 Support of Local Actors to the Study Area LED Initiatives*

How do you rate the support of different actors in your local LED efforts?	No	Mean	Std. Deviation	Variance	Estimation Degree
Business Associations	156	2.24	1.176	1.382	Poor
Professional Associations	156	2.26	1.213	1.472	Poor
Local Government	156	2.50	1.133	1.284	Satisfactory
Central Government	156	2.46	1.121	1.257	Fair
Professional Private Services	156	2.87	1.123	1.261	Good
Local Economic Development Office	156	2.96	1.212	1.469	Good
Regional Economic Development Office	156	2.32	1.130	1.277	Poor
International Organizations	156	2.37	1.154	1.332	Poor
Foreign and Local NGOs	156	2.54	1.267	1.604	Satisfactory

To deal more with the support of local Actors on the study area LED initiatives, the researcher tried to see the support of national economic policy, or competitiveness strategy, and a national government office that promotes economic growth in the study area's most promising economic sectors. The majority 76(48.7) sampled respondents think that is there a national economic policy and a national government office support that promotes economic growth in the study area's most promising economic sectors. But still, the remaining 29.5% and 21.8% of respondents answered No and I don't know respectively. The data analysis result shows that the Majority 51.3% of respondents were not exactly known as there is a national economic policy and a national government office support that promotes economic growth in the study area's most promising economic sectors. This implies that there is a less or Low national economic policy and a national government office support that promotes economic growth in the study area's most promising economic sectors.

The sampled organization whose contributed towards the development of the local economy in the study area/woreda which includes supporting the livelihood development of local communities, participating in local development initiatives-like contribution to local police station establishment, community latrines construction, contributing to dilapidated community houses repair and maintenance and for safety net provision, sharing experiences, on social support

activities, provision of capacity building for Local development actors, promote local ownership, enhance Local leadership and joint decision making, create public awareness about local economic development to the community and discuss with local actors to improve their participation on enterprise development.

#### 4.2.1.3 Local Actor's Work Relationship Status in the Study Area

A Local area public-private partnership and cooperation are very important to implement a well-designed and approved LED policy. A majority (89.5%) of sampled study respondents think that there are capable technocrats and a workable public-private institutional structure like community participation units in place to support local leadership in a LED initiative but their technocrat capability may be questioned.

When we see a response rate of 156 sampled respondents, the majority 73 (46.8%) of them rated their local area public-private partnership and cooperation as a medium, 32.7% of them were responds as low, and the remaining 12.2%, 5.1%, and 3.2% were considered as high, very low and very high respectively. This study data analysis result shows that the public-private partnership and cooperation remain at an initial stage. Of the total sampled respondents 107 (68.6%) of them have a good working relationship experience with main Local actors including with Local communities, and private business sectors and 93 (59.6%) of them are active, organized, and willing to work with local government to promote a LED initiative.

*Table 14 Local Actor's Work Relationship Status in the Study Area*

How would you rate your Organization's work relationship with the following main LED actors/bodies/departments?	No	Mean	Std. Deviation	Variance
Arada sub-city Administration	156	2.90	1.254	1.571
Arada sub City woredas	156	2.96	1.274	1.624
LED Team in Local Gov.t	156	2.63	1.203	1.448
Woreds Finance and Program Department	156	2.56	1.219	1.487
Economic Development Office of the Sub City	156	2.46	1.251	1.566
Local Community Participation Office of the Woredas	156	2.76	1.165	1.356
National program office including plan commission	156	2.49	1.283	1.645

The above table 14 shows that, the work relationship of sampled respondents with the main LED actors of the study area. The study sampled respondents' work relationships with Arada sub city Administration, Arada sub-city woredas, and the Local community participation office of the woredas was considered satisfactory with an average mean value of 2.8, but still their work relationship with Sub city's LED office and national program office still poor with mean 2.46 and fair with mean 2.49 respectively. So, this result shows that the working relationship of Local actors with their surrounding concerned bodies mainly with the National program office including the plan commission is not remarkable.

From a total of 156 samples of the study, 44.9% of respondents and their organization have contact with national corporate leaders (international organizations, NGOs, and Business Associations) who could be integrated into a LED initiative. But the majority 36 (55.1%) of respondents and their organizations have no contact with national corporate leaders who could be integrated into a LED initiative. This shows that the contact of Local actors of the study area with national corporate leaders who could be incorporated into a LED initiative is still a low stage.

The level of sampled respondents participating in the assessment and formation of LED policies and procedures is still very low. From the total samples, 42 (27%) of them participated less than 2 and 2 to 3 times and were considered as very low. This shows that still the sampled respondents have the willingness to work with local government to promote a LED initiative and but their level of participation in the assessment and formation of local economic development policies and procedures is very low

#### **4.2.1.4 Respondent Organizations Staff Training Needs**

Institutional capacity building helps organizations for proper implementation of LED initiatives and meets their organizational objectives. In the study area, there is a need for improvement in vocational skill training centers, public capacity building centers, and education sectors to accelerate LED initiatives. As shown below in Table 17, 31.4% of respondent organizations' staff needs project planning and implementation training and 28.8% of staff training needs technical skills training. But a few others 16.7% and 6.4% of staff need Social and health development and program or project management training respectively. The response result shows that there is a variety of training needs by the sampled organizations' staff.

*Table 15 Respondent Organizations Staff Training Needs*

<b>The respondent organization’s staff training needs</b>	<b>Frequency</b>	<b>Percentage</b>
Project planning and implementation training	49	31.4
Social and health development training	26	16.7
Technical skills training	45	28.8
Program or Project Management training	10	6.4
Monitoring and Evaluation training	8	5.1
Financial Management training	8	5.1
Quality Control training	3	1.9
Budgeting and reporting training	7	4.5
Total	156	100.0

**4.2.1.5 Respondents’ Local Economic Development Implementation Experience**

The respondent's work experience is mandatory for every organization to ensure appropriate and sustainable LED implementation. As the Researcher observed from the responses made on questioner part of this study almost all respondents were more familiar with common LED policies, procedural manuals, and guidelines currently in use in their organization. When looking at the sampled private business companies' LED Implementation experience, the majority (65.6%) of them had 1 to 10 years of experience, and the others 34.4% had 11 to 25 years of LED Implementation experience. The majority of respondents indicate that the respondents had been working in the organization for a long number of years.

As understood from their reply to the questioners, all public sector, private business sector, and non-governmental organization respondents were exposed to many LED operation challenges during their year of service in the organizations and they already have experience putting a solution for the identified challenges and problems. They had a better understanding of how to sustainably implement LED initiatives in their Local areas. Based on the response of the respondents, some (35.3%) of respondents acquired LED operation knowledge and experience due to working with the local government and from its application process and the remaining 28.8%, 16% and 19.9% of them acquired the required experience and knowledge from Local Community Participation, from LED Project/program implementation and training participation respectively.

*Table 16 Respondents' ways of acquiring LED knowledge and Experiences*

Ways of Acquiring LED Knowledge and Experiences in LED practices	Frequency	Percentage
Due to working with the local government	55	35.3
From Local Community Participation	45	28.8
From Project/program implementation	25	16.0
From Training Participation	31	19.9
Total	156	100.0

Besides this, almost all respondents can develop and modify LED policy manuals and guidelines for their Local areas to address the needs of local communities. All sampled respondents had optimistic/positive perspectives/ on their future activities. Of the total 156 respondents 95.5% of them are familiar with the "LED policy" currently in use in their Local area/woreda and the remaining 4.5% of them have not had full information about their local area LED policy and programs.

To contribute a lot to their local area LED initiatives, Local development Actors are expected to scan their local area potentials and use the identified local based both financial and non-financial resources including skills, local networks, and institutions. From a total sampled respondents majority 71 (45.5%) of them had a trend of using business resources, facilities, or networks (for example, Chamber of Commerce, entrepreneur) to take advantage of to start or run their work and to be more benefited from LED program of their Locality. The remaining majority 85 (54.5%) respondents don't have a trend of using business resources, facilities, or networks. This shows that there is a vast gap in using business resources, facilities, or networks to accelerate their Locality development progress and to improve the local communities' life.

All sampled respondents were asked about the three most important measures that the Local area government could introduce/undertake to make it easier for Local area projects to grow. Some of them answered the following which includes creating a business-supportive environment, enabling the local community to fully participate in LED programs, and creating a good governance and awareness-raising system. Others need the local government to enhance financial, technical, management, material, and other business-enabling environments, facilitate favorable working situations by discharging all of its responsibilities to make the local project effective, and create a

sense of ownership of the projects by the community. Besides this, the Local government must improve social capital, support small-scale enterprises, and enable the community to be productive and use their potential are considered by a few respondents as the three most important measures that the Local area government could introduce/undertake to make it easier for Local area projects to grow. The remaining others gave their response to the question by wishing a government to make a reform on LED policy, improve LED project support infrastructures and guide its implementation using well-educated personnel.

The other main comments of the sampled study respondents/Local actors/ for the study area Local government includes the local government being advised to make a reform on local tax policies and stop collecting VAT from education or skill training fee, to provide credit facility and working area for business sectors, to issue clear and consistent rules, regulations and procedures, to support entrepreneurship who actively participate in enterprise development to award the enterprise who shows good progress, to improve local area political condition, to stabilize and enhance the current economic condition of the country, to improve efficiency and effectiveness of Local government revenue collection. Based on Local actors' understanding, the LED should be led by a public-private partnership (PPP), can be free from political intervention, and give room to NGOs and other Local actors that will be observed and evaluated by communities.

#### **4.2.2 Benefits of Local Economic Development Practice in the Study Area**

The LED program in Ethiopia as a whole and specifically in the study area has introduced a local participation system in which partnerships could be established between different sectors of the economy. The program has worked extensively in the area of capacity building intending to improve the working capacity of executives, experts, and beneficiaries. This was undertaken by organizing a platform of different training programs on different issues both locally, nationally, and internationally. As we all know one of the main purposes of LED is to create an enabling environment for economic development and for the private sector to prosper.

In the study area, LED policy framework and its practice predominantly takes the form of pro-poor strategies but with little effort directed towards infrastructure, social and economic development which is pro-growth in nature. Small and medium enterprises and the informal sector have been mainly used to achieve objectives of alleviating poverty and supplementing the formal market which is having challenges in employing the high populations of the study area.

The following are the main benefits of local economic development practice in the study area. Based on the sampled study respondents response, the main benefits gained from LED practice in the study area includes improve social and economic development and public infrastructure (road/cobble stones, drainage construction, health center, school) development; increase the engagement of community by improving communities awareness; improve the economics of a country and enhance business diversification; create job opportunity to local peoples to start working on their own country freely and to create their own success; reduce unemployment rate; create favorable conditions for adolescents and youths to use their potentials to improve the livelihood; improve the local community quality of life; increase private sectors and other local actor's involvement; increase the global competition and technological improvement; increase government tax revenue; reduce disparities between poor and rich place and peoples; improve information flow between business developers, investors and controllers, develop and use local knowledge and others.

The other achievement of a study area due to the implementation of LED programs includes the development partner or Local actors who are working in the local area experiences to see the gaps to be achieved to ensure social and economic development and to organize local development actors for enterprise development. As we all know LED has main goals to create local jobs, ensure economic stability and diversity, build on comparative advantages, assist the poor, and ultimately strive to improve the quality of life of all local communities.

#### **4.2.3 Challenges of Local Economic Development Practice in the Study Area**

Successful and productive public-private partnerships create wealth in local communities and Private enterprise, however, requires a positive business-enabling environment to deliver prosperity (Gwen et al, 2006). LED has main goals to create local jobs, ensure economic stability and diversity, build on comparative advantages, assist the poor, and ultimately strive to improve the quality of life of all local communities.

Regarding LED benefit maximization, the required awareness of LED strategy and practice was not done by the study area local government, and the local communities were not received the expected benefit to be gained from its implementation. We can understand what looks like the study respondents' replies on the listed questionnaires in Table 17 below.

*Table 17 The Local Government Practices Effects on Local Area LED Initiatives*

Please rate each of the following practices in terms of how they currently affect Local area LED Initiatives	No	Mean	Std. Deviation	Variance
Rules and regulations change too frequently	156	3.17	1.369	1.873
Too much time is spent dealing with authorities	156	3.00	1.373	1.884
Overlapping, duplicating, and contradictory rules	156	3.24	1.282	1.644
Rules are too complex and impossible to comply with	156	3.28	1.252	1.569
Requirements are unpredictable and depend on officials	156	3.12	1.270	1.612
Lack of clear regulations in some areas	156	3.20	1.277	1.631
Low technical and financial support	156	3.47	1.277	1.631
The use of Local gov.t power is unfair in controlling	156	3.38	1.369	1.875
Unregulated interference/involvement	156	3.10	1.316	1.731
Corruption and irregular practices	156	3.58	1.339	1.794

Based on the current experience of Local government practices, the following practices have a moderate impact and negatively affect the Local area LED programs and projects which include Rules and regulations change too frequently, too much time spent in dealing with authorities, Overlapping, duplicating, and contradictory rules, Rules are too complex and impossible to comply with, Requirements are unpredictable and depend on officials, Lack of clear regulations in some areas, Low technical and financial support, Use of Local government power in unfair for controlling, Unregulated interference/involvement with the average mean of 3.22. But Corruption and irregular practices of the Local Government structure have a Major impact (mean 3.58) and now negatively affect the Local area programs and projects.

To sum up, the analysis presented in above table 19, the whole question under a five-point Likert scale result of mean score value were more than three i.e. mean value =3.22, So this indicates that, the result of variables has a moderate mean value. The result shows that still there is a main gap in local government practice from this Corruption and irregular practices take the leading role and followed by unregulated involvement and take too much time in dealing with authorities.

As described below in Table 18 of this study's five-point Likert scale questions, all sampled respondents were asked to give their response on the most challenging factors that hinder the study area from expanding its LED activities in the woreda. Based on the sampled respondents' response, the following challenging factors that hinder the study area LED activities from expanding includes the Local area Political condition, Availability of Local based skill and resources, Availability of information on LED, Availability of local development policies, Availability LED project/program support infrastructure and Current economic condition of the Country with average 3.10 mean value.

*Table 18 The most challenging factors that hinder LED activities from expanding*

The most challenging factors hinder the study area from expanding its LED activities in the woreda.	Frequency	Percentage
A Local area's Political condition	39	25.0
Availability of Local based skills and resources	28	17.9
Availability of information on Local economic development	28	17.9
Availability of local development policies	23	14.7
Availability LED project/program support infrastructure	19	12.2
The current economic condition of the Country	19	12.2
Total	156	100.0

The result implies that the study area's political condition, local-based skills, and resources, information on LED, local development practice, LED program/project support infrastructure, and current economic condition of the country still hinder the LED practice of the study area. Besides this, the respondents confirmed that there is a high level of bureaucracy and corruption in the study area.

Public infrastructures are used as a main input to implement LED policies and initiatives in a given local area by participating potential local actors. As presented in tables 19, 20, and 21, the researcher tried to see the main factors that negatively affect the growth and effective operation of the study area's LED programs by grouping the main factors into Public infrastructure, quality of life, and other factors.

*Table 19 List of infrastructure-related factors which negatively affect the growth and effective operation of the study area Local economic development programs*

List of infrastructure-related factors that negatively affect the growth and effective operation of the study area Local economic development programs	No	Mean	Std. Deviation	Variance
Land/Project sites	156	3.27	1.407	1.979
Electricity supply	156	3.24	1.215	1.476
Water supply	156	3.26	1.185	1.405
Road Accesses	156	3.04	1.236	1.527
Internet accesses	156	3.13	1.234	1.524
Phone/Communication	156	2.96	1.249	1.560
Transportation Access	156	3.13	1.179	1.390
Business Environment	156	3.42	1.180	1.393

As observed from above table 19, the list of infrastructure-related factors which negatively affect the growth and effective operation of the study area's LED programs includes Land/Project sites, Electricity supply, Water supply, Road Access, Internet access, Phone/Communication, Transportation Access, and Business Environment with 3.18 average mean value. This implies that the study area's LED programs were moderately affected by the above-listed public infrastructure-related factors.

Table 20, shows a List of Quality of Life-related factors which negatively affect the growth and effective operation of the study area's LED programs. As the data result indicated in the table below, from Quality of Life-related factors Housing costs and availability have a major impact with a mean of 3.83. The remaining other QOL related factors which include Local Tax rates, Medical care and hospitals, Education system, Hotel facilities, Conference facilities, Telecommunications costs, Crime, theft, and Insecurity and Recreation amenities had a moderate impact on the growth and effective operation of the study area LED programs with =3.17 average mean value. The data analysis result tells that the study area's LED programs were moderately affected by the above-listed Quality of Life-related factors and highly affected by Housing costs and availability.

*Table 20 List of Quality of Life-related factors which negatively affect the growth and effective operation of the study area Local economic development programs*

List of Quality of Life-related factors that negatively affect the growth and effective operation of the study area LED programs	No	Mean	Std. Deviation	Variance
Local Tax rates	156	3.38	1.246	1.553
Medical care and hospitals	156	3.28	1.123	1.262
Education system	156	3.38	1.215	1.475
Hotel facilities	156	2.97	1.188	1.412
Conference facilities	156	2.88	1.141	1.303
Telecommunications costs	156	3.10	1.187	1.409
Crime, theft, and Insecurity	156	3.40	1.304	1.700
Housing costs and availability	156	3.83	1.212	1.469
Recreation amenities	156	2.95	1.217	1.481

Based on this fact the respondents who are stay and observed the study data here under Table 21, most of the respondents agreed that Lack of qualified personnel, skilled workforce availability, Local government regulation, Local government corruption, Access to, and cost of service, Local government efficiency, and Availability of effective Project support services are considered as factors moderate negatively affecting the growth and effective operation of the study area LED programs with 3.28 average mean value. This shows that the study area's LED programs were moderately affected by the above-listed Quality of Life-related factors and highly affected by Local government corruption.

The central theme of LED is the creation of jobs and the employment creation plan could include aspects such as the establishment of a central employment agency with a database, mentorship programs, public works programs, intensive technical and business skills training, development of incubators and job centers, youth development programs and policy formulation with incentives for job creation.

When we see the sampled respondents' responses on the current state of youth employment in the study area, about 1/3 or 52 (33.33%) respondents responded as it is good and the remaining 28.2%, 16%, 14.7%, and 7.7% were answered as it is poor, very poor, very good and excellent respectively. Based on the response rate of respondents, the current state of youth employment in the study Areas is not considered as good with an average mean of less than 3 which is a 2.7 mean value.

*Table 21 List of other factors which negatively affect the growth and effective operation of the study area Local economic development programs*

List of other factors which negatively affect the growth and effective operation of the study area Local economic development programs	No	Mean	Std. Deviation	Variance
Lack of qualified personnel	156	3.29	1.349	1.819
Skilled workforce availability	156	2.97	1.262	1.593
Local government regulation	156	3.28	1.178	1.388
Local government corruption	156	3.72	1.157	1.339
Access to, and cost of, service	156	3.44	1.061	1.125
Local government efficiency	156	3.42	1.186	1.407
Availability of effective Project support services	156	3.28	1.194	1.427

Based on the respondent's responses presented in below Table 22, Lack of experience, Lack of wrong skills for the available jobs, Jobs only given to people with connections, Gender, racial, cultural, or other bias, Lack of job-finding skills in resume writing, interview techniques or finding job posting, takes too much time to find a good job, an Insufficient number of jobs and other unknown barriers were considered as have average barriers that youth face in gaining appropriate employment with 3.17 average mean value. But Lack of basic education (literacy) is considered by the sampled study respondent's response as a Low barrier that youth face in gaining appropriate employment with a 2.6 mean value. This data result implies that the main barriers that youth face in gaining appropriate employment were related to the process of employment not to their basic education/literacy.

*Table 22 The Barriers that youth face in gaining appropriate employment*

What barriers do youth face in gaining appropriate employment?	No	Mean	Std. Deviation	Variance	Estimation Degree
Lack of experience	156	3.36	1.315	1.728	Average
Wrong skills for the available jobs	156	3.09	1.272	1.618	Average
Lack of basic education (literacy, etc.)	156	2.60	1.134	1.286	Low
Jobs are only given to people with connections	156	3.38	1.337	1.787	Average
Gender, racial, cultural, or other bias	156	3.13	1.269	1.609	Average
Lack of job-finding skills resume writing, interview techniques, or finding a job posting	156	2.92	1.141	1.303	Average
It takes too much time to find a good job	156	3.19	1.330	1.769	Average
Insufficient number of jobs	156	3.40	1.357	1.842	Average
Other unknown barriers	156	2.92	1.347	1.813	Average

As understood from the sampled respondents' responses, to remove or reduce youth employment-related barriers the Local government must create job opportunities for youth and facilitate employment, support the creative abilities of graduates, and develop controlling mechanisms to make it suitable and appropriate, improve access to information for youths, enhancing real voluntarism for youths to have their job experiences, avoid corruption and give equal chance and remove any discrimination within the youth. Besides this, the Local government should actively work on CPD (continuous personnel development) and train youth on how to create a job, facilitate entrepreneurship skill training, encourage innovation and partnership, and avail small micro-credit and saving institutions willing to give credit startup capital for young entrepreneurs.

Moreover, the Local government should identify areas where youth can participate and contribute their share to earn their livelihood and also should work with most efforts and passions for really benefiting the community at large and create a collaborative environment for all like-minded partners' common goals. As shown in Table 23, the sampled respondents were asked to give their response on the main measure that needs to be introduced by the Local government to support LED programs in the study area. Of the 41.7% of respondents needs that the Local government to provide training and expertise for the program areas, 17.3% need to Improve procedures for the

NGO sectors, 16.7% respondents need basic reforming on local development policies 14.7% of them need to provide information on Local development, and the remaining 9.6% needs to improve project/program support infrastructure of the study area. This shows that in one way or another, the respondents need to improve the Local economic policy and procedure currently in use by their study area.

*Table 23 The measure introduced by the Local gov.t to support LED programs in the study area*

What would you like to see introduced by the Local government/woreda that you think to support your Local area LED programs to develop and expand	Frequency	Percentage
Provide training and expertise for the program areas	65	41.7
Improve procedures for the NGO sectors	27	17.3
Provide information on Local development	23	14.7
Improve project/program support infrastructure	15	9.6
Reforming local development policies	26	16.7
Total	156	100.0

In general, the main challenges of LED practice of the study area identified by the sampled respondents includes lack of persistent participation by the community side (leave the responsibility to few commuted people); lack of capability, honesty and acceptable behaviors by the government appointees in addition to frequent turnovers of local representatives; some of the community participation activities look a campaign work than being persistent; lack of positive attitude and absence of shared vision seen on local actors; unable to be heard by the local government leaders; lack of business enabling environment such as limited economic resource/budget; unstable political and economic condition of the country.

Based on the respondents response, others LED implementation challenges of the study area includes lack of advertisement/ promotion work about LED initiatives; lack of access to make investment; lack of good governance; high level of corruption, bureaucracy and irregular practice; poor performance of local government anti-corruption commission; lack of tailored LED guideline and poor monitoring and evaluation practice; low coordination efforts and lack of in-depth assessment on LED practice; LED related information and communication gap; lack of professionals/skilled manpower in some areas; the obsolete and inefficient process of a paper

workflow; low government practice on technological development; low attention given by the local government leaders on decision-making timing and accuracy; Frequent change of Local government policy and procedure; low understanding of peoples about LED initiatives.

Besides this, the absence of local actors participatory system as well as the willingness to participate in LED implementation; venerability of business enabling environment to corruption and bureaucracy; high unemployment rate, discrimination, and poor working environment; lack of facilitation skill of local government officials; low availability of workplace and initial capital to private businesses; lack of ethical service delivery and holistic approach and People's negative perception towards the woreda and the willingness to accept the LED program to participate on it were considered as a main challenge of the LED practice of the study area. Based on the response of this study's respondents, lack of understanding is considered a cause of poor participation of local actors in their Locality LED practice.

## Chapter Five

### Summary of Findings, Conclusion, and Recommendations

The central objective of this study was to assess the current status and benefits and challenges of LED implementation practices of the Arada sub-city administration. This section presents the summary of key findings by reviewing the data analysis made in the previous chapter and gives conclusions and recommendations based on the findings obtained and interpreted from the data collected. Data relating to the study objectives were analyzed and triangulated from various angles and the findings were also presented as below.

#### 5.1 Summary of Key Findings

In this section, the researcher tried to show the main findings of the data analysis. As observed from the study area a Local actor's participation especially a Local Community involvement in their local area LED practice is not strong.

There is a promising change in the business-enabling environment in the study area and seen a moderate level of community economic growth over the last five years

The service sector is the fastest growing sector in the study area and some local development actors were not actively involved in their local area LED activities.

The Local government's role in LED promotion still stays in the medium phase and the Local LED plan of the study area /Arada sub-city/was not known by the majority of respondents and this limits the practice of LED in the study area.

The availability of capable technocrats and a workable public-private institutional structure to support local leadership in a LED initiative is considered Low.

The availability of reform-oriented, locally-elected leaders with the energy and willingness to work with their Local community is considered Low. There is low access to obtain information on LED implementation-related policies, laws, and regulations in the study area.

The study area's public infrastructure availability and accessibility are average and still, there needs to be improvement in vocational skill training centers, public capacity building centers, and education sectors to accelerate LED initiatives.

The participation of local communities in the LED practice evaluation process is still not reasonable and their involvement in the decision-making process is medium.

A majority of sampled organizations' working strategy enables public users and Local development actors to participate in LED initiatives of the study area. From the main LED approaches the Enterprise development approach was used by the majority of sampled respondents to contribute to the LED initiatives.

The majority of this study's respondents shared the LED practice of their locality but, the support from a study area Local government to develop a local economy was still not satisfactory.

The majority of study respondents were not exactly known as there is a national economic policy and a national government office support that promotes economic growth in the study area's most promising economic sectors.

The public-private partnership and cooperation in the study area remain at the initial stage and the working relationship of Local actors with their surrounding concerned bodies mainly with the National program office including the plan commission is not remarkable.

Still, the sampled respondents have the willingness to work with local government to promote a LED initiative and but their level of participation in the assessment and formation of LED policies and procedures is very low

There is a variety of training needs by the sampled organizations' staffs which includes Project planning and implementation training, technical skills training, Social and health development training, program or project management training, and others.

The same respondents had a better understanding of how to sustainably implement LED initiatives in their Local areas and acquired LED operation knowledge and experience due to working with the local government.

The majorities of study respondents are more familiar with the "LED policy" currently in use in their Local area and can develop and modify LED policy manuals and guidelines for their Local areas to address the needs of local communities.

There is a vast gap in using business resources, facilities, or networks in the study area to accelerate their Locality development progress and to improve the local community's life.

The main barriers that youth face in gaining appropriate employment were related to the process of employment but not attached to their basic education/literacy.

There is a main gap in local government practice from this high level of corruption and irregular practices takes the leading role and followed by unregulated involvement and taking too much time in dealing with authorities.

The study area's unstable political condition, lack of locally based skills and resources, Low accessibility of LED program/project support infrastructure, and current challenging economic condition of the country still hinder the LED practice.

The study area's LED program was moderately affected by Public infrastructure, quality of life, and other factors. From those Housing costs and availability and Local government corruption has a major impact.

## **5.2 Conclusion**

Local economic development requires governance and financing processes that prioritize the activity of local actors to identify LED-related problems and for adaptation of suitable solutions. The study area LED strategies lack the detail for interventions and lack effective monitoring and evaluation. The role and functions of LED initiatives are unclear with a lack of willingness for partnerships with the local actors including the private sector. LED is not yet well rooted in the study area woreda structures, which is shown by the lack of LED units within all Eight Woredas and also by the limited funds and in some instances no funds allocated to LED initiatives.

The following challenges exist regarding the LED process from policy to execution at the local government level. These include that policy doesn't automatically lead to operation, improved skills levels are required, staff and funding shortages need to be resolved, poor community involvement in the planning and implementation of LED projects exist, lack of access to investment; Lack of good governance; high level of corruption, bureaucracy, and irregular practice, Low government practice on technological development, and poor monitoring and evaluation. As observed from the study, the study area does not have adequate economic strategies in place to address the issues of poverty, unemployment, and inequality. LED is currently still not a priority in the study area, and limited funding is made available by the national government. Based on the findings of the study the below recommendations were given to all categories of study respondents.

## **5.3 Recommendations**

To increase Local actors' participation, the local government shall develop Need-based LED projects and use a community participatory approach to engage potential local actors including local communities, and strengthen their involvement using a partnership consensus to identify, prioritize and design LED initiatives by participating local actors. To enhance the LED practice of the study area the Local government should improve business and expand public infrastructures, reduce unemployment by focusing on Labor-intensive sectors, create job opportunities, alleviate poverty and corruption, and avoid bureaucracy. In doing so, the LED planning process shall start by identifying the LED concern of Local actors through conducting economic mapping and analysis, formulating an LED strategy, implementing the strategy, and conducting regular monitoring and evaluation, and impact assessment.

To improve the barriers to LED, the study area's Local government highly advised work on the development of human capital specifically on youth development, creating an innovation hub and work on technology transfer, promoting tourism sectors, supporting social enterprise development, enhancing business idea incubation centers, design local resource mobilization strategy, work on best-LED policy formulation and implementation, provide required resources to fully implement LED initiatives, create good governance structure to increase local actors participation and appoint responsible and skilled local leaders to ensure local area local economic development initiatives. To enhance the delivery and sustainability of the targeted LED activities, the local government should establish local systems for ongoing monitoring and evaluation of its operation practice.

To make a LED activity outcome more visible and to address all Local area economic development-related problems, Private business sectors should provide financial and technical support for local government structures. Non-Governmental Organizations shall place or engage themselves as a mediator and work on advocacy and lobbying for their Local area government to work on identified local area problems through conducting research. Local Communities should participate in the issues concerning them including identifying their local area economic development-related problems, developing responsive LED projects to solve their local LED problems, bringing enabling environment for LED and ensuring its sustainability.

As far as coordination is concerned, more coordination and communication is expected from all local actors including Public/Local Government Sectors, Private Business Sectors, Non-Governmental Organizations, and Local Communities to create environmentally friendly LED. This is because; a more integrated approach to LED would empower local people, associations, and firms for economic development by increasing opportunities to invest, produce, and sell goods and services.

### **5.3.1 Recommendation for Further Study**

The findings of this study are assumed to be practical for other Addis Ababa city sub-cities and woredas those who need to improve their LED implementation. It is highly suggested that to enhance LED implementation, both researchers and policymakers should target testing the performance of the LED implementers and controllers. Furthermore, the study shall be conducted in other sub-cities and woredas of Addis Ababa city Administration to maximize the benefit of LED and to reduce its implementation practice-related challenges.

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## Descriptive Statistics Data Results

[Descriptive Statistics Data] RLDS MA thesis 2023\SPSS v, 20Working paper -156.Respondents

Survey Questioners	No	Mean	Std. Deviation	Variance	
Respondents category	156	2.21	1.284	1.648	
Distribution of respondents by Woreda	156	4.47	2.348	5.515	
Your Sex	156	1.20	.400	.160	
Your Age	156	2.12	.748	.559	
Your Educational level/Qualification	156	2.25	.564	.318	
Do you think that you are familiar with the “Local Economic Development policy” currently implemented in your Local area/woreda?	156	1.04	.208	.043	
Respondent’s job title /position	110	3.32	1.420	2.017	
Organizational types	110	4.61	2.014	4.057	
How many people does your Organization currently employ (full-time equivalents)?	110	2.75	1.137	1.292	
Please indicate the majority numbers of your organization’s staff residential areas:	110	1.65	.584	.341	
In which skills areas do you think your staff need training	156	2.83	1.891	3.576	
Respondents’ perspectives on their future activities	156	1.00	.000	.000	
Where do you get experience in local economic development practices	156	2.21	1.129	1.274	
Do you think that you/your office is actively working on local area-based programs and projects	156	1.28	.448	.201	
Does the Organization experience difficulties in finding qualified people?	110	1.38	.488	.238	
Which approaches that your Office adopts to contribute to the local development of your local area?	156	1.76	.654	.427	
Which of the following best describes the local economic development strategy in your woreda?	156	2.04	1.534	2.353	
Does your organization participate in the local communities to evaluate its local economic development practices?	156	1.38	.488	.238	
How do you evaluate your Woreda public infrastructure accessibility?	No	Mean	Std. Deviation	Variance	Estimation Degree
Water supply service	156	2.74	1.147	1.314	Average
Health care Sectors	156	2.94	1.027	1.054	Average
Education sectors	156	3.29	1.053	1.110	Average
Road accessibility	156	3.13	1.094	1.196	Average
Electric power supply	156	2.90	1.114	1.241	Average
Vocational skill training centers	156	2.44	1.209	1.461	Low
Public social service sectors	156	2.74	1.089	1.185	Average
Public capacity building centers	156	2.43	1.137	1.292	Low
Other infrastructures	156	2.33	1.170	1.370	Low

Please rate the impacts of the listed factors in the below tables has negative effects on the growth and effective operation of your woreda/sub-city LED programs

Infrastructure	No	Mean	Std. Deviation	Variance	Estimation Degree
Land/Project sites	156	3.27	1.407	1.979	Moderate Impact
Electricity supply	156	3.24	1.215	1.476	Moderate Impact
Water supply	156	3.26	1.185	1.405	Moderate Impact
Road Accesses	156	3.04	1.236	1.527	Moderate Impact
Internet accesses	156	3.13	1.234	1.524	Moderate Impact
Phone/Communication	156	2.96	1.249	1.560	Moderate Impact
Transportation Access	156	3.13	1.179	1.390	Moderate Impact
Business Environment	156	3.42	1.180	1.393	Moderate Impact
Quality of Life					
Local Tax rates	156	3.38	1.246	1.553	Moderate Impact
Medical care and hospitals	156	3.28	1.123	1.262	Moderate Impact
Education system	156	3.38	1.215	1.475	Moderate Impact
Hotel facilities	156	2.97	1.188	1.412	Moderate Impact
Conference facilities	156	2.88	1.141	1.303	Moderate Impact
Telecommunications costs	156	3.10	1.187	1.409	Moderate Impact
Crime, theft, and Insecurity	156	3.40	1.304	1.700	Moderate Impact
Housing costs and availability	156	3.83	1.212	1.469	Major Impact
Recreation amenities	156	2.95	1.217	1.481	Moderate Impact
Others					
Lack of qualified personnel	156	3.29	1.349	1.819	Moderate Impact
Workforce availability	156	2.97	1.262	1.593	Moderate Impact
Local government regulation	156	3.28	1.178	1.388	Moderate Impact
Local government corruption	156	3.72	1.157	1.339	Major Impact
Access to, and cost of, service	156	3.44	1.061	1.125	Moderate Impact
Local government efficiency	156	3.42	1.186	1.407	Moderate Impact
Availability of effective Project support services	156	3.28	1.194	1.427	Moderate Impact
Based on your current experience with Local government practices, please rate each of the following practices in terms of how they currently affect your Local area programs and projects.					
Rules and regulations change too frequently	156	3.17	1.369	1.873	Moderate Impact
Too much time is spent dealing with authorities	156	3.00	1.373	1.884	Moderate Impact
Overlapping, duplicating, and contradictory rules	156	3.24	1.282	1.644	Moderate Impact
Rules are too complex and impossible to comply with	156	3.28	1.252	1.569	Moderate Impact
Requirements are unpredictable and depend on officials	156	3.12	1.270	1.612	Moderate Impact
Lack of clear regulations in some areas	156	3.20	1.277	1.631	Moderate Impact
Low technical and financial support	156	3.47	1.277	1.631	Moderate Impact
The use of Local government power is unfit for controlling	156	3.38	1.369	1.875	Moderate Impact
Unregulated interference/involvement	156	3.10	1.316	1.731	Moderate Impact
Corruption and irregular practices	156	3.58	1.339	1.794	Major Impact

Based on your current experience how do you rate the support of different actors listed in the below table in your locality's local economic development efforts?					
The support of different Local actors	No	Mean	Std. Deviation	Variance	Estimation Degree
Business Associations	156	2.24	1.176	1.382	Poor
Professional Associations	156	2.26	1.213	1.472	Poor
Local Government	156	2.50	1.133	1.284	Satisfactory
Central Government	156	2.46	1.121	1.257	Fair
Professional Private Services	156	2.87	1.123	1.261	Satisfactory
Local Economic Development Office	156	2.96	1.212	1.469	Good
Regional Economic Development Office	156	2.32	1.130	1.277	Poor
International Organizations	156	2.37	1.154	1.332	Poor
Foreign and Local NGOs	156	2.54	1.267	1.604	Fair

How would you rate your organization's relationship with the following main LED actors/bodies/?	No	Mean	Std. Deviation	Variance	Estimation Degree
Arada sub-city Administration	156	2.90	1.254	1.571	Satisfactory
Arada sub City woredas	156	2.96	1.274	1.624	Satisfactory
LED Team in the Local Government	156	2.63	1.203	1.448	Satisfactory
Woreds Finance and Program Department	156	2.56	1.219	1.487	Fair
Economic Development Office of sub City	156	2.46	1.251	1.566	Poor
Local Community Participation Office of the Woredas	156	2.76	1.165	1.356	Satisfactory
National/development program office including plan commission	156	2.49	1.283	1.645	Fair

Survey Questioners	No	Mean	Std. Deviation	Variance
Are there one or more reform-oriented, locally -elected or appointed leaders with the energy, determination, and willingness to work with their Local community?	156	1.03	.766	.586
Do you think is there free access to obtain information on LED implementation-related policies, laws, and regulations in your local area?	156	1.12	.778	.606
Do you or your organization have a working relationship with Local actors with those who are interested in strengthening their local parts of LED?	156	1.07	.558	.311
What are the main strategies used to bring successful Local Economic Development?	156	1.88	.875	.766
Approximately how many days per month does your organization's head spend with local communities dealing with LED regulatory-related activities?	156	2.18	1.262	1.593
Do you consider this to be.....?	156	1.71	.593	.351
What is the current state of youth employment in your local Areas?	156	2.70	1.138	1.296

<b>Survey Questioners</b>					
	<b>No</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Variance</b>	<b>Estimation Degree</b>
What barriers do youth face in gaining appropriate employment? Please use the below response rate.					
Lack of experience	156	3.36	1.315	1.728	Average
Wrong skills for the available jobs	156	3.09	1.272	1.618	Average
Lack of basic education (literacy, etc.)	156	2.60	1.134	1.286	Low
Jobs are only given to people with connections	156	3.38	1.337	1.787	Average
Gender, race, culture, or other bias (Provide details if possible)	156	3.13	1.269	1.609	Average
Lack of job-finding skills resume writing, interview techniques, or finding a job posting	156	2.92	1.141	1.303	Average
It takes too much time to find a good job	156	3.19	1.330	1.769	Average
Insufficient number of jobs	156	3.40	1.357	1.842	Average
Other unknown barriers	156	2.92	1.347	1.813	Average

<b>Descriptive Statistics</b>				
<b>Survey Questioners</b>	<b>No</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Variance</b>
Please list in order of their level of effect, the most challenging factors that hinder your local area /woreda from expanding its Local based program/project activities in the woreda.	156	3.10	1.731	2.996
In order of importance, which are the three fastest-growing sectors/industries in your community?	156	2.44	.965	.931
Do you share your Woreda/Arada sub-city Local economic development programming objectives?	156	1.22	.414	.172
Are there any business resources, facilities, or networks that you or your Organization have taken advantage of to start or run your work (for example, Chamber of Commerce, entrepreneur)?	156	1.15	.726	.527
Does the woreda/sub-city administration provide any Local Economic Development funding for your Locality?	156	1.15	.780	.608
From the list below, please rate the measures that you would like to see introduced by the Local government/woreda that you think would support your program/project to develop and expand (use a scale of 1-6, where 1 is most important)	156	2.42	1.511	2.284

Survey Questioners	No	Mean	Std. Deviation	Variance	Estimation Degree
Which one among the following actors is most active in promoting LED in your community?	156	2.74	1.566	2.453	Low
How do you rate your/ your organization's level of participation in the LED of the Arada sub-city	156	2.83	1.096	1.202	Average
Do you think that, your Woreda /Arada sub city playing its role in Promoting LED initiatives?	156	1.40	.504	.254	Low
How do you evaluate the local Economic development policies and procedures of the Arada sub-city?	156	2.76	.924	.853	Good
How do you rate a practice of LED initiatives in the Arada sub-city administration?	156	2.79	.892	.796	Good
Do you think that your office encourages local actors to participate in the decision-making process?	156	3.17	1.141	1.301	Neutral
Do you think that your organization has a mechanism used to consult the Local communities before LED projects or programs are implemented?	156	3.18	1.025	1.051	Neutral
How do you evaluate your local area's public-private partnership and cooperation?	156	2.76	.853	.727	Average
Do you think that your organization's working strategy enables public users to participate in LED?	110	1.23	.421	.177	Poor
Do you think that, is there exists strong Monitoring and Evaluation procedures in your organization to follow up on the implementation of the LED policy?	156	1.45	.499	.249	Low
In your opinion, how has the overall organization enabling environment changed over the last three years?	156	1.58	.770	.593	Poor
In your opinion what is the level of the community's economic growth in your woreda in the last five years?	156	3.17	1.354	1.834	Moderate growth
Does your Local Government (sub-city/woredas) have an official Local economic development Plan?	156	1.13	.719	.517	Poor
Do you think that is there a national economic policy, competitiveness strategy, and a national government office that promotes economic growth in the country's most promising economic sectors?	156	.92	.714	.510	Very Low
Is Ifu or your organization participating in the assessment and formation of Local Economic Development policies and Procedures?	156	1.31	.724	.524	Low
If your answer is for the above Q for how many years?	156	.80	1.166	1.360	Very Low
Is your organization in contact with national corporate leaders who could be integrated into a Local Economic Development initiative?	156	1.10	.738	.544	
Do you expect that Local economic development policies have different effects on the different social and cultural within a society found in one Area?	156	.99	.585	.342	
Do you think that the Local community, private sectors, and NGOs are active, organized, and willing to work with local government to promote a LED initiative?	156	1.13	.623	.388	
Do you think that there are capable technocrats and a workable public-private institutional structure in place to support local leadership in a LED initiative?	156	1.02	.774	.600	

**Annexes**

**I. Data collection tools/ survey Questionnaires**

**ADDIS ABABA UNIVERSITY**  
**College of Development Studies, Regional and Local Development Studies department**  
**MA thesis Survey Questionnaire**

**Dear respondents,**

This research entitled “**Assessments of Local Economic Development Implementation Practice and challenges in Addis Ababa, Ethiopia: In the case of Arada Sub City Administration**” is to be conducted by Mr. Beneber Teshome Tesfe from Addis Ababa University for the partial fulfillment of MA in Regional and Local Development Studies.

The target respondents of these questionnaires will be the public and private sectors, Non-governmental organizations and Local Communities those who are found in Arada Sub City administration and currently working on Local economic development. Your participation is essential to this study and will enhance practice and knowledge on Local economic development. So, please give due attention to respond on all questions provided to you. You will not be identified either by name or position and your feedback will be treated as confidential at any stage of the research and it will be used purely for academic purpose. Please write the appropriate response on the space provided.

Do you agree to participate on this study?    Yes                          No   

If your answer is yes please put your Signature \_\_\_\_\_

I thank you in advance for your valuable response, time and support. Please do not hesitate to contact the researcher, if you require further information about the research or for any question about the items in this questionnaire.

**Yours Sincerely**

Beneber Teshome Tesfe

Email: [bene.teshe@gmail.com](mailto:bene.teshe@gmail.com)

Mobile: 09 21 20 62 77 / 09 44 71 01 90

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**I. Information about Your Organization (Local Government)**

Q.1 what is your position/job title in this Organization?

General Manager/ Principal	
Manager (finance, program, personnel)	
Local economic development Expert	
Other (please specify) .....	

Q.2 Organizational type/ sector. (Please choose one)

Type	
a) Finance Sector	
b) Health Sector	
c) Small and Micro Enterprise	
d) Labour and Social Affair	
e) Trade office	
f) Vocational skill training/colleges	

Q.3 what are your organization’s key objectives in the development of your woreda?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Q.4 How long has your Organization been active (years/months) on Local economic Development activities?  
\_\_\_\_\_

Q.5 How many people does your Organization currently employ (full-time equivalents)?

0	1-5	6-10	11-50	51-200	>201	N/a

Q.6 Please estimate the number of your organization staffs considering their residential areas:

From your town/city area	
From the other Sub city	
From the other region	
Outside the country	
<b>Total</b>	

Q.7 in which skills areas do you think your staff need training? Rank each skills area from 1 to 9 according to priority, with 1 being the highest and 9 being the lowest.

a.) Project planning and implementation		f.) Finance Management	
b.) Social and health development		g.) Quality Control	
c.) Technical skills		h.) Budgeting and reporting	
d.) Program Management		i.) Other (please specify)	
e.) Monitoring and Evaluation		.....	

**II. Organizations Perspective on the Operating Environment**

Q.8 Are you optimistic or pessimistic about the future of your programs in your Local community?

OPTIMISTIC \_\_\_\_\_  
PESSIMISTIC \_\_\_\_\_

Q.9 Does the Organization experience difficulties in finding qualified people? YES \_\_\_ \_\_  
NO \_\_\_

Q.10 Where do you get experiences on local economic development practices?

a.) Due to working with the local government	
b.) From local Community Participation	
c, From Project/program implementation	
d.) From Training Participation	

Q.11 Do you think that your office is actively working on local area based programs and projects?

YES \_\_\_\_\_ NO \_\_\_\_\_

Q.12 In which program areas would you need to plan and budget as a new activity?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Q.13 which approaches that your Office adopts to contribute to the local development of your local area?

a.) Community Economic Development (CED)	
b.) Enterprise Development (ED),	
c, Locality Development (LD)	

Q.14 how do you rate your organization level of participation in LED of Arada sub city?

Very Low,  Low  Medium  High  Very high

Q.15 Does your organization participate the local communities to evaluate its local economic development practices?

Yes  No

Q.16 Please list in order of importance, the five most important factors that hinder your Organization from expanding its program/project activities in the woreda.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### III. Perceptions of Local Government (Arada Sub city and Woredas)

Q.17 Approximately how many days per month does your organization's head spend with local communities dealing with local economic development regulatory related activities? \_\_\_\_\_ Days.

Q.17.1 Do you consider this to be: Too Little \_\_\_\_\_ Reasonable \_\_\_\_\_. Too much \_\_\_\_\_

Q.18 Based on your current experience of Local government practices, please rate each of the following practices in terms of how they currently affect your Local area programs and projects. (Using a scale of 1-5, where 1 is *no impact* and 5 is the *most impact*, please circle the appropriate number).

MUNICIPAL PRACTICES	No Impact	Little Impact	Moderate	Major Impact	Significant
Rules and regulations change too frequently					
Too much time is spent in dealing with authorities					
Overlapping, duplicating and contradictory rules					
Rules are too complex and impossible to comply with					
Requirements are unpredictable and depend on officials					
Lack of clear regulations in some areas					
Low technical and financial support					
Use of Local government power in unfair for controlling					
Unregulated interference/involvement					
Corruption and irregular practices					

Q.19 From the list below, please rate the measures that you would like to see introduced by the Local government/woreda that you think would support your program/project to develop and expand (use scale 1-6, where 1 is most important)

Local government Measure	Rank in Importance (1-6)
Provide training and expertise for the program areas	
Improve procedures for the NGO sectors	
Provide information on Local development	
Improve project/program support infrastructure	
Reforming local development policies	
Other (please specify) .....	

Q.20 Please list in order of importance, the three most important measures that the Local area government could introduce to make it easier for Local area projects to grow.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Q.21. How do you evaluate your woreda public infrastructure accessibility? Use the below **RESPONSE** categories

1. Very Low, 2. Low 3. Medium 4. High 5. Very high

Public infrastructure						Comments and reasons behind High or low level of accessibility
	5	4	3	2	1	
Water supply service						
Health care Sectors						
Education sectors						
Road accessibility						
Electric power supply						
Vocational skill training centers						
Public social service sectors						
Public capacity building centers						
Other infrastructures						

Q.22 Based on your current experience how do you rate the support of different actors listed in the below table in your locality local economic development efforts? (Please indicate using “√” mark)

SUPPORT TO Local Government	Poor	Fair	Satisfactory	Good	Excellent
Business Associations					
Professional Associations					
Local Government/Mayor office					
Central Government					
Professional Private Services					
International Organizations					
Foreign and Local NGOs					

Q.23 Which Local government Sector/office **most positively affects** the development of your sub city/woreda Local area program/project activities and why?

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Q.24 Which Local government Sector/office **most negatively affects** the development of your sub city/woreda Local area program/project activities and why?

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Q.25 Does the woreda/sub city administration provide any Local Economic Development funding for your organization? If yes, please specify which organization.

YES \_\_\_\_ please specify \_\_\_\_\_  
 NO \_\_\_\_ DO NOT KNOW \_\_\_\_

Q.26 Based on your current experience, please rate the impacts of the listed factors in the below tables on the growth and effective operation of your woreda/sub city LED programs. (Please rate as indicated using “√” mark)

<b>INFRASTRUCTURE</b>	No Impact	Little	Moderate Impact	Major Impact	Significant Impact
Land/Project sites					
Electricity supply					
Water supply					
Road Accesses					
Internet accesses					
Phone/ Communication					
Personal transportation Access					
Business environment					

<b>QUALITY OF LIFE</b>	No Impact	Little Impact	Moderate Impact	Major Impact	Significant Impact
Local Tax rates					
Medical care and hospitals					
Education system					
Hotel facilities					
Conference facilities					
Telecommunications costs					
Crime, theft and Insecurity					
Housing costs and availability					
Recreation amenities					

<b>OTHER</b>	No Impact	Little Impact	Moderate Impact	Major Impact	Significant
Lack of qualified personnel					
Workforce availability					
Local government regulation					
Local government corruption					
Access to, and cost of, service					
Local government efficiency					
Availability of effective Project support services					

Q.27 How do you explain/evaluate your Local area Government LED initiatives and practices going on in your sub city and woredas with Local actor’s participation?

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Q.28 How would you rate your Organization relationship with the following main LED actors/bodies/departments? (Please rate as indicated using “√” mark)

WORKING RELATIONSHIPS	Poor	Fair	Satisfactory	Good	Excellent	N/A
Arada sub city Administration						
Arada sub City woredas						
LED Team in the Local Government						
Woreds Finance and program Department						
Economic Development Office of sub City						
Local community Participation office of the woredas						
National/development program office including plan commission						

Q.29 Which one among the following actors is most active in promoting local economic development in your community? (Please tick/check only one)

The woreda’s government sectors	
A formal incorporated public-private partnership organization	
Private business (Chamber of Commerce, Board of Trade)	
Local Communities	
Non-Governmental Organizations	
Other (please specify) .....	
Do not know	

Q.30 Which of the following best describes the local economic development strategy in your woreda? (Please tick/check only one)

The office of the sub city or woreda/chief executive officer/city manager has responsibility for local economic development activities	
Local economic development activities are centralized in a separate department/division	
Local economic development is decentralized and functions are carried out by several line departments	
Some local economic development functions are centralized while others are carried out by separate line departments	
Local economic development is a function of a larger agency, such as a community development department, that is responsible for housing, zoning, and inspections	
Do not know	

Q.31 Do you think that, your Woreda / sub city playing its role for Promoting LED initiatives?

Yes  No

Q.32. How do you evaluate the LED policies and procedures of Arada sub city?

Excellent  Very good,  good  Poor  Very poor

Q.33 how do you rate a practice of LED initiatives in the Arada sub city administration?

Excellent  Very good,  good  Poor  Very poor

Q.34 Do you think that your office encourages local actors to participate in decision making process?

Strongly agree.  Agree,  neutral  Disagree  Strongly disagree

Q.35 Do you think that your organization has a mechanism used to consults the Local communities before LED projects or programs are implemented?

Strongly agree.  Agree,  neutral  Disagree  Strongly disagree

Q.36 how do you evaluate your local area public private partnership and cooperation?

Very Low,  Low  Medium  High  Very high

Q.37 Do you think that your Office working strategy enables public users to participate in LED?

Yes  No

Q.38 Do you think that, is there exists strong Monitoring and Evaluation procedures in your organization to follow up the implementation of the Local Economic Development policy?

Yes  No

Q.39 List the main achievements of your organization concerning with LED practice?

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Q.40 which are the Main challenges that your organization faced during participating on Local economic development process?

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**IV. Organizations View on the Economic Development of the Local Community**

Q.41 In order of importance, which are the three fastest growing sectors in your community?

a.) Manufacturing sectors	
b.) Merchandising sector	
c, Service Sector	
d, Construction sector	

Q.42 In your opinion, which are the three sectors/industries that are declining the most in your community?

\_\_\_\_\_

\_\_\_\_\_

Q.43 Which are the three most attractive businesses enabling environment features about your community for investors (three strengths)?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Q.44 In order of importance, which are the three worst businesses enabling environment features (three weaknesses)?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Q.45 In your opinion, how has the overall organization enabling environment changed over the last three years? (Please circle the appropriate number)

Improve	Stayed the Same	Deteriorated
1	2	3

Q.46 What three things could your organization contributed towards the development of the local economy in your woreda/sub city?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Q.47 In your opinion what is the level of community's economic growth in your woreda in the last five years. (Please tick/check only one)

Rapid growth	
Moderate growth	
Slow growth	
Economic base is stable; no real growth or decline	
Modest decline	
Significant decline	

Q.48 Does your Local Government (sub city/woredas) have an official Local economic development Plan?

YES \_\_\_\_\_ NO \_\_\_\_\_

Q.49 if your answer is yes please list the five most important official Local economic development Plans now started to implement in your Local Areas?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Q.50. In your observation, what do you think the causes of poor participation of the peoples/organizations in the Local Economic Development Practice?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Q.51 Do you think that is there a national economic policy, or competitiveness strategy, and a national government office that promotes economic growth in the country's most promising economic sectors?

Yes  No  I do not know

Q.52 is your organization participating on assessment and formation of Local Economic Development policies and Procedures?

Yes  No  I do not know

Q.52.1 if your answer is yes for the above question for how much years?

Less than 2 years  2-3 years  4-5 years  Greater than 5 years

Q.53 is your organization in contact with national corporate leaders (international organizations, NGOs and Business Associations) who could be integrated into a LED initiative?

Yes  No  I do not know

Q.54 what were the Local Economic Development Policies designed and implemented in your local area and what were there practice look like?

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Q.55 Do you expect that Local economic development policies have different effects on the different social and cultural within a society, or on different local areas within one Area?

Yes  No  I do not know

Q.56 Do you think that, the Local community, private sectors and NGO are active, organized and willing to work with local government to promote a Local economic development initiative?

Yes  No  I do not know

Q.57 Do you think that there are capable technocrats and a workable public-private institutional structure in place to support local leadership in a Local Economic Development initiative?

Yes  No  I do not know

Q.58 Are there one or more reform-oriented, locally -elected or appointed leaders with the energy, determination and willingness to work with their Local community?

Yes  No  I do not know

Q.59 what are the main benefits gained from LED practice in your local area?

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Q.60 what are the challenges of Local Economic Development practice of your Local area?

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Q.61 what are the main strategies used to bring a successful Local Economic Development?

a.) Participating Local Communities	
b.) Participating Local Business sectors	
c, Formulating policies and procedures	
d, Participating NGOs	

Q.62 what are the main (negative or positive) factors that affects a of Local Economic Development implementation in your local area?

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Q.63 Do you think is there a free access to obtain information on LED implementation related policies, laws and regulations on your local area?

Yes  No  I do not know

Q.64 In your opinion, what do you think will be the consequences of the absence or less prevalence of good governance on Local economic development?

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Q.65 who is the main actors needed to be participated on Local economic development process to benefit Local Communities?

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Q.66 Are there any business resources, facilities, or networks that you're Organization have taken advantage of to start or run your work (for example, Chamber of Commerce, entrepreneur)?

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Q.67 what are the main things that local administration should do in the next 3-5 years to accelerate economic development in your city?

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Q.68 Does your organization have a working relationship with Local actors with those who are interested in strengthening their local parts Local Economic Development?

Yes  No  I do not know

Q.69 what incentives can you offer to help attract Non-Governmental and Business sectors to the Arada sub city?

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Q.70 What are your Organization main inputs to process and bring local economic development and where the main inputs are sourced?

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Q.70.1 Source of your organization finance/Budget of Local Economic development initiatives?

Government Support  From Grant  From Local Community source

Q.71 Do you have any comments and suggestions about your Local area LED initiatives and practices?

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**V. Organizations View on the Local Area Youth Employment (LAYE)**

Q.72 what is the current state of youth employment in your local Areas?

Excellent  Very good,  good  Poor  Very poor

Q.73 what barriers do youth face in gaining appropriate employment? Please use a below response rate.

Very Low,      2. Low      3. Medium      4. High      5. Very high

Barriers	5	4	3	2	1	Comments and reasons behind High or low level of barriers
Lack of experience						
Wrong skills for the available jobs						
Lack of basic education (literacy, etc.)						
Jobs are only given to people with connections						
Gender, racial, cultural or other bias (Provide details if possible)						
Lack of job finding skills resume writing, interview techniques or finding job posting						
It takes too much time to find a good job						
Insufficient number of jobs						
Other unknown barriers						

Q.74 how could barriers be removed? Please indicate the main and appropriate solution options?

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Q.75 what other ideas do you have for youth LED in the city, and how can the city help to make them happen?

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**Thank You**