

THE TRENDS AND PATTERNS OF REGIONAL DEVELOPMENT  
IN ETHIOPIA:  
AN ASSESSMENT OF POLICY IMPLEMENTATION AND  
ITS CHALLENGES IN TIGRAY AND GAMBELLA REGIONS  
(1995-2015)

By:

ALIYOU WUDU RETA

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SUPERVISOR: DR. SEVENIA VICTOR MADZIAKAPITA

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## DECLARATION

I, ALIYOU WUDU, declare that **The Trends And Patterns Of Regional Development In Ethiopia: An Assessment of Policy Implementation And Its Challenges in Gambella and Tigray Regions(1995-2015)** is my own work and that all sources that I have used have been indicated and acknowledged by means of complete references.

I further declare that I have not previously submitted this work, or part of it, for examination at Unisa for another qualification or at any other higher education institution.

Candidate                Aliyou Wudu Reta

Student Number      47216700

Signature              -----

Date                    May, 2020

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## Abstract

The major objective of this empirical research is to identify and explain the level of regional development and analyse the challenges of policy implementation with special focus on Tigray and Gambella Regions from 1995 to 2015. In line with the research objectives and statement of the problem, this study was designed to determine the level of development of the two regional states, the critical factors of regional growth in the regions, and what the major challenges were in the implementation of regional development policy. This research was explanatory cross-sectional in its design. In this research, both primary and secondary sources were consulted. Key informant interview, document review and observation were used to collect the necessary information. Accordingly, based on their expertise knowledge, and the position they held, a total of 24 regional and federal key informants were purposively selected and interviewed. The findings of the study showed that both regions made remarkable improvements and changes in health, education, road network, agricultural and revenue collection performance. However, contrary to the perceptions of the respondents, the secondary data when divided by regional population showed that in the past 20 years Gambella has been better off in terms of health, education, road networks and some agricultural indicators than Tigray. Tigray, however, grew more in terms of infrastructure than Gambella during the same period. The study found that the Government regional development policy designed and implemented as measured by growth-oriented indicators brought encouraging results. The most important determinant factors for regional economic development between the two sampled regions were: initial historical level of development; capacity of resource utilisation; leadership commitment, cultural differences, recurrent conflicts and insecurity, governance issues, political will, capacity of the regional government authorities; and rent-seeking attitude of politicians and civil servants. To address some of the challenges, few recommendations are made: designing a regional specific development policy, strengthening intergovernmental relations, protecting the environment, ensuring good governance, maintaining peace and security, strengthening capacity building, supporting infrastructural development for Gambella and the provision of additional financial incentives to regions.

**Key Words:** Regional Development, good governance, Villagization, FTC, capacity, federalism, gender disparity, backwash effect, ladder-step theory, growth corridors.

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## ABBREVIATIONS

ARA	Area Redevelopment Administration
CED	Community Economic Development
CCP	The Chinese Communist party
CDBG	Community Development Block Grant
CBOs	Community-Based Organizations
CPPs	Comprehensive Package Projects
CPSC	Central Planning Supreme Council
CTE	College of Teachers Education
DA	The Chinese Communist party
DFID	Department for International Development
EDA	Economic Development Administration
EDD	Economic Development Districts
EFFORT	Endowment Fund For rehabilitation of Tigray
ESDP	Education Sector Development Program
FTC	Farmer Training Center
FBO	Faith-Based Organizations
FDRE	Federal Democratic Republic of Ethiopia
FDI	Foreign Direct Investment
FYP	Five Year Plan
GDP	Gross Domestic Product
GDP	Gross Domestic Product
GER	Gross Enrolment ratio
GPDM	Gambella People Democratic Movement
GPI	Gender Parity Index
GTP	Growth Transformation Program

HUD	Housing and Urban Development
HSDP	Health Sector Development Program
LED	Local Economic Development
MPPs	Minimum Package Projects
NER	Net Enrolment Ratio
NRDC	National Revolutionary Development Campaign
NPFRD	National Policy Framework for Regional Development
OEZs	Open-Economic Zones
OECD	Organization for Economic Cooperation & Development
OEDP	Overall Economic Development Plan
ONCCP	Office of National Committee for Central Planning
OPDO	Oromo People's Democratic Organization
PSR	Pupil Section Ratio
PTR	Pupil Teacher Ratio
PCR	Pupil Classroom Ratio
PRSP	Poverty Strategic Paper
R&D	Research and Development
RSDP	Road Sector Development Program
SEPDF	Southern Ethiopian People's Democratic Front
TPLF	Tigray People Liberation Front
TTI	Teacher Training Institution
TVA	Tennessee Valley Authority
UNDP	United Nations Development Program
USDA	United States of America Department of Agriculture
WB	World Bank

# **CHAPTER ONE: INTRODUCTION**

## **1.1. Background**

This chapter briefly discusses the historical evolution and practices of the regional development policy in various countries around the globe. The chapter also explains the regional development policy experiences of specific countries and highlights the efforts of the Federal Democratic Republic of Ethiopia (FDRE) in bringing about equitable regional economic development over the past 20 years (i.e. 1995-2015). Finally, the critical research gaps in regional development in Ethiopia, the problem statement, the rationale for the study, the motivation for conducting this research, the research questions and objectives, as well as the scope and limitations of the study are elaborated.

The term regional development refers to the geography (spatial) of welfare and its origin or evolution. Regional development is a complex space-time dynamics and interdependence of regions. Regional development inequalities in socioeconomic wellbeing and infrastructure are a major challenge in many countries of the world. However, there is no common agreement among policy makers, academicians and practitioners on the root causes and the policy instruments to address regional development disparities (Kim, 2008).

Regional development emerged in the immediate pre-and early post-WWII periods as a major political phenomenon. To recover from the economic crisis of the 1929 Great Depression, various interventions were made by the United States of America and Western European countries. After the end of the Second World War, governments implemented a series of programmes in an effort to redistribute growth from leading to lagging regions. Since the 1950s, regional development programmes were designed by a number of less developed countries to promote and diffuse growth (Scott and Stroppler 1993; Buchtler and Yuill 2001).

According to Lessmann (2006), three branches of economic literature are important in understanding regional development. These are:

- 1) Neoclassical Growth Theory, which assumes conditional convergence between regions if regions are homogeneous with regard to preferences, savings and technology;
- 2) New Growth Theory (NGT) where regions could converge, diverge or grow parallel; and
- 3) New Economic Geography, which is based on Krugman (1991), where all three development patterns are possible.

With regard to the role of the central government, Jhingan (1975) showed that national governments should give due emphases in bringing regional equity or balanced development. Balanced regional development policy is useful to overcome social evils and maintain political stability. Developing and conserving resources are other benefits. Balanced regional development assist in smooth development of the economy, and in defending the country against political turbulence. Two fundamental issues arise in connection with regional development policies in developing countries. These are:

- 1) the age-old controversy concerning the conflicting objectives of raising per capita income growth (efficiency of resource use); and
- 2) income distribution, so as to reduce imbalances in growth (equity questions).

A distinction can be made between interregional and interpersonal equity (Degene 1996). Interregional equity indicates the policy of giving priority to disadvantaged areas, such as backward areas, and war-affected areas. This type of policy choice is often referred to as “place prosperity”. Interpersonal refers to policies that emphasise the need to address the problems of the disadvantaged sections of the society as the unemployed, the elderly, and the disabled. It has been observed that the ‘trade off’ between growth and spatial distribution goals may be difficult to reconcile (Alexiadis and Konstantinos 2010).

Regional development policy experiences and challenges are not similar across the world (Horan and Andrew 1998). Gen (1993) indicated that the emphasis in

the United States existed to bring equitable development among the states and is putting in place effective policy-making, improving and strengthening regional governance and creating more competitive regional economies. On the other hand, China designed and implemented a unique regional development policy and adopted a coastal specific development strategy.

Regional and local developments could be greatly impacted by institutional factors. It is argued that formal and informal institutions have played critical roles in shaping regional growth in most East Asian countries (Cindy and Allen 2003). Other researchers indicate that establishing an institution such as a National Development Centre, which is responsible for the coordination, promotion, monitoring and provision of technical support for regional development is crucial for successful balanced development (Quadrado, Hijman and Folmer 2001).

Different studies show that the success or failure of regional development policy largely depends on the effective coordination, promotion and monitoring of strategies. A further study regarding regional development policy showed that in the Republic of South African context, local actions and Local Economic Development have been encouraged by a range of government policy documents, acts of parliaments, including the Reconstruction and Development Programme (RDP) launched before the first democratic elections in 1994 (Binns and Nel 2002).

The post-1991 development policies of Federal Democratic Republic of Ethiopia (FDRE) designed some elements of decentralised planning. The objective of this was to bring balanced and equitable regional development across the regional states, attract domestic and Foreign Direct Investments, and enable regional and local development actors to participate in the development of region-specific solutions that address problems and mobilise regional and local resources (Adissalem 2003).

However, it would be fair to ask whether these objectives of bringing equitable regional development have been successfully implemented or not. If not, what critical policy and implementation challenges were faced? These questions have

special importance in Ethiopia in view of the fact that the FDRE constitution has clearly recognised the rights of Nations and nationalities to development. Hence, the matter of regional policy implementation through special support and other mechanisms to relatively underdeveloped regions is a critical condition for the establishment of a common economic and political community as envisioned in the constitution.

Ethiopia has registered an impressive growth in terms of access to health, education and other economic and social infrastructure facilities. For instance, gross and net primary and secondary education enrollment rates have shown improvements (Tasew 2002), where maternal mortality has seen a decline in Ethiopia (Misganaw 2010; Solomon 2010).

Despite this remarkable progress, the regional development differences are still prevalent. There is a clear uneven development among the constituting regions of the country. Differences in population and size of the territory, natural resource endowment, trained and educated personnel, as well as level of economic and infrastructure development among regional states characterise Ethiopia's decentralisation (Asmelash 2000; Meheret 2007).

However, closer examinations of the previous studies fail to show the critical factors and driving forces behind inter-regional development disparities in Ethiopia. Since most previous studies on regional development issues in Ethiopia depend on secondary sources, they do not critically explain the major reasons, factors and the views that influence and shape regional development. There is need to assess the level and challenges of regional development policies and strategies using some growth-oriented indicators, such as: the number and ratio of health, education, agriculture, road facilities to population; and revenue collection and expenditure in the two sample regions of Tigray and Gambella over the past 20 years. There is likewise the need to know whether the regions are on the right path and thereby contributing empirical evidence on the challenges, strengths, and limitations of federal and regional governments in the implementation of regional

development policies has inspired the author to conduct this research. This study, therefore, aims to fill this research gap in this area.

## 1.2. Problem Statement

Ethiopia is one of the few countries that has developed and implemented so many policy instruments to deal with regional disparities. One wonders if these instruments have indeed translated into equitable regional development in the country. The emphasis in regional development in Ethiopia started after the collapse of the military government in 1991. The coalition of Ethiopian People Revolutionary Democratic forces (EPRDF), developed policies that were based on regionalism and federalism focusing on identity and decentralisation (political, administrative, fiscal and economic) of powers and revenue sharing. The aim was to balance regional development by implementing inter-regional and intra-regional development policies. While inter-regional development is the jurisdiction of the Federal Government, intra-regional development was given to the regional governments (Tegegne 1998). All this was done with the understanding that the trickle-down theory to regional development does not work unless there is government intervention to make it happen. The question is, after establishing policies and having government intervene in the regional development process, what are the results? If one compares a poor region and a developed region according to government, what lessons and challenges does one generate that may assist regional development more broadly? How does the experience of United States of America, China and South Africa stated above compare to the Ethiopian journey? This empirical trend analysis for a period of 20 years was done to generate critical information that contributes both to the theoretical and practical situations in Ethiopia, which can also help other nations learn from it.

Different studies show that the successive Ethiopian governments have attempted to promote balanced regional development and spatial equity by designing various regional development strategies (See chapter 3 below). For instance, in the past 20 years, various concrete steps have been taken to improve the low level of

infrastructure in the country. To achieve the objectives of ensuring equitable regional development, the EPRDF-led government (Ethiopian People Revolutionary Democratic Front) prepared and implemented a number of development policies, programmes and projects in relatively under-developed regional states of Afar, Somali, Benishangul Gumuz and Gambella. The FDRE with full participation of regional governments and technical assistance of the Ethio-German Technical Cooperation (GTZ), has prepared a National Policy Framework for Regional Development (Tadesse 2001). However, different studies show that the success of this regional development policy performance has remained an area of concern (Adissalem 2003; Tsegaye 2009; Easterly 2002). It is a question as to why this might be the case, since there are several policy instruments that the government has put in place. Has the government struggled with its own policies? Is it the implementation that has led to the under-developed regions still considered under-developed even after 20 years of implementing these policies? How have policies accelerated or decelerated equitable regional development? Is it possible to have equitable regional development, one wonders? Has government favoured some regions compared to others? Is the dichotomy between developed regions and underdeveloped regions just a perception? What indicators, help compare the developed regions and undeveloped regions? How successful have the policy instruments been in bringing equitable development in the regions? These, and other questions receive attention here.

### 1.3. Objectives of the Study

The main objective of this research is to identify and empirically explain the trends and patterns of regional development as measured by growth-oriented development composite indicators and to analyse the challenges of post-1995 regional development policy implementation in Ethiopia, considering the case study of Tigray and Gambella Regions from 1995 to 2015. The specific objectives of this study were to:

1. empirically explain the trends and level of development registered by the sample regional State in terms of health, education, road, agricultural, and revenue collection performances;
2. identify and compare the major factors of regional development in the sample Regional states of Ethiopia;
3. confirm whether Gambella is indeed underdeveloped, while Tigray is developed, by means of trend analysis;
4. assess the major challenges faced by the sampled Regional states and the Federal Government in the implementation of regional development policies; and
5. give a conclusion on how the two regions performed based on the identified indicators over 20 years and contribute to knowledge on how regional development can be objectively compared in the country.

#### 1.4. Basic Research Questions

In order to address the above objectives, this study in addition to the questions stated in the problem statement has the following research questions:

1. what is the level of development of the sampled regional states in terms of health, education, road, agricultural, and revenue collection performances (1995-2015)?
2. what are the push and pull factors of regional growth in the sampled regions in Ethiopia?
3. what are the major challenges faced by the Federal and the regional states in the implementation of regional development policy (1995-2015)?
4. is it true that the regions considered underdeveloped are indeed underdeveloped and the regions considered developed are indeed developed? How do you effectively compare regional development?

5. how effective has the Federal Government support to the sampled Regions in the past 20 years been? and
6. what are the negative consequences of regional development policy on the environment of the sampled regional states?

### 1.5. Rationale of the Study

This study covers the most sensitive, complex and dynamic issues in regional development policy in the post-1991 Ethiopia. The final findings of the study will add value to the current state of knowledge about issues related to regional development policy challenges, determinant factors, and causes of regional imbalances. It would serve as a valuable source of information for regional development actors, both at the federal and regional levels. In particular, the final outcome of this study is believed to have theoretical, practical, and epistemological consequences in the following areas:

1. It will inform federal and regional policy makers, policy advisors, development planners, development stakeholders and practitioners on the critical factors that play role in regional development and the possible policy interventions to bring equitable development in Ethiopia;
2. It will contribute to the current practical knowledge and debates on the regional development policy and the contribution of the Federal Government support to emerging regions such as Gambella that may help to achieve regional balances;
3. It may offer first-hand evidence-based information for those who are interested to know the implementation challenges of regional development policy in regional states of Ethiopia; and
4. It will serve as a stepping stone in initiating further study in the field of regional development policy, federal-state relationship and good governance.

## 1.6. Scope of the Research

The scope of this research was limited to assessing the challenges of regional development policy implementation (1995-2015) in Ethiopia in Tigray and Gambella regional states, using pro-poor growth indicators in education, roads, agriculture, health, and revenue collection performance in the two sample regional states of Tigray and Gambella. The success and challenges of federal support to regions over the past 20 years and the views of the experts and policy makers on the issue were the focus of this research. Moreover, the achievements of the policy instruments implemented by the ruling government to reduce regional disparity are primary points of discussion of this study. Data on the number of populations in the sample regions was gathered from the reports of Central Statistical Authority, and averaged. Then, the number of health, education, road services, the number of professionals and the amount of federal grants given to the regions were calculated per capita, to enable comparison and to determine the trends in the study period.

The analysis done in this thesis will enable government to use that methodology to compare regions in Ethiopia and be able to come up with conclusions that can help in the direction they need to take for regional development.

## 1.7. Limitations of the Research

As clearly pointed out in the next chapters, the concept of regional development is complex. Due to insufficient time and data constraints, this research did not consider other regional development indicators such as regional industrial output, level of urbanisation, regional Gross Domestic Product (GDP), level of regional poverty, level of regional unemployment, mining, tourism etc. just to mention a few. This, however, does not compromise the quality of this research. This research covers from 1995 (i.e. The FDRE Constitution was promulgated) to 2015 (i.e. the final year of Millennium Development Goals).

The most serious problem of this study was the lack of a 20-year consistent set of data at both regional and federal levels. Moreover, a lack of willingness on the part of some of the political authorities for interviews, including Ministers and Deputy Ministers, proved to be another challenge. In addition, as the study uses secondary data available from Government publications, limitations of the official statistics also apply to the present study. To overcome the absence of comprehensive disaggregated data at regional levels, most of the data was gathered from the Federal Government offices. For different reasons, the political officials were not cooperative. To mitigate this problem, an alternative plan was prepared to interview experts in the sampled regional bureaus and federal ministries. The researcher also used the informal channels they had with important political figures and experts.

### 1.8. Definitions of Key Concepts

The following section provides some clarification on the terms that are used in this study and commonly encountered in studies of regional development.

1. Region: in this thesis, the term region indicates the nine administrative governments that constitute the Federal Democratic Republic of Ethiopia. Region/ states represent the second tiers of governments in the administrative structure of the FDRE. Region refers to a geographical area within a country bigger than a *Kebele*, a district and a zone (FDRE 1995).
2. Regional development: refers to socioeconomic activities including health, education, road, agricultural, and revenue collection capacity of regions and the special support of the Federal Government to the less developed regions. Various factors such as natural resource endowments, human capital, access and availability of capital, investments, entrepreneurial attitude and culture, physical infrastructure, etc. determine regional development (Nijkamp and Maria 2011).
3. Patterns: the term pattern refers to recurring regularities that can be subdivided into categories (Quinn 2002).

4. Trends: the term trends refer to a tendency or movement toward something or in a particular direction (Swanepoel, and Frik 1997).
5. Analysis: the term analysis refers to a systematic, deliberate, and planned examination of something in detail in order to understand the relationship better or draw conclusions from it. It also involves deconstruction in terms of breaking down the whole into its constituent parts (Pierce 2008).
6. Social indicators: refers to Human Development Indicators related to social concerns. In most cases, these indicators are used by the World Bank and the United Nations (UN) in compiling the annual World Development Indicators and Human Development Reports, respectively (Mohr 2005).
7. Rent-seeking: refers to an attempt to obtain economic rent illegally. It is a practice of manipulating public policy or economic conditions as a strategy for increasing profits. It also implies the extraction of value from others without making any contribution to productivity. Rent-seekers make profits through connections with officials, as importers/agents of a foreign company or by hoarding consumer goods (Vaughan 2011).

## 1.9. Outline of the Thesis

This thesis is organised as follows: Chapter One highlights the background of the study, analyses the research problems and provides the objectives of the study. Chapter Two focuses on theoretical analyses on regional development, including definitions of some important concepts and the rationale for regional approach to development. The chapter covers the discussion of major regional development policies and practices of some countries in the world. It also includes a discussion on the link between institutions, development and decentralisation and development, and governance and development.

Chapter Three is devoted to the empirical analysis of regional development policy and practice in Ethiopia. The critical evaluation of the development planning efforts

and the major drawbacks of the Imperial regime of Haile Selassie, the military regime, and the present governments are thoroughly discussed. This chapter showed the inception, processes, strengths and weaknesses of the past and current governments in bringing balanced regional development.

Chapter Four includes the detailed discussion of the research design, methodology, sampling techniques and procedures, sample population, sample size, and how analysis and interpretation of the data was done. Chapter Five presents the findings of the research and the final chapter, Chapter Six, provides the conclusion, summary and recommendations of the study.

### 1.10. Summary

The ongoing scholarly debates surrounding the regional approach to development and some of the theoretical perspectives on regional development policy, such as equity versus territorial based regional development, decentralisation as a tool of regional development, driving factors of regional development, the role of the central government in addressing regional development imbalances are highlighted. The discussion on chapter one also showed the previous studies on the subject and the efforts of the Ethiopian government to address the existing regional imbalances. The practical regional development policy and implementation experiences of some countries to reduce regional development disparities were also discussed.

The existing critical research gap in the field, the major and specific objectives of the study, research questions, the research scope and limitations of the study and the motive and justification to conduct this research were also highlighted. This chapter also tried to give operational definitions of the most important concepts related to regional development. The next chapter reviews the available literature and discusses the major theories related to regional development policy.

## **CHAPTER TWO: LITERATURE RIVIEW**

### **2.1. Introduction**

As the researcher critically explores the challenges and implications of regional development policy implementation in post-1991 Ethiopia, it is important to have a wider understanding of the on-going theoretical debates and major contending views on the subject. Methodologically, the selection of the theories and models is based on their contribution in explaining the current reality. In this regard, the analyses of some of the theories of regional development and the major driving factors are used as a tool to approach the empirical investigation of the study.

This thesis assumed that a single theoretical model cannot fully explain the current regional development policy of a country. Hence, the purpose of this chapter is to review substantial literature to regional development theories, strategies, practices and models in the world. It attempts to indicate the critical role of institutions in regional development, decentralised reforms and governance. It also explores the experiences of some countries regarding their regional development policies and strategies, along with the role of the respective states drawing lessons, if any.

### **2.2. Regional Development Theories, Strategies and Practices**

In an effort to alleviate development disparities, many theories of balanced regional development were developed. Harrison (1990) has argued that the concentration of the heavy defense industries in the Southern territories of the Soviet Socialist Republic (USSR) created greater vulnerability to the German invasion from the West. This led to the policy of strategic industrial dispersal to the interior of the country. Such policy reflected the government's commitment to the industrialisation of relatively backward regions. Following the bombardment of Germany during the Second World War, England dispersed her industries and developed the backward regions. The United States of America also attempted to develop backward areas, such as the Tennessee Valley.

According to Wijerathna (2014) and Junaid (2018), due to lack of appropriate regional development policies and strategies, economic disparities among provinces in Sri Lanka and Indonesia is very high. Regional disparity is ubiquitous phenomenon in developing countries such as India. Bihar, Uttar Pradesh and Orissa regions had the greatest number of poor people. There proves to be a persistent regional disparity in India, despite several policies for regional development (Kumar and Saidur 2016; Mohanty 2015). Bringing economic balance between ethnic groups and regions was seen as an imperative. Despite policy interventions, there is still a huge disparity among regions in Indonesia. The pattern of inequality remains the same (Hutchinson 2016). In support of regional development policy intervention, Shian (2002) pinpointed that regional development is an instrument to overcome poverty in developing and underdeveloped regions. Enhancing sustainable development through balanced and multi-objective programmes and searching for a new development approach that promote private markets are some of the reasons for implementing regional development in developed and developing countries.

There is ample literature on regional development and there are also many theories of regional development. Due to their relevance to this study, only some of the dominant theories in the field are used, which are very important for addressing regional development policy in Ethiopia. Among these include: (1) the theory of neoclassical convergence hypothesis (2) Myrdal's view; (3) core-periphery model; and (4) the institutionalist view, as addressed in this study.

#### 2.2.1. The Neoclassical Convergence Hypothesis

In the view of neoclassical theorists, regional convergence is inevitable. Historical "accidents" and "pure luck" are critical factors that may lead to some regions to be richer than others. However, as regional economies that start at a low level of development tend to grow faster, regional disparities tend to converge (Shaoguang and Hu 1999). Below are various models of neoclassical theory, which explain why and how economic convergence happens.

## I. A Closed One-Sector Economy

According to this model, local capital and labour inputs are the major factors that determine outputs in the region. In this situation, there is neither technical progress nor inter-regional trade. The proponents of this model assumed that while output per worker increases in poor regions, it decreases in developed regions due to diminishing returns. Thus, the poorer regions will grow more rapidly than rich regions. However, this model has been criticised because it ignores the contribution of inter-regional trade and technical progress that could facilitate regional growth (Galor 1995).

## II. The Export-Based Model

This model assumes that regions will produce more than one commodity, which enables them to trade with each other. The difference in level of export growth and the success of the export base is the critical element that could explain regional growth differences. Comparative advantage and equal exchange are the two assumptions of this model. Availability of production factors such as land, natural resources, capital, labour, and so forth will determine patterns of trade among regions. That means utilising their abundant factors of production and specialisation, regions will maximise economic potential. Free trade will equalise factors of production across regions which lead to a long-term tendency towards diminishing regional development imbalances. In other words, regional socioeconomic inequality is a temporal disturbance of a balance of supply and demand. This model assumes that if only there is zero factor mobility across regional boundary, regions will lose their comparative advantages if factors are allowed to be mobile (Shaoguang and Hu 1999). As we could see below, factors of production such as labour and capital are mobile.

### III. Factor Price Equalization Model

According to this model, factor mobility will accelerate the process of regional convergence. Economic disparities will reduce or disappear due to the full mobility of factor of production like capital and labour. In order to maximise their profits, capitalists will invest in areas of high labour availability and low labour cost. On the other hand, workers maximise their wages by moving from regions of high unemployment and low income to regions of employment opportunity and high income. These opposite movements will lower the capital-labor ratio in places with, initially high ratios and increase the capital-labor ratio in places with initially low ratios. Eventually, equilibrium will be reached at which returns to factors, or incomes, are equalised among regions (Mercado 2002).

The difference in demand and supply of factors of production such as labor, capital, and technology results in regional disparities. This difference in demand and supply is reflected in a price differential. However, with the integration of regions through transportation and communication facilities, prices will converge and inter-regional equilibrium will be created. Therefore, to reduce a regional gap, fast economic growth in one centre will encourage the migration of unemployed and low productive labor from the lagging regions to relatively developed regions, thereby leading to regional balance. However, due to the selective nature of market forces, economic divergence may occur rather than the assumed convergence (Mercado 2002). The drawbacks and policy implications of the neoclassical models can be summarised as follows:

1. Laissez-faire or letting market forces deal with regional disparities. An assumption that a 'free' market will lead sooner or later to the elimination of regional differences.
2. Liberalisation in the movement of goods and factors is the solution to the regional problems.

3. If convergence is the natural tendency, there is no role to be played by governments to reduce regional disparities. Government support may prolong rather than cure regional differences.

The main problem with these neoclassical explanations is that they heavily rely on some unrealistic assumptions (McCallum 1996). The issues of 'historical accidents' and 'luck' raised by neoclassical arguments as factors which could reduce regional economic inequality are not convincing. According to this argument, if a certain region or country remained under the colony of the western country for some years, the occupied country will get an opportunity to develop infrastructure, transportation facilities, the construction of health, education and other financial institutions.

Although there is still an on-going debate regarding this issue, the impact of European colonialism in Africa has shown that there was a high degree of extraction, exploitation, and damage of natural resources. Similar to the historical accident arguments, the neoclassical view regarding 'pure luck' as a factor for regional convergence cannot hold water. Observed critically, the mere availability of important natural resources such as minerals and oil cannot mean that the country or a certain region will be developed. Resources cannot be a guarantee for development. History has shown that these natural resources could be a source of instability and civil war in the most resourceful and rich countries in the world. A perennial tendency to control and use oil gases and minerals in developing countries such as Nigeria in Africa, has been a major source of destruction and underdevelopment. Contrary to the assumption of the neoclassical paradigm, some resource-poor regions and countries have made remarkable progress in economic development. Hence, natural, human and financial resources are a necessary but not a sufficient condition for economic growth of any region or a country (Shaoguang and Hu 1999).

Another equally wrong assumption made by the neo-classical theorists are the so called 'closed one-sector economy'. In this globalised world, where there is a

tremendous movement of goods and ideas across regions and countries, a certain region or a country cannot be an island. In other words, the boundary of the region is not closed. It is open to the rest of the region and the world. Depending upon the advancement of technologies and infrastructure development, the region's economy will be linked to the economy of other regions or countries.

Generally, as could be observed from some African states' economic liberalisation, privatisation, and free trade alone cannot bring and guarantee regional economic convergence. As it could be learned from the experiences of different countries in the world such as USA, China, and Brazil, special government support to the "less fortunate" regions in terms of financial subsidy and capacity building, where strong intergovernmental relations could help reduce regional economic inequality.

#### 2.2.2. Myrdal's View

A Swedish economist Gunnar Myrdal was the first scholar to pay attention to the serious economic and political cost of unbalanced economic development. According to his study, economic growth has a polarised character with initial regional differences. Free market forces based on supply and demand principles will lead to regional inequality. According to Myrdal, centres of economic growth are intertwined with "spread-effects" and "backwash-effects". Due to these effects, few regions or places will register economic growth. An increase in income or output in the few centres may lead to an increase in demand for agricultural products from the backward regions. These in turn increase the demand for industrial goods from the centres. This is called as cumulative causation process (Myrdal 1957).

#### 2.2.3. The Core-Periphery Model

A number of developments including the inadequacy of the resource base theory to explain the nature, rate, and level of regional development led to the development of this model and theories on the location of economic activities. The re-emergence of central place theory and the introduction of the concept of

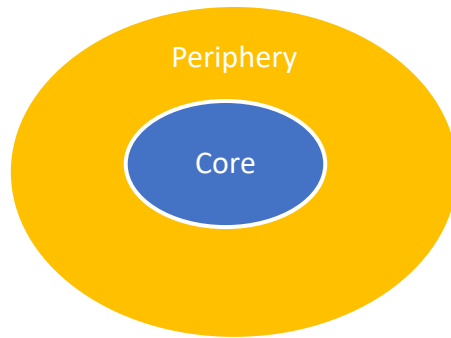
polarised regions led European geographers, regional scientists and town planners to develop the concept of polarised regions in the first half of the twentieth century (Chazireni 2003).

The core periphery model assumed that, the economy of the core regions will be developed. Absence of government intervention and fast growth in the core regions will retard economic growth in the peripheries, which in turn may lead to the economic disparities among the rich and the poor regions (Chazireni 2003). Grugman (1991) argued that the costs of transportation and economies of scale are major contributing factors in the emergence of core-periphery in the two regions.

Once an industry has been established at a specific location, “multiplier effects” set in and the polarisation effects will be offset by trickle down effects. Trickle down effects include the purchasing of commodities produced in the periphery by the core, the movement of capital from the core to the periphery region, and the movement of labour from the periphery to the core. The weakness of this model is that it does not explain the benefits of the labour movement from the periphery to the core regions. The role of other factors that may promote or hinder the movement of factors of production is not considered by this model (Chazireni 2003).

According to Chazireni (2003), the core-periphery model includes five types of regions. These are: core, upward transitional, downward transitional, resource frontier, and special problem regions.

1. The core region: According to Chazireni (2003) citing Friedmann, stated that the core regions are characterised by their promises for economic development. There is a huge concentration of economic activities, the core spatially small area, but with a high level of infrastructure development, such as water, transport services, health and educational facilities, high capacity for innovation and change, where politically the core is very powerful.



*Figure 2.1. A Core Periphery Model*

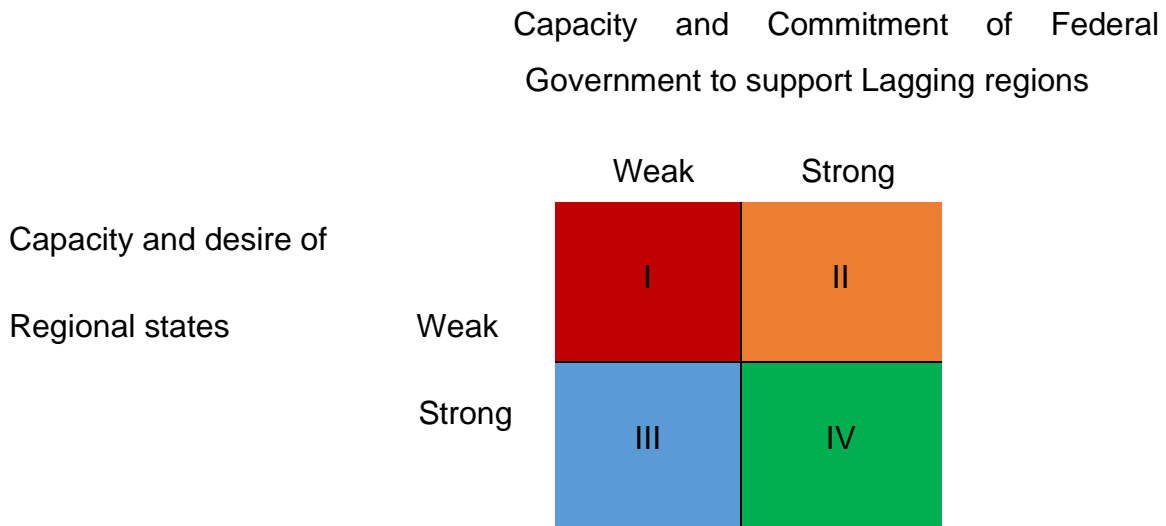
Source: Own Construction, 2015

As can be inferred from Figure 2.1 above, the core periphery structure implies that there is an uneven economic development between regions, because the core is more developed and the periphery is socially, economically, and politically backward (Chazireni 2003).

2. Upward transitional regions: include all settled regions whose natural resource endowment needs an intensive development and are characterised by large-scale immigration.
3. Resource frontier regions: are zones of settlements in which new resources are discovered and exploited. These regions are usually situated in a remote peripheral area (Barney 2009).
4. Downward transitional regions: are old established settlements with rural economies. It is also characterised by economic stagnation and decline.
5. Special problem regions: refers to an area that needs a specialised development. They often include areas situated on the country's borders, water resource areas, areas that are suitable for tourism development and fisheries and military zones (Chazireni 2003).

As can be observed from Figure 2.2 below, it is impossible for regional gaps to narrow in Box I (quadrant one) because of the weak local and Federal Government's desire and limited institutional, human, and leadership capacity to

intervene on behalf of poor regions.



*Figure 2.2: Federal and Regional Capacity and Will to Balance RD*

Source: Adopted and modified from Shaoguang and Hu (1999)

In Box II (Quadrant Two), though the Federal Government has the desire, commitment and capacity (resources) to bring balanced regional development, the lack of willingness, institutional and leadership capacity and commitment at the regional level will hinder achieving balanced regional growth. In Box III (Quadrant Three), due to absence of Federal and regional commitments and resources, there will be a wide gap in regional economic performances. As can be inferred from Box IV (Quadrant Four), both the federal and regional governments have the desire and capacity to narrow regional gaps. It is likely that economic development becomes more balanced.

The above Figure 2:2 also revealed that strong capacity, commitment and desire of both federal and regional governments are crucial factors to reduce regional inequality. It is important to mention that though there is strong commitment and capacity at the federal level the process of regional development should not be a top down. Conversely, regional development should be the jurisdiction and responsibility of both the federal and regional governments. In other words,

partnership and collaboration are fundamental for bringing economic development at the regional as well as national levels.

#### 2.2.4. The New Institutional View

According to North(1991), institutions are “a set of formal (laws, contracts, political systems, organizations, markets, etc.) and informal rules of conduct (norms, traditions, customs, value systems, religions, sociological trends, etc.) that facilitate coordination or govern relationships between individuals or groups”. Institutions can influence the human behavior and outcomes such as economic performance, efficiency, economic growth and development (Kharallah and Johann 2001).

Different studies have shown that economic development is a function of an economy's productivity, which in turn requires better institutions. Institutions are the necessary forces for productivity and economic growth. Institutional economists attempt to explain the causes of spatial disparities in terms of institutional constraints and opportunities. There is a link between institutions and development. Differences in institutional quality among regions affect development within nations. In particular, political institutions determine the distribution of power and fiscal resources between federal and regional governments which affect regional development (Kim 2008).

Regional development theories and policy practices place special emphasis on the potential role of regional and local institutions as development resources. Regional institutions occupy a key role in the promotion of regional development. In the field of regional policy, economic development efforts have been shifted away from centrally administered subsidy, grant schemes and policy interventions towards regionally based measures aimed at mobilising development potential 'from the bottom up' (Thelen 1999).

This view also could not escape critics from various scholars. For instance, the “old institutional Economics” lacks analytical rigour and theoretical framework. There

are few qualitative theories to make generalisations and sound policy choices. On the other hand, the neoclassical economics failed to appreciate the role of institutions and economic agents assumed to operate in a vacuum (Kharallah and Johann 2001).

## 2.3. Regional Development: Concepts, Paradigms and Objectives

### 2.3.1. Regional Development: A Conceptual Definition

Regional development guides the design and implementation of government interventions towards development at the regional level (see also 2.1b above). Although regional development is designed with a particular focus on the situation in developing countries and those undergoing transformation, and in rural regions characterised by the predominance of small holder peasant agriculture and livelihood-oriented economies, many of its strategic guidelines and tools are equally relevant for rural regions in industrialised countries. It is a rural, regional and people-centered response to the persistence of rural mass poverty (Rauch et al. 2001).

### 2.3.2. Regional Development Objectives

The overall objective of regional development is to improve the living standard and well-being of the population in the region. This improvement of the living conditions must be based on economically viable, ecologically sustainable, socially and culturally appropriate, self-determined, and institutionally feasible means of resource utilisation. Regional development is based on principles of poverty orientation, sustainability, popular participation, and strong partnership among development actors. The concept of regional development could be seen from three angles (Rauch *et al* 2001):

1. Provision of better opportunities by promoting technical innovations and institutional and market development;

2. Ensuring appropriate services by institutional reforms at regional level; and
3. Building the capacity of people to make better use of such opportunities.

### 2.3.3. Regional Development Paradigms

In the development literature, there are three distinct regional development paradigms. The first considers the development of regions as a function of national development. Regional planning is a tool in the development process. This paradigm could be labeled as a form of 'functional regional development' and has up to now been a major influence on regional policies in many Third World countries (Hinderlink and Titus 1988). A second paradigm might be described as 'dependent regional development'. It is a critical reaction to the optimistic assumption of the 'functional' interpretation of regional development. Regional development can only be brought about through structural change which transforms the existing relations of dependency. Therefore, the policies pursued should be geared to economic growth and affect the existing political economic order. The third paradigm is called as 'territorial development', emphasising politico-economic considerations. This paradigm conceives regions as territorial entities, which should be developed in their own way and according to their own interest. Consequently, regional development is seen as a process 'from below' which brings about an improvement in living conditions within the territory concerned (Hinderlink and Titus 1988).

### 2.3.4. Regional Development Driving Factors

According to Fassil (1977), development planners have to take the following major factors in the regional development policy formulation and implementations. These are: (1) geographic and ecological factors; (2) economic factors; (3) technological factors; (4) sociological and institutional factors; and (5) political factors. Furthermore, the study made by Singh (2009) illustrated that various factors of production such as availability or lack of adequate and appropriate technology, capital, human resources, natural resources, and institutional and organisational

factors are determinants of regional growth. Conversely stated, knowledge and proper understanding and efficient utilisations of these factors are fundamental in achieving regional development objectives. Below, the schematic diagrammes of these factors are shown.

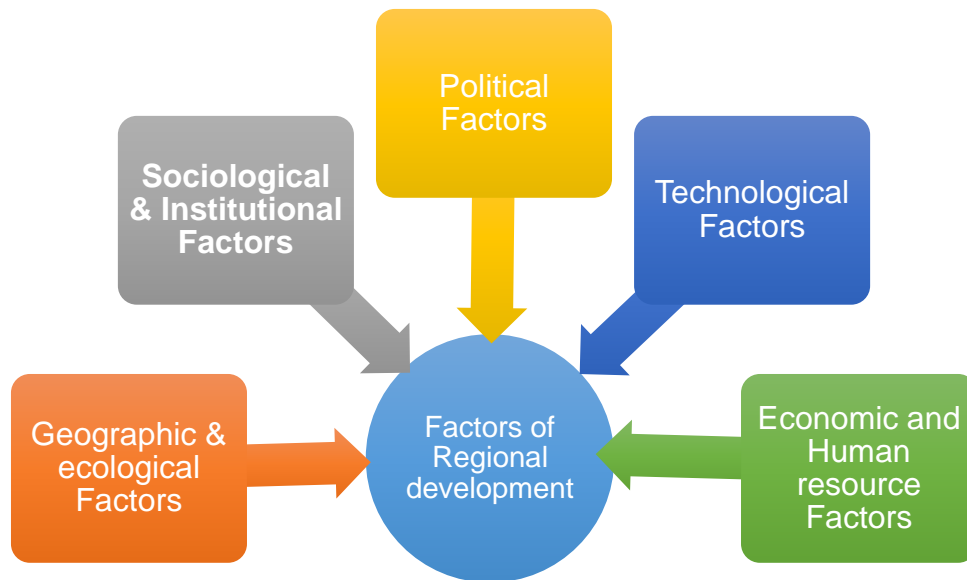


Diagram 2.1: Factors of Regional Development

Next, a detailed description of these factors of regional development will be made.

**Geographic and Ecological Factors:** Climate is an important factor influencing rural and regional developments. Climatic conditions such as the presence or absence of humidity, the extent and amount of rainfall, the type and amount of vegetables and animals, etc. found in a specific region can positively facilitate or retard development initiatives. However, with proper planning and execution of a wide range of integrated development mechanisms, including the provision of irrigation, land reclamation, afforestation, medical and health facilities, the improvement of land and air communication etc. man can conquer his surroundings and beyond.

**Economic and Human Resource Factors:** The availability of quality manpower and the provision of finance are the two scarcest and important elements in regional development. However, the use and harnessing of these resources basically determine the sustainability of development. In this regard, the provision of the

necessary economic and social infrastructure and capacity building are critical requirements for successful development programmes. Infrastructure can attract investment to the area, reduce production costs by facilitating movement, and help the regional economy to be resilient (Fassil 1977).

**Technological Factors:** Backward and traditional farm implements retard the productivity of both labour and land with the negative consequences of environmental degradation and natural hazards. To avert these impacts, governments are responsible to introduce new technologies and invest a large portion of their budget on Research and Development.

**Sociological and Institutional Factors:** The experiences of Asian countries showed that sociological and institutional factors are key determinants of economic development. Contrary to the mainstream neoclassical assumption of economic development, the major obstacle to development is the existence of weak institutions and unresponsive nature of administrative systems (Tegegne and Kumsa 2002).

According to Tegegne and Kumsa (2002), governmental and non-governmental institutions, Community-Based Organizations (CBOs), credit and saving associations, self-help and religious groups, etc. are the major institutional mechanisms that help to disseminate information and play an intermediary role and as a catalyst in the development process. Hence, regional development requires favorable social, cultural, and institutional environment for entrepreneurs to flourish.

The success of a country in achieving development is determined by a number of political factors, including the type and quality of local, regional, and central government leadership. Regional development is a multi-actor, multi-level, and integrated process that necessitates facilitating and creating a friendly political environment that enables the actors to play their own roles (See also figure 2.2 above). These arguments are supported by the information gathered from both federal and regional respondents. According to Fassil (1977), adequate

representation, participation, and involvement of the community in the development process is a necessary and critical condition that requires the coordination of administrative, political, social and economic techniques in an integrated manner. Moreover, political, administrative and fiscal decentralisation is a necessary prerequisite for sustainable regional development. As could be observed in Chapter Five of this paper below, political stability and good governance are also the major factors that determine regional development in any nation.

As could be inferred from the above discussions, regional development is a multidimensional and multi-actor process. Furthermore, a number of factors including political, cultural, technological, natural resources, etc., can determine the success or failure of regional development policy of any country. It is assumed that these factors may directly or indirectly affect the regional development in Ethiopia. Yet, the nature, extent and consequences of these factors on regional development may vary across different countries.

## 2.4. Governance, Economic Growth and Regional Development

The World Bank Report of 1989 used the concept of good governance. This report argued that Africa's development problems is mainly a crisis of governance. The Western governments such as the British, French, German, United States, and Japan used governance as a precondition and key criteria for aid eligibility to African countries. International and regional organisations like the Organization for Economic Cooperation and Development (OECD), the Organization of African Unity (OAU), the European Communities and the British Commonwealth supported the argument forwarded by the World Bank.

According to the United Nations Development Programme (UNDP 2011), governance is the "manner in which power is exercised in the management of a country's economic and social resources for development". Governance should include a strong, participatory civil society, the presence of open and predictable

policy-making, an accountable executive, a professional bureaucracy, and the prevalence of the rule of law. Governance implies political legitimacy, cooperation of civil society groups, as well as freedom of association and participation. Participation, accountability, transparency, rule of law, orientation towards consensus, effectiveness, and efficiency, responsiveness and inclusiveness and equity are elements of good governance. Administrative reforms, judicial reforms, curbing corruption and developing a national outlook is crucial to ushering economic development (Onichakwe 2016).

Supporters of good governance as the main element of regional development state that good governance is fundamental in addressing the economic and political problems of the less developed countries. Good governance is central to creating and sustaining an environment which fosters strong and equitable development and it is an essential complement to sound economic policies (WB 1992). However, there are those who question the views of the proponents of good governance. For example, the following are some of the counter arguments.

First, the assumption is that good governance will inevitably bring democratic system and economic development is not historically and practically well supported.

Looking at the experiences of different countries around the world, contemporary theorists support the argument that it is economic development which would yield the necessary, though not sufficient, conditions for sustainable democracy. Generally, the practical relationship between democracy, good governance, and economic growth in developing countries have not been conclusive. However, in multi-ethnic, religious, linguistic, cultural, and deeply divided societies, the role of good governance and democracy could not be ignored.

The second criticism revolves around the philosophy of a “minimal state” or “small state”, which is a basic foundation and an expected end of good governance. The idea of a minimal state refers to the minimum intervention of the state in the economy and social arena of a given society. However, this philosophy of minimal

state is questionable. If we take the experience of the Asian countries, it is the strong intervention of the state that is instrumental in bringing about economic development.

On the other hand, the issue of governance is a crucial aspect for a country's sustained economic and social development. Growing volumes of literature suggest that lack of good governance hinders investment and aggravates poverty and inequality. That means, bad governance has a negative effect on the efforts of countries to attract foreign investment, improve infrastructure, and raise educational standards (Kumar, 2005). However, it should be noted that good governance is necessary but not sufficient condition for economic development. According to Kurtz and Andrew (2007), high levels of economic growth are linked with competent public sectors. Political stability, political institutions, quality institutions, and social capital affect economic performance.

Dollar & Kraay (2001), who empirically examine the importance of four factors in determining the income share of the poorest, indicate that while primary educational attainment, public spending on health and education, labour productivity in agriculture relative to the rest of the economy, and formal democratic institutions with good governance are both plausible and important in bettering the lot of poor people in some countries and under some circumstances, were unable to uncover any systematic evidence that these raise the share of income of the poorest in their large cross-country sample.

The above presents the arguments favouring and precluding good governance. Based on this, it can be argued that democracy and good governance are a necessary but not sufficient condition to bring economic growth in less developed countries in general. In other countries where there are no strong multi-party politics, limited devolution of fiscal authority to lower level administrative hierarchies or regional states, insufficient administrative and institutional capacity at lower level units of the government, where civil societies are at an infant stage and where there are lack of transparency and accountability of government

officials to the public, such countries have registered rapid economic growth. This implies that there is not always a direct and necessary relationship between good governance and economic growth. The East Asian countries or the “Asian Tigers” had registered fast economic growth without respect to democratic and human rights. These could be explained by other domestic and international factors.

Endogenous growth theories hold that investment in human capital, innovation and knowledge are sufficient contributors to economic growth (Onyebuchi 2015). For there to be regional development, endogenous growth must be experienced. The endogenous growth theory implication is that policies that embrace openness, competition, change, and innovation will provide growth. However, the main failings of endogenous growth theories are the collective failure to explain conditional convergence reported in literature.

## 2.5. Regional Development Policy Approaches

According to the research conducted by Golden (2008), there are several policy approaches to regional development. These include: “traditional” approaches using primarily economic instruments; innovation and technology development; community economic development and the social economy; community development and capacity building; and new governance models.

### 2.5.1. “Traditional” approaches to Regional Development

Different countries employed a variety of economic instruments to foster their regional economic development. Some of the instruments include: facilitating subsidies to agriculture and industries located in the specific regions, employment creation, availing assistance for the development of businesses and enterprises and facilitating access to capital and pursuing initiatives to increase investment in the targeted regions (Golden, 2008).

The same research made by Golden (2008) showed that the following policy and program instruments were used to successfully implement the traditional policy

approaches to regional development. These include: provision of grants and loans to assist business firms in accessing capital, tax incentives, financial measures targeted at small business and enterprise development, and advisory and information services.

#### 2.5.2. Innovation, Technology and Regional Clusters

A wide range of policies and initiatives were introduced by governments to promote innovation as a driver of regional economic development. These include: Investments in Research and Development (R&D), tax incentives and various forms of financial supports to firms and industries, measures to support commercialisation and marketing of innovative products and services, support for the development of innovation “clusters”, and investment in skills and learning.

#### 2.5.3. Community Economic Development

Community Economic Development (CED) refers to “local action to create economic opportunities and enhance the social and environmental conditions of communities. It is based on Local Economic Development (LED) and is driven by a community-based organization” (Golden 2008).

Community development and capacity building can be more holistic approach to the overall development of the communities in their economic, social, environmental and other dimensions. The enhancement of the ability of communities to identify problems and issues, set goals and objectives, and develop and implement strategies and initiatives in order to take charge of their own development lies at the center of this approach (Golden, 2008).

#### 2.5.4. Partnerships and New Governance Models

Establishing genuine and effective partnerships among the government, the private sector, community, voluntary organisations and educational institutions are the fundamental elements of the new governance model. Devolution of greater power, resources and authority to the local and regional states, assigning new

roles for the states as an “enabler” and development partner with other actors and designing a new model of accountability are also part of the emerging governance models. According to Seid (2011), countries may use the following mechanisms to ensure balanced regional development. These include:

1. Providing priorities for investment on infrastructure in underdeveloped regions. Countries should give priority to the key factors in development, such as education and health infrastructures.
2. Transfers to backward regions. Despite the constitutional allocations of revenue sources to regions, regional states usually fail to adequately finance their expenditures. Hence, to reduce the horizontal fiscal imbalances, the central government forward grants and subsidies to the regions based on some criteria and formula.
3. Establishing urban centres. The concept of development is usually synonymous with industrialisation and urbanisation. Urban centres are engines of development. To achieve the shift of economic structure from an agrarian/rural-agricultural to a more urban base, establishing villages and towns is crucial as they serve both as a market for the produce of the farmers and sources of inputs to the farmers. Cities also play a significant role in shifting the agricultural society into an industrial society.

The above discussion regarding the variety of policy and strategy approaches to regional development policy implemented in different countries of the world highlights that states can employ a wide range of measures to address the multidimensional issues related to regional economic development disparities. From the above explanations, it is also possible that there are no hard-and-fast prescriptions that fit all the unique situations of countries in the world. By using one or more of the above-mentioned policy approaches, countries can bring sustainable economic development in general and reduce regional development inequality in particular.

## 2.6. The Rationale of a Regional Development Approach

The term 'region' refers to geographical areas within a state which are bigger than a town or village and have something in common with regard to their natural and cultural characteristics and/or their close economic or social inter-linkages (see also Chapter One 1 above). Regional approaches are to be seen as complementary to both sectoral and technical approaches to development. This strategy gives due consideration to the way in which different activities and investments were dispersed in geographical space, and the way the activities complement each other or compete with each other (Rauch et al 2001).

Regional development could be successful if the macroeconomic policy environment provides the right type of incentives. There should be sound sector policies in place. Appropriate institutional arrangements must be designed through regional programmes. Regional approaches of governance and development planning are a necessary complementary component in a system of good governance, especially in rural areas (Rauch et al 2001).

As can be seen from the previous discussions above, the regional development approach to economic and social development could be successful if and only if there is a sound macroeconomic policy and strategies to reduce poverty and bring sustainable development both at the national and regional levels. There must also be appropriate institutional arrangements in place, effective mechanisms to make vertical and horizontal coordination among regions, and good governance both at the national and regional levels. For this to happen, both the federal and regional governments, with the support of national and international development actors, the active participation of community organisations, must work hand-in-hand.

## 2.7. Regional Development Policies and Practice in the world

The previous sections discussed the theoretical framework relevant to regional development and briefly highlighted different issues related to balanced development. From the previous section it is possible to understand that regional policy of a country could be affected by various important elements. The availability of strong institutions, capacity of federal and regional governments and the collaboration between development actors are critical factors to address regional inequality. The next section attempts to explore the relevant regional development policy implementation experiences, lessons and challenges from the three countries: U.S.A., China and Brazil. Though it would have been fair to include additional world experiences, only a few countries such as the United States of America., Brazil, and China have been chosen both for federal and unitary political systems. These countries are mainly chosen due to the availability of ample information regarding regional development policy practices, as pertinent.

### 2.7.1. Regional Development Policy of the United States of America

In order to bring about the economic development of “backward” territories such as the Louisiana Purchase, Florida, Alaska, the Southwest, and the North-west, the U.S. government built physical infrastructures such as railroad and settlement programs. After the Roosevelt Administration came into power, the Federal Government deliberately tried to implement regional development policy. The Tennessee Valley Authority (TVA) was the first project that solved the major problems of a backward region. The Area Redevelopment Administration (ARA) was created and provided loans and grants for businesses (<http://www.sjsu.edu/faculty/watkins/usreg.htm>).

The regional policy objective was to reduce the considerable unemployment and underemployment, and to improve the economic coordination of the federal, state, and local levels of government. The Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC) were established in 1965.

Economic planning was employed as a necessary ingredient for economic development (Ibid).

To address regional development inequalities, the Appalachian Regional Commission, Title V Regional Economic Development Commissions, the Tennessee Valley Authority (TVA) and the Delaware River Basin Commission were the major regional development policies designed and implemented in the U.S.A. Current regional development programmes in the USA largely tend to have an infrastructure focus. Development programmes were designed to promote regional competitiveness and innovation through business development, human resource development, and cluster initiatives. Sustainable development has also been given an increasing attention (OECD 2006).

The Government of the United States of America employed the following strategies to reduce regional development disparities and these were:

1. Promoting recovery of regions from the economic crisis;
2. Strengthening the links between the underdeveloped and already developed areas and the use of federal grants to private investors;
3. Promotion of the development of Trans-Continental Railroad as a means to develop the West;
4. Promoting settlements in the underdeveloped areas of the West;
5. Establishing universities in underdeveloped regions, preserving and developing natural resources of underdeveloped regions; and
6. Establishing power generation plants, irrigation and National Parks in the lagging regions, and the development of the Tennessee Valley Authority, Colorado River Projects, and Bonneville Power Administration (Hewings 2009).

From the above discussions regarding regional development policy practices in the USA, it is possible to understand that the role of the federal government was significant.

### 2.7.2. Regional Development Practices of China

According to the study conducted by Cindy (2003); Wei (2007); Wu (2008); and Demurger (2002), Maoist China followed a policy of regional development with the objective of achieving spatially balanced regional development. However, since 1978, China hung its regional policy on egalitarianism to rapid growth in the coastal region, with a main focus on large scale investments and preferential policies, which widened the existing regional inequality.

China established regional growth corridors in coastal provinces and localities, which widened the existing inequalities. Old economic centres registered slow economic growth. The unique nature of the Chinese political economy, allocation of investment resources by the government, and the role of the leadership, had contributed to the effects of regional imbalances. Choices between national economic growth and national integration, that is, between efficiency and equity, were the main issues that challenged the leadership of China. The Chinese leadership did not follow neoclassical economic theories of the West that explain and assume high levels of factor mobility and neglect in the role of the state in economic development (Lu 2013).

To mitigate the spatial economic inequality, the Chinese Communist Party took “corrective” measures and strategies through the deliberate diversion of resources from the coast to the interior. For example, during the First Five Year Plan (FYP) between 1953 and 1957, two-thirds of major industrial projects and more than one half of the total industrial investment were relocated (Cindy 2003; Wei 2007); Wu 2008); and Demurger 2002).

China implemented various instruments of balanced development, such as fiscal transfer and tax incentive, redirection of national investment, financial and credit support and interregional mutual aid. Advanced regions were obliged to remit large share of their revenues to the central government. Chinese planners depended on a model of resource allocation known as the “Third-Front” which was implemented in the 1960s and early 1970s. This model was defense-oriented to avoid the

vulnerability of the large coastal cities (First-Front) and their adjacent areas (Second-Front). Large capital projects such as iron and steel and military machineries were constructed in interior (Third-Front) locations that were less vulnerable to foreign attacks. Capital constraints and backward technology and innovation capability were major constraints to regional balanced development (Lu 2013).

These policies paid little attention to economic efficiency and after thirty years of pro-interior regional policy, uneven regional development had not been changed substantially in China. In the late 1970s, efficiency and an open-door policy were given great emphasis in China. The leaders of China tolerated uneven development as long as it was necessary for improving efficiency (Cindy 2003; Yang 1990).

After 1978, the policy shifted toward efficiency and reflected the influence of neoclassical regional development theories derived from the experience of developed countries and their “stage of development”. The Inverted-U and the core-periphery models were also influential, including the notions of spread and backwash, which predict initial increases in uneven development followed by diffusion and regional convergence. This means that as China was in its early stage of development in the development continuum, an increase in regional inequality was inevitable in the short term (Ibid).

With the aim of attracting investment, Chinese planners established the various Open-Zones where foreign investors were given special treatment such as tax exemptions and tax “holidays”. To promote these zones, the state constructed large-scale infrastructure facilities. According to Cindy (2003) and Yang (1990) a series of spatially biased policies, referred to as “preferential policies” illustrated the state's favouritism of the coastal provinces in the areas of investment policy, foreign exchange retention policy, revenue remittance policy, price policy, and financial policy.

During the Eighth Five Year Plan (1991-1995), China adopted new policies to bring an even regional development. In the 1990s, regional specialisation was given considerable emphasis. However, regionalism led to provincial competition, local protectionism and commodity wars. However, the challenges of regionalism were crucial for maintaining national integration and for achieving a balance of power between regions and the central and local governments (Cindy 1995; Yang 1990; Wei 2007; Wu 2008; and Demurger 2002).

As can be observed from the regional policy of China, bringing forth balanced regional development is not an easy task. Depending on a number of factors, such as the level of economic growth, the perception and commitment of political leaders, as well as regional and international political and security matters, China's regional development went through many fluctuations. For example, the pre-Mao, China's policy of regional development was based on the principles of equity with the objective of achieving spatially balanced regional development. This egalitarian policy of regional development shifted to unbalanced development; whereby preferential treatment was given to coastal regions. However, the establishment of growth corridors in the coastal province widened more the regional inequalities among China's regions.

In order to reduce the gap between regions, the China's Communist Party took consecutive measures, where following policy measures, models, and economic theories played a significant role in China's regional development: The Five-Year plans, growth poles, the three-belt models, the ladder step theory, establishments of Open-Economic Zones to attract Foreign Direct Investment(FDI), preferential treatments, investment policies, price policies, increasing linkages among regions and encouragement of competitions.

It may be suggested that the regional development experience of China based on regional comparative advantage, establishing open economic zones and attracting FDI to the less developed regions could be taken as an interesting experience to reduce regional development imbalances in other countries.

The Government of China employed the following strategies to reduce regional development disparities:

1. Establish regional growth corridors in coastal provinces with large investments – the result was that it improved the coastal regions and widened inequalities in the other regions.
2. Leadership took charge to allocate resources with the emphasis on economic growth, which was important in the country – that did not solve the problem either.
3. The Chinese Communist Party took corrective measures and strategies to divert resources from the coast to the interior regions but that did not work well, and they still wanted to grow more economically.
4. The Government implemented various instruments including: fiscal transfer, tax incentives, redirecting national investments, financial and credit support, mutual aid etc. This seemed to result in slowing the economy.
5. The Government developed a strategy to ensure the advanced regions remit large sums so that central government can share these resources to other regions - this did not work well.
6. They then adopted an open-door policy where you invest where the resources will be used efficiently, and this led to disparities.
7. They established zones where foreign investors were given special treatment, were tax exempt, were given tax holidays, the government constructed infrastructure facilities in those areas – this had a better impact.

The Chinese government tried different policies, approaches, and strategies which led to up and down performance in regional development. Their desire to grow economically as a country and the desire to support regions that were backward seemed to be acting in opposite to one another.

### 2.7.3. Regional Development Practices of Brazil

According to different studies, the government of Brazil tried to reduce the economic gap between the North-Eastern region and the rest of the country. Brazil

established a regional development office known as Sudene in December 1959. The government made some changes in the territorial allocation of production of the lagging regions. In the 1970s, states such as Mato Grosso and Goias experienced fast economic growth. Furthermore, regions like Rondonia and Tocantins also performed well. These were supported by government initiatives in the form of infrastructure construction, the granting of tax holidays, and incentives for private investment and investment initiatives of the state enterprises (Maila 2002).

From 1947 to the 1980s, there was convergence of per capita GDPs at the state level. Education and health services were also improved. According to Maila (2002), reducing regional inequalities, increasing efficiency and competitiveness among regions, improving healthy relationship among regions; and strengthening regional specialisation of production were the main objectives of regional development of Brazil.

As can be seen from the above discussion of Brazilian regional development policy, both short-term and long-term policy instruments were used to reduce regional inequalities. They focused on the following:

1. Establishing the regional development office, which led to the change in territorial allocations. This had some positive result since some province grew economically.
2. Government improved infrastructure by construction, gave tax holidays, tax incentives for private investors, and this worked by growing the backward regions though it did not necessarily lead to equality.

Despite several differences between China's and Brazil's regional development policies, the instruments and institutional arrangement used to implement regional development policy were almost similar. The dilemma China had in this process is real and needs to be considered. In all the three countries the improvement of infrastructure seemed to have good impact.

## 2.8. Decentralization and Development

Rauch et al. (2001) defined decentralisation as the transfer of power, responsibilities, legal and political authority, and resources to plan, make decisions and manage public functions; from the central government to autonomous entities.

Devolution refers to the transfer of power to sub-national legitimate political entities (such as partial states, provinces, districts, or municipalities), which are answerable to their electorate via a local/regional parliament or council. In a devolved system, local governments have clear and constitutionally recognised geographical boundaries within which they perform public functions. According to Rauch et al. (2001), decentralisation may incorporate one or all three dimensions of administrative, financial, and political decentralisation. In order to achieve the above-mentioned objectives of decentralisation, the following prerequisites have to be fulfilled as far as Rauch et al., are concerned and these are:

1. political will;
2. capacity of central, regional and local governments; and
3. spatially decentralised patterns of economic resources.

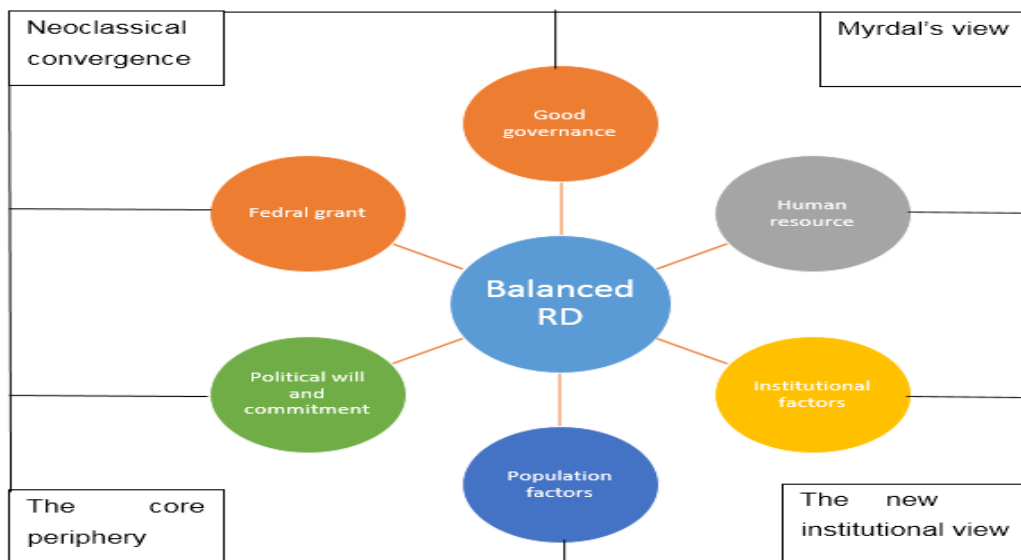
Decentralisation alone may not contribute to more sustainable regional developments (Rauch et al. 2001).

### Conceptual Frame Work of the Study

A conceptual framework is a construct in which each concept plays an integral role. It lays out the key factors and variables and assumes relationship among them. It is a structure which the researcher believes can explain the progress of the phenomenon to be studied. It links with the concepts, empirical research and important theories used in promoting and analysing the knowledge espoused by the researcher. Mostly, diagrammes are designed to define the variables of the research topic (Jabarseen 2008; Adom et al 2018).

Both formal and informal institutions play a greater role in development. There should be appropriate arrangement and the bureaucracy should be capable to implement regional development policies and strategies. Hence, strengthening local and regional institutions is critical to registering economic development. Strong political will and commitment is also an important factor for regional development. A healthy and educated human resource is a precondition for successful regional development. Designing sound regional development policy including right type of incentives, attracting investments to less developed regions, designing and implementing effective coordinating and follow-up mechanisms may help to reduce regional inequalities. Good governance is another important factor for balanced regional development. Good governance is important for development. Ensuring peace and political stability is also crucial for development. Reducing corruption and minimising backwash effects is an important factor for balanced regional development.

Figure 2.3: Conceptual Framework of the study



Source: Own Construction, 2015

## 2.9. Summary

As it has been discussed in detail above, regional development is a multidimensional socioeconomic activity that may encompass the development and expansion of health and education services, agriculture production, road infrastructure development, revenue collection capacity and a special support of the Federal Government to less developed regions. As was elaborated above, depending on the ideology of the state, regional development of a country may be designed with the goals of poverty reduction and improving the living standards of the people of the region. Using different policy instruments, the regional development policy of the state may have the objectives of improving social services, infrastructure, market access, labor productivity, food and nutritional status of the specific population of the region.

There have been countless theories and models of regional development, some of which are discussed in this chapter. The classical and neo-classical models, the core-periphery models, the growth-pole model and the institutionalist views are the main theories and models discussed in this chapter. The role of institutions in regional development, the role of decentralisation, and governance were the major issues which are covered in the chapter. In addition, this chapter discussed and analysed the regional development policy experiences and challenges of the United States of America, Brazil and China. In view of addressing horizontal regional disparities in the three countries, the U.S.A., Brazil and China, various mechanisms and policy instruments were used. The experiences of the three countries may be useful for Ethiopia if adopted properly and wisely.

After examining the theoretical perspectives of regional development, strategies and practices, Chapter Three focuses on the evolution and implementation of regional development policy and practices during Haile Selassie period, the Derg period and the current government in Ethiopia.

## **CHAPTER THREE: EMPIRICAL REVIEW**

### **3.1. Introduction**

Despite the diverse ideological orientations, the efforts to address the issue of regional development dates back to the 1950s and early 1990s by the former governments of Haile Sellassie and the current regime and one wonders how the regions fared with these efforts. Have the economic disparities among the regions reduced in favour of the less prosperous regions? Are the so-called emerging regions catching up with the relatively advanced regions? These and many more questions make this research critical for the sustained development of Ethiopia.

### **3.2. Regional Development in Ethiopia: An Overview of Past Experience**

In Ethiopia, efforts have been made towards coming up with a better economic development with a long experience of regional development planning exercises. However, there is little success in regional development policy implementation (Sileshi 1988). This issue can be thoroughly discussed and observed using the planning exercises of the last two governments of Emperor Haile Sellassie and the Derg. The regional development experiences, objectives and major limitations of the planning exercise of the country are discussed below.

#### **3.2.1. The First Five Year Development Plan (1957-1961)**

This was the first comprehensive national development plan that was intended to guide the development direction of the country. With emphasis on sectoral development, the Haile Selassie government had adopted the unbalanced and a top-down development strategy, which was clearly indicated in the plan as follows:

In the initial phases of economic development of some regions will therefore proceed faster while that of others

would for the time being lag behind, though, in the long run, the general improvement of conditions of health, education, etc. will secure the amelioration and integration of economic and social life throughout the country (Seleshi 2007).

The strategy was characterised by the centralisation of decision-making, a sectoral approach and foreign inducement. The First Five-Year Plan gave little attention to the agricultural sector. For example, out of the total investment of Birr 534.6 million, only 40.3 million or 7.5 percent was allocated to the agricultural sector. However, the transport sector received 240 million or 45 percent of the total investment and 85 percent of the World Bank's loan went to modern highways. Little attention was provided to improve the extremely low productivity of agriculture (Dejene 1996; Degefa 2003).

As can be seen from the above discussions, the first regional development plan was centralised and top-down in nature. It was also characterised by a foreign influence, which was biased towards the urban areas, with little attention to the rural and agricultural sectors. It can be argued that this was one of the critical weaknesses of the modernisation theory approach of development where urban centers were assumed to be the engines of economic growth. In countries such as Ethiopia, where more than 80 percent of their population is individual farmers, any development policy designed by the government should involve and take the rural population into account.

### 3.2.2. The Second Five-Year Development Plan (1963-1967)

In this plan, the government emphasized the available scarce resources in economically promising regions and sectors. Unlike the First Five-Year plan, agriculture as a sector and river valleys as geographical areas got due attention. For instance, the Shashemene-Nazareth-Awash-Tendaho belt was given great emphasis by the plan. An important aspect of this strategy was that it considered

the potentials of these vast regions through research, which, according to the plan would result in the integration of the national economy as a whole. According to Degefa (2003), building research sites, improving the collection and analysis of agricultural data, increasing field trials, attention to strengthen the extension systems, expanding veterinary services, and establishing college level training programmes was given due attention by the plan.

Besides small holder farming, the plan gave due attention to the establishment of offices such as the Ministry of Agriculture, the Ministry of Land Reform and Administration as well as the Ministry of Planning and Development. This policy adopted an unbalanced development strategy that mainly concentrated on the efficient exploitation of the potential resources in the agricultural sector, focusing on the comparative advantages of concentrating resources in limited areas (Dejene 1996).

From the above discussions on the second five-year development plan in Ethiopia, it is clear that there was a shift in development thinking by policy makers and development planners of the country. Some of the improvements and changes that can be observed include:

1. unlike the first development plan, the second plan gave due attention to both small-holder farming and commercial agriculture;
2. there was an effort to establish growth poles and growth corridors in some selected potential areas of the country;
3. research sites were built;
4. establishment of training colleges was done; and
5. different offices were established to run and administer the agricultural sector.

However, the impact of this regional development approach to the overall development was insignificant. This may be partially explained by the instability of the regime and weak political commitment and inadequate budget allocation by the country.

### 3.2.3 The Third Five-Year Development Plan (1968-1973)

In this plan period, greater departure was observed for the first two plan periods in the consideration of development issues. Agriculture was seen as an engine of economic growth. Regarding the policy change, Van Dijk (1995), Dejene (1996) and Degefa (2003) explain that agriculture, especially commercial agriculture, was given attention and the strategic role of the sector was recognised by policy makers and donors alike. In this period, the concept of regional development planning was defined in the Ethiopian context as follows:

Regional development planning embraces all the policies and measures adopted by the government within the development plan, but with particular reference to their spatial distribution throughout the country (Dejene 1996).

Dejene (1996) commented that there was a shift from the functionalist to the territorial approach to economic development. For instance, some of the focus areas in the plan included the development of river basins such as Awash River Basin, agricultural settlement from degraded and relatively over populated areas to fertile South West highlands of Kafa, Illubabor, Wollega and other eastern highlands, development of new resource frontiers and the establishment of growth centers, the provision of government financial support to local communities and the creation of appropriate regional development institutions.

The Ministry of Planning and Development of the Haile Selassie regime raised some important issues around regional development. The country was divided into 14 regional units (Degefa 2003) based on:

1. natural factors;
2. assessment of the potential of the country;
3. concentration of investment in selected growth centers;

4. resettlement of people from overcrowded northern regions to the South and South-West;
5. promotion of development in areas that had already shown promising results such as Awash Valley, the Chilalo, Wolaita and Ada areas; and
6. development of resource rich frontiers such as Setit Humera, the Blue Nile Basin, Metekel, Wabi, Shebelle, and so on.

However, despite such regional development planning endeavours, there was little achievements observed on the ground. Commercial farming was given greater attention than small farming by the planners, with the objectives of increasing agricultural export, attracting foreign private investment and introducing an agro-industrial complex. There were conflicting objectives between attaining balanced regional development and attaining maximum economic advance. Additionally, national sectoral policies were adopted in place of regional development policies to deal with the problems of regional development. This plan was followed by the Ethiopian revolution of the 1974 (Dejene 1996; Degefa 2003).

Furthermore, various studies indicated that lack of capital, lack of technical knowledge and the means to apply it, and lack of market access were the critical bottlenecks identified by the plan. The planners believed that these constraints would be solved through modernisation. To this effect, the government focused on three regional projects: Chilalo in the Arsi region, Wolaita in Sidamo, and the Southern livestock region. These package projects evolved through distinct stages:

1. The Comprehensive Package Projects (CPP);
2. The Minimum Package Projects (MPP-I); and
3. The Minimum Package Project (MPP-II) (Dejene 1996; Degefa 2003).

During the third plan, the donors, as well as the policy-makers and planners as stated above, gave greater attention to the commercial agricultural sector. In addition, due consideration was given for the development of river basins, settlement of people from highly populated and degraded Northern regions to

relatively fertile and dispersed areas of the country, and for the development of resource frontiers etc. One can argue that lack of attention and support for small holder farmers, lack of capital, technical skill, and lack of market access to the production of farmers were some of the critical challenges of the Third Development Plan. Generally, the assumption of the planners that the modernisation approach to development would solve the economic problems of the country proved to be the main pitfall of the development planners of the Haile Selassie regime. It should also be noted that this period was the February Ethiopian Revolution, which shook the regime.

#### 3.2.4 The Fourth Five-Year Plan (1974-1978)

Despite the government prepared the Fourth Regional Development planning in the country, it is not fully possible to discuss the strength and weaknesses of the fourth five-year plan. This was mainly due to the eruption of the February 1974 Ethiopian revolution (Dejene 1996).

#### 3.2.5 Annual Programmes of Development Campaign (1978-1989)

Between 1974 and 1978, there was little opportunity to advance economic development in Ethiopia. Following the overthrow of the Imperial regime of Haile Selassie in 1974, there was revolutionary turmoil and widespread instability across the country. The 'Derg', literally known as the Committee, was unable to govern the country as there were fierce resistances from various ethnic and political groups. However, in 1978 the government established the National Revolutionary Development Campaign (NRDC) and Central Planning Supreme Council (CPSC). These were replaced by the Office of National Committee for Central Planning (ONCCP 1984) in 1984 by Proclamation No. 262. Based on the contiguity of regions and their traditional socioeconomic linkages and their interaction, ONCCP came up with eight regional planning zones and offices.

The planning zones with their development centers were (Degefa 2003):

1. Northern Ethiopia Regional Planning Zone (Asmara) for Eritrea and Tigray;

2. Northwestern Ethiopia Regional Planning Zone (Bahir Dar) for Gojjam and Gonder;
3. Northeastern Regional Planning Zone (Desie) for Wollo and Assab;
4. Western Ethiopia Regional Planning Zone (Jimma) for Wollega, Illubabor and Kaffa;
5. South Ethiopia Regional Planning Zone (Awassa) for Sidamo, Bale and Gamo Gofa;
6. Easter Ethiopia Regional Planning Zone (Harar) for Hararghe;
7. Central Ethiopia Regional Planning Zone (Nazareth) for Shewa and Arsi; and
8. The Addis Ababa Regional Planning Zone.

This was the landmark for the greater elaboration of regional development ideas in the Ethiopian planning exercise. One of its major objectives was stated as “ensuring balanced and proportional development of all regions of the country” (Degefa 2003:109). The plan also identified as leading issues in regional development with a clear manifestation of regional differences in resource endowments. The points which clearly showed the regional orientation of the plan can be deduced from the objectives specifically put in the plan. These were to:

1. improve more balanced inter-regional distribution of economic and social services;
2. foster regional development specialisation according to the specific resource endowments of the regions; and
3. increase inter-regional economic and social integration of the country, especially between the border and central regions and the establishment of regional and local governments (Seleshi 2007).

The plan established regional planning offices that proclaimed to represent the national committee within the regions. The role of these offices was to collect, compile, analyse and disseminate data; to identify and prepare regional projects; and review plans prepared by sector offices. This implies that the policy of

institutionalisation of regional development had been partially done, but with conceptual and implementation problems remaining (Sileshi 1988).

In summary, after a resistance from different groups of the society, such as farmers, students, the military, religious groups, both inside and outside the country, Emperor Haile Selassie I was overthrown by popular revolution and replaced by the military Junta. However, the years following the downfall of the Emperor were characterised by internal and external instabilities. Various ethnic and political groups raised an armed struggle to overthrow the military government. The period was also characterised by a civil war in history known as the “Red Terror” and the “White Terror”, with mass executions of opposition elements and widespread violations of human rights. There was also a war with neighbouring countries. However, the government established different offices that were responsible to lead and coordinate the various regional development policies. It can be argued that the government’s initiative to establish the planning zones in order to reduce regional imbalances was one of the great policy commitments which should be appreciated.

### 3.2.6 The Ten-Year Perspective Plan (1984/85-1993/94)

This document clearly recognised that agricultural transformation is the basic requirement of economic growth. In line with this assertion, the document identified the major bottlenecks of the sector. These were:

1. technological backwardness;
2. shortage of capital;
3. lack of adequate infrastructure;
4. scattered settlement and farmlands;
5. massive deforestation and soil erosion; and
6. inadequacy of basic information (Degefa 2003).

The Ten-Year Perspective Plan was designed by the military government or commonly known as ‘Dergue’. It was a long-term development plan with the major

objective of transforming the traditional agricultural sector into a modern commercialised and export-oriented. To achieve the objective, the use of High-Yielding Variety of seeds and technologies were recommended. However, the objectives of bringing regional balance were not successful due to mainly the overthrow of the military regime by Ethiopian People Revolutionary Democratic Front (EPRDF) in 1991.

### 3.3. The Post-1991 Regional Development Policies, and Challenges

#### 3.3.1. Decentralisation as a Regional Development Policy

There is no universal consensus on the definition of the concept of decentralisation. The term decentralisation can be used in several ways and in different contexts. As we have pointed above, decentralisation is the transfer of power from the center to sub-national levels. It includes devolution and de-concentration. It includes the territorial distribution of power and functions between a central government and its constituents. Decentralisation implies transfer of power, resources and authorities to regional and local constituent units (Meheret 2007).

Decentralisation, especially devolution, has the objective of transferring authorities to local and regional institutions. Decentralisation can be implemented both in unitary and federal systems. However, in unitary states, decentralisation involves the transfer of power and authority to lower government units, which may be recentralised by the desire and wish of central government at any time. The power and authority of local and regional governments are not constitutionally respected and guaranteed. On the other hand, in federal systems, decentralisation implies the constitutional distribution of power and resources to the regional states, which could not be reversed or restricted without illegal violation of the federal constitution (Aalen 2002).

Since 1991, Ethiopia has been implementing a policy of political, economic and administrative decentralisation by promulgating a series of proclamations. According to the constitution of the Federal Democratic Republic of Ethiopia,

regional states have the power of formulating and executing the economic and social development policies and strategies. Regional states are given a power of shared-rule and self-rule, including the power to collect own revenue from different sources and administer their own recurrent and capital budgets (Tesfaye 2007). To implement this power, the revenue instruments were categorised as central, regional, and joint. Accordingly, the objectives of revenue sharing were to effectively execute their respective duties and responsibilities and encourage national/regional states to take initiative in their own regional economy, and reduce economic growth disparities and poverty among regions (Befekadu 1994; Eshetu 1994).

However, critics argued that neither the revenue sharing arrangements nor the federal subsidies close the horizontal fiscal imbalances among regional states. Given the capacity and experience of regional governments to effectively execute the responsibilities given by the constitution and different laws, the expected reduction of economic disparities and poverty remains to be a challenge. The development disparities if not addressed will relegate the so-called emerging regions to “second-class” and peripheral positions. Even worse, the quasi-colonial relationship between the regional states and the centre will be created. Furthermore, the regional development disparities will create social differences which may aggravate the economic inequality among regional states. This will in the long term create political problems to the less developed regions (Befekadu 1994; Eshetu 1994).

### 3.3.2. National Policy Framework for Regional Development in Ethiopia

The National Policy Framework for Regional Development (NPFRD) was a strategic policy document with the long-term goals and objectives of bringing balanced regional development of Ethiopia. It was assumed that this policy enabled the Federal Government to design mechanisms and implement the constitutional principles. The NPFRD put the regions at the center of its interest. A coherent and inclusive regional strategy was designed through regional planning

and development. The NPFRD serves as a roadmap and guideline for regions to develop their own regional development strategies and plans (Tadesse 2001).

The NPFRD was useful and important, both for the regional and the Federal Government in a variety of ways. One of the fundamental and major contributions was its ability to establish larger economic development engines in Ethiopia by defining investment opportunities and suitable areas at an early period. The NPFRD also contributed to the identification of specific support needs and form and types of subsidies which should be in place in the country (ibid.).

According to a study conducted by Tadesse (2001) the following were the benefits of NPFRD to regional governments:

1. define specific development objectives;
2. establish strategic regional development planning and adding a spatial dimension to strategic planning;
3. awareness building among all stakeholders and negotiating options and requirements of future regional development;
4. participation of local communities in the planning process;
5. creating better management and decision-making process; and
6. fostered cooperation between the national and regional levels of government as well as between the stakeholders of regions.

In the next section, the main contents of the NPFRD are presented and analysed. NPFRD served as:

1. analysis instruments: served to identify and monitor inter-regional socioeconomic and spatial disparities, identifying issues of inter-regional action and appraising sector budget proposals;
2. a framework for regions: served to identify regional potentials and constraints in their socio-economic and spatial dimension and deciding about regional development priorities through regional strategic development plans; and

3. a funding mechanism: served to promote regional development to support innovation and to contribute to the reduction of regional disparities.

A Regional Affairs Department was established at the Prime Minister's Office with the aim of assisting and supervising the relatively underdeveloped regional states of Ethiopia such as Afar, Somali, Benishangul-Gumuz and Gambella. The Regional Affairs Department consisted of three sub-offices dealing with social and economic development, human resource capacity, and political and administrative affairs in the four emerging regions. The office was responsible for implement projects, and sent advisors and experts to assist the regional governments of emerging regions. However, this kind of assistance was not limited to technical support but there were political interferences in the region's affairs (Aalen 2002).

### 3.4. Socioeconomic Developments in post-1991 Ethiopia

#### 3.4.1. Health Policy Performances and Challenges

Various policy documents such as the Poverty Reduction Strategic Paper (PRSP) and the Sustainable Development and Poverty Reduction Program (SDPRP) and the Plan for Accelerated and Sustained Development to End Poverty was also designed and implemented (Berhanu 2009).

The 1993 health policy of the country was decentralised along the nine regions and focused on prevention, curative elements and promoted components of health services. The policy focused on the training of community and health workers and gave priority for continued education and strengthening administrative and management of the health system in the country. Various mechanisms were designed and implemented to attract and retain health workers (Samuel, Asfawesen, Yayehirad, Yemane, Aklilu, Hailay and Awash 2007).

The Federal Ministry of Health formulated and implemented a 20-year strategic plan and Health Sector Development Programmes (HSDPs) (Steinhart and Bekele 2012).

The final HSDP-IV was implemented from 2011 onwards, based on the implementation of the sector wide approach with eight components, which were:

1. service delivery and the quality of care;
2. health facility rehabilitation and expansion;
3. human resource development;
4. pharmaceutical services;
5. information education and communication;
6. health sector management and management of information systems;
7. monitoring and evaluation; and
8. healthcare financing.

In line with the HSDP-IV, the healthcare system was restructured from a six-tier into a four-tier system. It comprises:

1. a primary healthcare unit (health centre and five satellite health posts) for 25,000 people;
2. a district hospital for 250,000 people;
3. a zonal hospital for 1 million people; and
4. a regional/referral hospital for five million people (Steinhart and Bekele 2012).

#### 3.4.2. Education Policy Performances and Challenges in Ethiopia

In 1994, the Education and Training Policy was formulated and implemented. The FDRE constitution recognised access to education to all children of primary-school age and both net and gross enrollment has been improved in all regions of the country. There has been a dramatic increase in the number of teachers, schools, universities and colleges across the country. Access to education decreased among the disadvantaged and deprived groups and of the emerging regions (FDRE 2011).

The 1991 Education and Training policy aimed to:

1. expand and equitable access to general education and vocational training;
2. improve the quality of education;
3. provide a special focus to girls' and women's education; and,
4. increase the participation of the community (Ibid).

According to the information gathered from the Ministry of Education, the Gross Enrollment Ratio (GER), Net Enrollment Ratio (NER), Urban-Rural Disparity, percentage of certified primary school teachers, Pupil-Teacher Ratio, and Pupil-Section Ratio (PSR) are the major quantitative and qualitative indicators to measure the performance of the Education sector (FDRE 2011).

Therefore, these basic measurements or indicators are used to assess the regional education sector performance in this research.

#### 3.4.3. Road Sector Policy Performances and Challenges in Ethiopia

As a landlocked country Ethiopia has few rivers which are useful for transportation purposes. Therefore, improvements in road sector infrastructure is a major strategy so as to ensure accessibility to markets and reduce the cost of doing business in the country. Different studies showed that investments in road infrastructure are highly linked, with improvements in economic growth, regional development, inequality, urbanisation, trade and poverty reduction endeavours of the country. The expansion of road infrastructure development will improve access to schooling, to health facilities, and to the labour market, and help reduce rural poverty. Furthermore, increased agricultural productivity and production and better prospects of off-farm employments are also the major benefits of investments in road infrastructure (Shiferaw et al. 2012).

Roads support the development of agriculture, industry, mining, and service sectors such as tourism development, education, and health. Hence, the development of road infrastructure as indicated above will have immense benefits

in promoting economic growth. As part of PASDEP, the RSDP (2005/06-2009/10) was prepared and implemented. The second RSDP (2010/11-2014/15) was designed and implemented as part of the first GTP (FMOFED 2010).

To increase the road network coverage and improve standards, the government launched the RSDP in 1997. The programme focused on the restoration of the road network to acceptable condition specifically on:

1. the upgrading and rehabilitation of main roads;
2. the construction of new roads; and
3. the implementation of regular maintenance of the road network.

Since then, the condition of roads has improved and new links have been constructed. Since 1997, a total of 102,525 km of roads was constructed, upgraded/rehabilitated or maintained. The network, which was about 26,550 km at the beginning of RSDP in 1997 almost doubled to 44,352 km by the year 2008 (UNECA 2009).

#### 3.4.4. Agricultural Policy Performances and Challenges in Ethiopia

Ethiopia has adopted a rural and agricultural development policy. The policy document clearly states that the factors of production, such as capital, labour, land and entrepreneurship are crucial factors for economic development. In Ethiopia, there is an acute shortage of capital. This is expected to remain a constraining factor over the short and medium term. In contrast to labour and land, capital is not abundant. Ethiopia should adopt a strategy that promotes the scarce resources more efficiently and effectively. Hence, the country could register fast economic growth at all levels of regional states. Agricultural Development Led Industrialisation (ADLI) strategy contributed to accelerated economic growth and ensured rapid growth in the entire economy. It is argued that the significance of the strategy extends beyond the objective of rapid agricultural growth, which accounts for over fifty percent of GDP (FMOFED 2010).

Finally, agricultural development enhances the quantity and quality of exportable or commercial products, which help build the country's foreign exchange resources (reserves). This will play a key role in the acceleration of industrial development. In the long run, the process of agricultural development and growth of agricultural productivity will give rise to surplus labour, the absorption of which in trade and industry will contribute to the rapid growth of these sectors (FMOFED 2010).

However, due to various factors, the performance of agricultural sector across the regional states is backward and based on the erratic rainfall. With a significant variation among regional states, the agricultural sector is still primitive in its development.

#### 3.4.5. Revenue and Expenditure Performances and Challenges in Ethiopia

Federal states could be organized based on two different assumptions. These are:

1. Competition between the constituent units (e.g., regions), and
2. Solidarity among these units and the Federal Government (FMOFED 2010).

The constitution of the Federal Democratic Republic of Ethiopia is based on the voluntary commitment of the Ethiopian citizens and other people to build a political community, which ensures lasting peace, economic and social development through mutual support and mutual respect (FDRE 1995). The preamble of the Ethiopian constitution implies that the goals of lasting peace, the rule of law, democratic order and a sustainable economic development can only be achieved through equality, mutual respect, and support, by rectifying past injustices. According to Berhanu (2009), the following are some of the key challenges of Ethiopian fiscal federalism. These, inter alia, include:

- 1 inadequate expenditure for undertaking capital projects at local level;
- 2 the dominance of Intergovernmental Expenditure of the Federal Government;
- 3 absence of reliable and up-to-date data for the Grant Formula;
- 4 weak revenue base of regional states and local governments;
- 5 lack of incentives to raise revenue for local governments;

- 6 inadequate borrowing authority of Regional States; and
- 7 a growing demand for financial resources by relatively less developed Regional States and nationalities.

### 3.5. Summary

In this part of the paper, the policy and strategy documents and various research studies related to regional development practices both before and after 1991 in Ethiopia were reviewed and analysed. From the discussion, it is clear that Ethiopia started developing and exercising regional development plans since 1957, during the reign of Emperor Haile Selassie. Since then, a number of regional development plans were implemented in the country. The strengths and weaknesses of each regional development plan, objectives and achievements were discussed. After the current government came to power in 1991, power has devolved to the regional states which were established based on the criteria of ethnicity, language, identity and some elements of settlement patterns.

Accordingly, each regional state has been accorded constitutional rights to administer their respective regions. The 1995 FDRE constitution clearly distributed powers between the federal Government and Regional States. The constitution identified exclusive, concurrent and residual or reserved powers. The regional governments of Ethiopia were accorded with self-rule and shared-rule in the affairs of the country. Local and regional states have the fiscal capacity to collect and administer own sources of revenue. However, it is argued that the federal government basically has a dominance over lucrative sources of revenues, which led to the dependence of regional states on the subsidy of the central government. As stipulated in different articles of the 1995 constitution, the Federal Government is responsible for rectification of the historical injustices made in the past regimes.

Furthermore, agricultural policy performances and Challenges, Road Sector Policy Performances and Challenges, Education Policy Performances and Challenges, and Health Policy Performances and Challenges are highlighted. Next, Chapter

Four discusses the research design and methodology of the research in detail. Specifically, research approaches, target population, sample size and sampling procedures, techniques of data collection and its justifications, sources of data, and ethical considerations are discussed.

## **CHAPTER FOUR: RESEARCH METHODOLOGY**

### **4.1. Introduction**

This chapter explains the research design, the research approach used, the specific methods and procedures of data collection instruments, type of samples, sampling methodology, rationale and interpretations of the data analysis. Issues of validity, ethical considerations and the ways of dissemination are also presented.

### **4.2. Geography and Demography of FDRE**

Ethiopia is strategically located in the Horn of Africa. The total area of Ethiopia is estimated to be around 1.1 million square kilometers. The country shares borders with Djibouti, Eritrea, Kenya, Somalia and Sudan. (WHO 2010). Next to Nigeria, Ethiopia is the second most populous country in Africa. The Summary and Statistical Report of the FDRE Population and Housing Census (2007) showed that the country has a population of more than 73.9 million. It is the home of 80 ethnic groups with their own languages. Christianity and Islam constitute the two most dominant faiths. The majority of the population (84%) resides in rural areas while the remaining 16 % live in urban areas. Addis Ababa is the capital city and the seat of international organisations and diplomats. The latest information obtained from the 2005 Demographic and Health Survey on the total fertility rate shows a slight decline from 6.4 in 2000 to 5.4 in 2005 (WHO 2010).

According to Article 47 of the 1995 FDRE constitution, there are nine Regional member states. These are the state of a) Oromiya; b) Amhara; c) Tigray; d) SNNP; e) Harai; f) Gambella; g) Benishangul Gumuz; h) Afar; and i) Somali. The chartered cities of Addis Ababa (the capital city of Ethiopia) and Dire Dawa also constitute the FDRE.

Studies conducted by scholars showed that a distinction could be made between the regional states of Tigray, Amhara, Oromiya, and SNNPRs with their relatively greater level of political and economic development on the one

hand and the other states such as Gambella, Benishangul Gumuz, Afar and Somali otherwise known as ‘emerging states’ or “less developed states”. These latter states are under developed and were historically marginalised. While the former states have better administrative capacity the latter states are not capable of assuming the full responsibility of a state government (Assefa 2007).

Hence, the nine Administrative regions are further grouped in to two groups according to the study conducted by UNDP (2011) as follows:

1. Oromiya, Amhara, Harari, Tigray and Southern Nations Nationalities and Peoples of Ethiopia. (These states are relatively developed regions)
2. Gambella, Benishangul-Gumuz, Somali and Afar constitute the second group. these states are relatively underdeveloped.

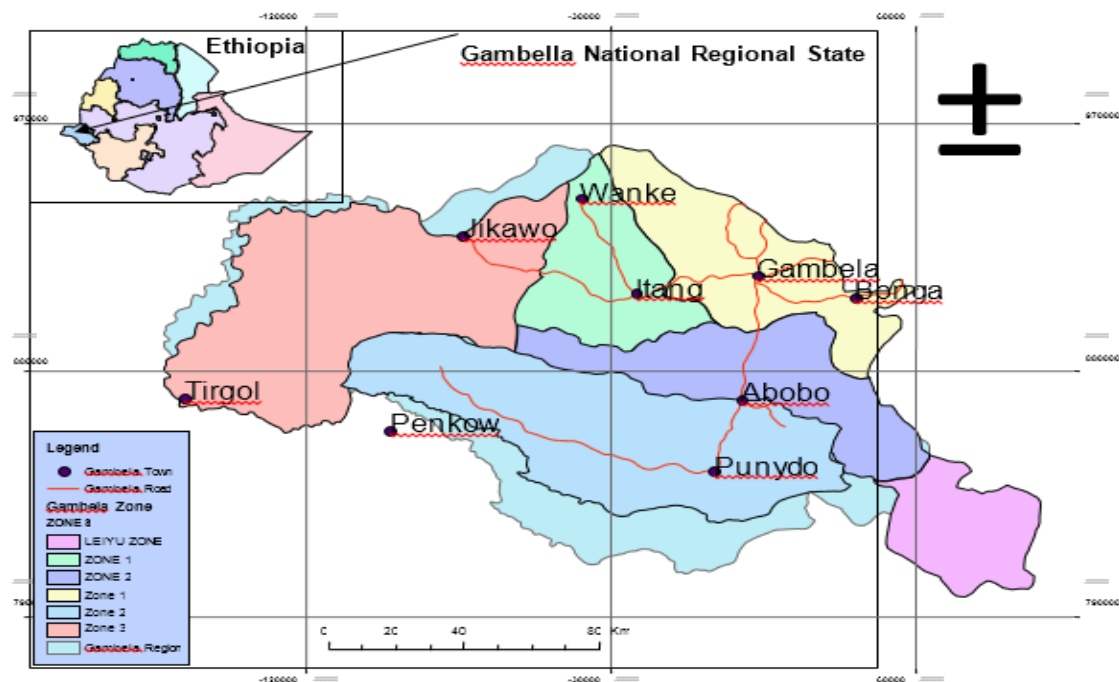
Using purposeful research methodology, Gambella region and Tigray region were selected for this study and a brief description of each is stated below.

#### 4.3. Profile of Gambella National Regional State

Gambella region is one of the nine ethnic regions of Ethiopia. Located in the South West of the country, Gambella regional state is the home of 306,916 populations. With an estimated area of 29,783 square kilometres. The main ethnic groups of the region include the Nuer (46.65%), the Anuak (21.17%), Amhara (8.4%) and other ethnic groups. There has been recurrent inter and intra-ethnic conflicts between the Anuak and Nuer and people, who came from other parts of Ethiopian territories (generally referred to as ‘Highlanders’) as part of resettlement programmes in the 1980s (Dereje 2009).

Gambella is subdivided into four administrative zones, seven Woredas and 38 regional sector offices. The Gambella Regional State has a four-level administrative structure: Regional Council, Region Sector Offices, Zones and Woredas and has implemented devolution (USAID 2005). The administrative zone include: Administrative Zone 1; Administrative Zone 2; Administrative Zone 3; Administrative Zone 4 and Godere special Woreda.

Map 4.1. Administrative map of Gambella Region



Source: CSA, Ethiopia's Rural Facilities and Services ATLAS 2011. Vol.8

#### 4.4. Profile of Tigray National Regional State

Tigray regional state is located in the north of Ethiopia bordering with Eritrea. As could be observed from the following Map, the State of Tigray is divided into four administrative zones, one special zone, 35 Woredas and 74 towns. The State of Tigray has an estimated area of 80,000 square kilometres. The population of this region was 4,314,456. The urban residents of the region numbered 842, 723 and its rural residents were 3,471,733. In terms of religion 95.5% of the population are Orthodox Christians, 4.1% and 0.4% are Muslims and Catholics, respectively. Regarding ethnic composition, 94.98% are Tigray, 2.6% Amhara and then other small tribes. Tigrigna is the working language of the state (CSA 2007).

The map displays the Tigray National Regional State with its administrative zones and towns. An inset map shows the state's location within Ethiopia. The map includes a legend, a scale bar, and a coordinate grid.

**Legend**

- Tigray Towns (Blue dot)
- Tigray Road (Red line)

**Tigray Zones**

- CENTRAL (Light Blue)
- EASTERN (Light Orange)
- SOUTHERN (Light Pink)
- WESTERN (Light Green)
- Tigray Region (Light Cyan)

**Towns (from West to East):** Humera, Adi Remets, Densha, Mesfinto, May Tsamri, Adi Awalo, Ghararo, Adi De-iro, Adi Mendi, Rama, Adi Abn, Adwa, Wukro, Idaga Arbi, Idaga Hamus, Adigrat, Idaga Teke, Haymanot, Senke, Atabi, Idaga Silase, Wukro, May Mekdan, May Kewen, May Gudom, Adale, Ambelage, Adi Shoh, May Chew, Korem, Weyra Wuha, Waja.

**Scale:** 0 to 160 Km.

**Coordinates:** The map uses a grid with Easting (240000 to 600000) and Northing (140000 to 160000) coordinates.

## 4.5. Research Design

Explanatory design is described as a two-stage design, which sees quantitative data being used as the basis on which to build and explain qualitative findings. The quantitative data informs the qualitative data selection process, which is a great strength, in the sense that it enables researchers to specifically pinpoint data that is relevant to specific research project (Creswell 2009).

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## 4.6. Research Approach

This research basically follows a mixed approach, in which quantitative data are supported by qualitative information collected from interviews. The data collected through quantitative and qualitative methods were mixed during data analysis and interpretation phases. It is an approach that generalises from a particular to a broader reasoning process (Given 2008).

The first challenge in using a mixed method is the lack of skills on researchers and the choice of the type of mixed method research design to be used in a particular study (Creswell 2009), which this study has considered carefully.

## 4.7. Research Methods and Procedures

### 4.7.1. Population, sample size and sampling procedures

As pointed out above, Tigray and Gambella regional states were purposively chosen from the developed and emerging regions respectively for comparison and for the study of regional development as a show case.

Tigray is chosen because the region is the origin of Tigray People Liberation Front (TPLF), which has been the core political organisation that constitutes the current ruling political party known as EPRDF. In addition, there is a wide popular belief that the ruling political party disproportionately benefited the Tigray regional state. Furthermore, the availability of party endowment companies known as party-statalts such as the Endowment Fund for Rehabilitation of Tigray (EFFORT) is believed to have a significant impact on the region's economic development including health, education, road, agriculture and revenue collection (Vaughan and Mesfin 2011).

EFFORT companies and other endowment-based businesses are assumed to play a significant role in facilitating investment and generating revenue in terms of tax and creating job opportunities. One of the objectives of EFFORT is to use the resources "of the people of Tigray" held by the TPLF for the

economic, social, and cultural development of the region (Vaughan and Mesfin 2011).

On the other hand, Gambella regional state has been ruled by Gambella People's Democratic Movement (GPDM), which is not a coalition to EPRDF, but believed to be an affiliated party to EPRDF. Located in West of the country and bordering South Sudan, the region is also a semi-pastoralist area. This region has also been affected by negative spillover effects from the recurrent civil war going on in the South Sudan. Furthermore, Gambella is believed to be economically and socially least developed region among other Ethiopian regional states.

Accordingly, based on the indicators which are used in this research, 8 Federal Government offices, professional association and political parties are selected purposively. The Federal Government offices include: Ministry of Federal Affairs (MoFA), Federal Ministry of Health (MoH), Federal Ministry of Education (MoE), Ministry of Finance and Economic Development (MoFED), the House of Federation, Ministry of Agriculture and Rural Development (MoARD), Special Support Boar, and Ethiopian Road Authority (ERA). From the two samples regional states, offices of Health, Education, Agriculture and Rural Development, Finance and Economic Development and Road Authority were selected, and interviews were conducted with one expert from each office.

Depending on the availability of party economic policy and development programs, Ethiopian Democratic Party and Ethiopian Federal Democratic Unity Forum-*Medrek* (a coalition party-currently the only opposition party in the parliament) were chosen among the opposition parties and the ruling political Party-Ethiopian People Revolutionary Democratic Front (EPRDF-ruling party) were purposively selected. The ruling party (EPRDF) is a coalition of four major parties: Tigray Peoples' Liberation Front (TPLF), Amhara National Democratic Movement (ANDM), Oromo People's Democratic

Organization (OPDO) and Southern Ethiopia Peoples' Democratic Front (SEPDF). Based on the role played in public policy formulation in Ethiopia after 1991, the Forum for Social Studies (independent research organisation) was also purposively selected among the professional associations in Ethiopia. Furthermore, to complement and triangulate the information, which was collected from the federal and regional government offices, an in-depth interview was conducted with purposively selected NGOs, which have been working in the Tigray and Gambella regions.

Table 4.1. Sample size at the Federal level and the two regional states

NO	Sample Units	At Federal Level	Regions		Total
			Tigray	Gambella	
1	Education	1	1	1	3
2	Health	1	1	1	3
3	Finance & Economic Development	1	1	1	3
4	Agriculture and Rural Development	1	1	1	3
5	Road Authority	1	1	1	3
6	House Federation	1	-	-	1
7	Special Support Board	1	-	-	1
8	Political Parties	3	-	-	3
9	Professional Association	1	-	-	1
10	Federal Affairs	1	-	-	1
11	NGOs		1	1	2
	<b>Total</b>	<b>12</b>	<b>6</b>	<b>6</b>	<b>24</b>

Source: Own Survey, 2015

Purposeful sampling was used for the recruitment of a total of 24 key informants in the study areas. This type of sampling is useful in qualitative research. In this type of

sampling, researchers handpick the cases to be included in the sample depending on the personal judgment of their typicality or possession of particular characteristics being sought. Usually, purposive sampling is employed in order to access the most knowledgeable people thus those who have in-depth knowledge about particular issues, by virtue of their professional role, power, access to networks, expertise or experience. The samples may not be representative, and their comments may not be generalizable. Participants were selected based on the needs of the study; the researcher chose participants who could provide rich information. The sample size is also determined based on data saturation principle.

Unlike past studies, which mostly depended on secondary sources, this empirical study tries to use primary sources such as in-depth interviews and document review and employ various composite growth-oriented indicators of development such as health, education, road, agriculture, revenue, and expenditure performances of two regional states. By doing so, this study tries to show the comparative trends of development and explain the reasons behind regional economic development in Tigray and Gambella regional states in post-1995 Ethiopia.

Because traditional measures of economic development like income and Gross Domestic Product (GDP) present a narrower view of the development disparities among the people and regions and they do not take into account the disparities in health, education, mortality, living standards etc. among regions and groups, this study did not use that as a good indicator.

In addition, the choice of certain indicators among many, as indicators of level of regional development achieved is determined by the availability of data. This study examines these indicators and the changes they underwent during the last 20 years (1995-2015). Since the year 1995 was the period in which the new Federal Democratic Republic of Ethiopia constitution was promulgated by the current Ethiopian Government, this year is selected as starting period or base year for analysing regional development for 20 years. The year 2015 is chosen since it was

the last year of the Millennium Development Goals (MDG) according to the World Data Gathering instruments and Procedures.

Both primary and secondary sources of data were used to collect data to be used in the study. The data for the study was gathered from various authentic sources.

#### 4.7.1.1. Secondary Sources

##### A) Document Review Methodology

Document review is a way of collecting data by reviewing existing documents such as hard copies or electronic documents. It is the technique used to solicit, categorise, investigate, interpret, and identify the written documents. It is useful as a supplement to information collected through other techniques. Authenticity, credibility, representativeness and meaning are some of the points to be given due consideration in collecting information from documents (Mogalakwe 2006). For this study, reviewing existing documents was helpful to gather background information related to regional development policy performance and the challenges faced during the implementation of different programs and projects. Since the study focused on trends over 20 years the reasonable approach to do that effectively was to use secondary data. It was also helpful to formulate questions for interview conducted with key informants both at the regional and federal levels after studying the secondary data.

The purpose of reviewing documents was to review a variety of existing documents, reports, data files, and other written materials with the intention of collecting the essential information regarding education, health, agriculture, revenue and expenditure, road sector performances and federal subsidies provided to sample regional states. This document review was useful in getting comprehensive information regarding regional development performances in the sampled regional states. It was useful for corroboration and triangulates information gathered from other sources, which allows the researcher to be more confident. However, reviewing the documents was time consuming and access to some of the important documents

was limited. However, the required documents were found and used in this study as indicated in Table 4.2 below. Before reviewing and analysing documents, a protocol or guide was prepared to ensure the reliability, authenticity, suitability, and adequacy of sources of data.

#### B) Phases of Document Review Process:

The document review process covered three phases: Phase I: The researcher collected and reviewed relevant government documents including Health Sector Development Programmes; Road Sector Development Programs; Education Sector Development Programmes; reports of the Ministry of Federal Affairs; the House of Federation; the Ministry of Finance and Economic Development; reports of the Special Support Board on the emerging regions such as Gambella, World Bank research papers and different proclamation. In addition, related documents such as the government strategy and policy for balanced regional development, statistical abstracts, and Demographic Health Survey reports were reviewed.

Phase 2: After exhaustively collecting secondary data from different authentic sources, classification was made into four periods (1995 to 2000; 2001 to 2005; 2006 to 2010; and 2011 to 2015).

Phase 3: Critical evaluation and analyses were made to see whether the regional performances are in line with promises made in different policy documents including the FDRE constitution.

As could be observed from Table 4.2 below, the critical information regarding composite indicators used for this research was collected from various offices. The same table also showed the research components used under each category of components.

**Table 4.2. Composite Indicators of Regional Development (1995-2015)**

SN	Indicators	Components	Source of documents
1	Health	1) Health Coverage, 2)Life Expectancy at Birth; 3)Maternal Mortality Rate (per 100,000), 4)Infant Mortality Rate (per 1000 live birth) 5)Medical Health Facilities (Hospitals, Health Centers, Health Posts, Clinics), 6)Health Personnel population ratio (physician per 100,000 populations, nurses) 7) Hospital Bed to Population Ratio	<ul style="list-style-type: none"> <li>➤ Ministry of Health, FDRE</li> <li>➤ CSA, FDRE</li> <li>➤ MDG reports of the FDRE</li> <li>➤ Different researches conducted by scholars</li> </ul>
2	Education	1) Access Indicators; Gross Enrolment Rate, Net Enrolment Rate; Total no. of schools 2) Quality and Efficiency Indicators Teachers who are qualified ,Pupil-Teacher Ratio, Pupil-Section Ratio 3) Equity Indicators: Gender Parity Index	<ul style="list-style-type: none"> <li>➤ Ministry of Education, FDRE</li> <li>➤ CSA, MDG reports of the FDRE</li> </ul>
3	Road(All types)	Length in KM, Road density Total Community Road Network(km) Total Rural Road Stock(km) Number of Kebeles Connected by all-weather roads	<ul style="list-style-type: none"> <li>➤ Ethiopian Road Authority, CSA, FDRE MDG reports of the FDRE</li> </ul>
4	Revenue & Expenditure	Annual revenues collected , Budgets allocated; Federal subsidies	<ul style="list-style-type: none"> <li>➤ MOFED</li> <li>➤ HOF</li> </ul>
5	Agriculture	1)Amount of cultivated land (existing land use in hectare) , 2)Volume of production (food and commercial crops) 3)Irrigation development (already irrigated and potential) 4)Livestock	<ul style="list-style-type: none"> <li>➤ Ministry of Agriculture and Rural Development</li> <li>➤ CSA, FDRE MDG reports of the FDRE</li> </ul>

Source: Own Survey, 2015

#### 4.7.1.2. Primary Sources

##### 1. Key Informant Interviews

A key informant interview was conducted with the federal experts of the selected ministries, opposition and ruling party leaders, leaders of the NGO and professional association. A structured, open-ended qualitative interview guide was employed to

understand the perceptions, views, feelings, knowledge and direct experiences of different, but still relevant bodies on the subject matter (Quinn 2002). A structured approach is mainly useful if one knows the kinds of questions to ask. Open-ended questions have a number of advantages. Open-ended questions allow participants to freely express their view and control pacing; they are flexible; they allow the interviewer to probe so that he or she may go into more depth; or to clear up any misunderstandings; they enable the interviewer to test the limits of the respondent's knowledge. Open-ended questions also result in unexpected answers which may suggest unthought-of relationships. Hence, sometimes, direct questions could be asked when more clarification of information is needed by the researcher. However, conducting and transcribing interviews is both a time and labour intensive job. It is also an expensive method (Clark and Adler 2006).

Lists of questions were constructed related to education, health, road infrastructure, agriculture, as well as revenue and expenditure (see the appendices attached with this dissertation). The Interview Guide was pilot tested with other participants (who were not part of the sample) to ensure that the information provided by participants was in line with the intended objectives and research questions. It was also done to test for the question's appropriateness, validity and reliability. In some instances, questions were revised and improved while in some cases the questions were asked in different ways to assess internal consistency.

The above instruments, however, have some strengths and weaknesses. For example, a key informant interview is useful when the interview questions are too complex, when it is difficult to contact respondents by telephone, and when high response rates are essential. On the other hand, it is the most expensive method of data collection because it takes time to locate and contact respondents and travel to the respondents (Stier, Adler and Roger 2008). However, this method was chosen because it would enable the researcher to meet his objectives and to triangulate easily.

Responses of Interviewees were not audio-recorded, due to lack of permission from respondents. Interviews collected from respondents were supplemented by detailed field notes for ethical considerations.

## 2. Observations

The researcher tried to see and visit the two regional states to observe the issues of infrastructure, roads, and the general life of people in the regions.

## 4.8. Ethical considerations

Throughout the interview administration process, confidentiality, privacy, and the anonymity of respondents was given paramount importance (Kumar 2005; Quinn 2002; Stier and Roger 2008). In addition to these ethical rules, the researcher followed all the ethical rules and practices of UNISA including informed consent, right to voluntary participation, withdrawal, explanation of any possible risks, benefits of the research outcome, confidentiality and non-closure, and the purposes of the research, in undertaking this research.

Participation was entirely voluntary and each individual was free to leave the study at any time. A letter of cooperation was submitted to the relevant organisations and the interviewees were approached and appointment was made via telephone. At a maximum, a 50-minute interview was made with every participant.

## 4.9. Data Coding, Presentation, Analysis and Interpretation

### 4.9.1. Data Coding and Entry

Once data from the interviews was gathered, the next stage involved analyzing it, often with some form of coding or scoring. In qualitative data, the data analysis is less a completely accurate representation (as in the numerical, positivist tradition) but more of a reflexive, reactive interaction between the researcher and the de-contextualised data that are already interpretations of a social encounter. According to Pierce (2008), coding and content analysis was made for analysing qualitative information.

#### 4.9.2. Data Analysis

According to Creswell (2011) qualitative data analysis is a simultaneous process. It primarily entails classifying things, persons and events and properties which characterise them. During data analysis the data were organised categorically and chronologically, reviewed repeatedly and coded.

Generally, appropriate techniques of analysis were developed to validate, organise and analyse data collected from both primary and secondary sources. With regard to the qualitative data analysis the information obtained from respondents at the federal and regional levels were organised in relation to the questions and objectives of the study. Next, the information was put in tables to observe the similarities and differences. Finally, a critical discussion was made to see the regional development trends, identify the policy implementation challenges and implications.

#### 4.9.3. Data Presentations

Tables, different types of graphs, figures, line-charts, and percentages were employed to present the data collected from the secondary and primary sources. The validity of the measurements of indicators and the reliability and accuracy of the data were given due attention. Quotable quotes from interviewees were also used. Finally, based on the findings of the study, reports and some recommendations were made and disseminated to different stakeholders.

#### 4.9.4. Validity, Dependability and Reliability

Validity implies the extent to which the research produces an accurate version of the world. Validity is seen as strength of qualitative research. It is the extent to which a measure, indicator or method of data collection possesses the quality of being sound or true as far as can be judged. The validity of information is its

relevance and appropriateness to the research question. To consider the validity of a research, internal and external validity will be inferred. Internal validity refers the degree to which the investigator's conclusion correctly portray the data collected. External validity implies the degree to which conclusions are appropriate to similar populations and locations outside of the study area. It is about generalisability. Validity was ensured through the use of different strategies to check the accuracy of the findings.

Triangulation from various sources was made to ensure coherent and consistent justifications. Triangulation is a method to seek accounts from more sources as a way of obtaining efficient information. Validity was ensured through trustworthiness, authenticity, and credibility. In turn, trustworthiness will be determined by transferability, dependability, and conformability. Dependability was established by maintaining and preserving all field notes. Authenticity was also being maintained by reporting and presenting the views of the participants without distortion (Kumar 2005; Pierce 2008).

Reliability is the extent to which research produces the same results when replicated. It is concerned with the extent to which research findings are reproducible. In other words, it is whether a different researcher who replicated the study would come to the same or similar conclusions. It is a measure of precision. It is also the extent to which one can rely on the source of the data and the data itself. Reliable data is dependable, trustworthy, sure, authentic, and genuine (Kumar 2005; Pierce 2008). This was the case with this research.

#### 4.10. Summary

This chapter briefly highlighted the socio-economic and political background of the two study regional states. It started by discussing the profile of the FDRE. As could be observed from the above, employing appropriate methodology is fundamental to addressing a given research inquiry. This study pursues a cross-sectional and explanatory design and employs both qualitative and quantitative approaches. The researcher believes the design was appropriate for this study. Furthermore, the

chapter gave detailed information regarding the sample size and sampling techniques with the main justifications. Finally, secondary and primary data sources, data collecting instruments, data analysis and validation techniques were discussed in detail.

Next, Chapters Five and Six present the major findings based on secondary and primary sources and summarising the main findings of the study.

## **CHAPTER FIVE: FINDINGS**

### **5.1. Introduction**

In the previous chapters, theories, models, experiences, objectives, approaches and lessons of regional development policy in some selected countries of the world were identified and discussed. A detailed description of the research design, approach, sample size and sampling techniques was also provided. Drawing on the practical experiences and lessons of regional states on the extent and level of regional development disparity in Ethiopia, the main purpose of this chapter is to analyse the challenges and implications of regional development policy in post-1995 Ethiopia with a special focus on select regional development indicators such as education, health, roads, agriculture, revenue and expenditure performances of two specific regions.

The results from the document review and interviews conducted with the federal as well as regional government authorities and experts are presented and elaborated using bar graphs, trends and tables. Additionally, each presentation regarding regional development policy challenges and shows implications as well as the strengths and weaknesses of the Federal Government support in Ethiopia basing it on the statement of the problem, research questions and objectives posed in Chapter One of this thesis.

### **5.2. Profile of Key Informants**

In this section, an effort is made to explain characteristics of respondents such as sex, level of education, and age, which have a relationship with the research objectives of the study.

**Table 5.1. Characteristics of Respondents**

Characteristics		Federal		Regional	
		Frequency	Percent	Frequency	Percent
Sex	Male	11	45.83	12	50
	Female	1	4.17	0	0
Level of Education	Diploma	3	12.5	3	12.5
	First Degree	5	20.8	9	37.5
	Second degree	4	16.7	0	0
	& Above				
Age of respondents	25-35	9	37.5	7	29.17
	36-45	2	8.33	3	12.5
	46 and above	1	4.17	2	8.33

Source: Key Informant Interview Guide, 2015.

As indicated in Table 5.1 above, from the two sample regional states and the Federal Government offices, interviews were conducted with a total of 24 key informants. Most of these informants were professional experts in their respective offices. Some of them were party leaders and leaders of NGOs working in the two regions, deputy-ministers, and heads of professional associations.

From a total of 24 informants, 23 (95.83 percent) were males and only one (4.17 percent) was female. This indicated that there is still gender inequality in leadership. This is more pronounced at regional levels. In terms of level of education, one-fourth or (25 percent) and 14 (58.33 percent) were diploma and first-degree holders, respectively. Of the total respondents, only four (16.7 percent) were second- and third-degree holders who worked at the federal level. Table 5.1 reveals the existence of low levels of educated staff at regional offices. When we look at the age category of respondents, 16 (66.66 percent) were within 25-35, (20.8 percent) were from 36-45 and three (12.5 percent) were 46 and above. This implies that the majority of respondents were in the younger working age group.

### 5.3. Major Findings

This section highlights the main findings of the study which are related to health, education, roads, and agriculture and revenue collection performances. The main factors that may affect regional development, the challenges faced in the implementation of regional development policy, the strengths and weaknesses of the Federal Government support to regions and the negative consequences of the regional development policy are the focus of this section. All information presented and discussed was gathered from secondary and primary sources at the federal and regional levels.

#### 5.3.1. Population

The available data in terms of population are seen in Table 5.2 below.

**Table 5.2 Population growth per region and the percentage growth**

Year	Tigray	Percent	Gambella	Percent increase
1994	3,136,000	-	182,000	-
2004/05	4,223,014	35%	240,394	32%
2007	4,314,456	2%	306,916	28%
2015	4,866,000	13%	383,000	25%

Source: Reports of CSA in different years

Regional data on population before 1994 was not available. An analysis of the population growth for the years where there was data showed the following trend. It is clear from Table 5.2 above that Gambella had a steady population growth, which was reducing every year while Tigray had a low growth in 2007. When informants were asked why this was the case, they quickly pointed out that Tigray went through a war and some political problems that affected the region. Some people might have left during that period. Though in the following years the population did increase, the growth was less than that of Gambella. However, the

actual number of population of Tigray in 2015 is 12 times more than that of Gambella's population.

### 5.3.2. Regional Health Sector Performance

This section presents a regional health infrastructure such as the number and proportion of health facilities to regional population, number and proportion of health manpower to regional population etc.

**Table 5.3. Average Number of Health Facilities by Region and Year**

Region	Years	Hospitals	Health Centres	Clinics	Hospital Beds
Tigray	1995 to 2000	6	105	178	991
	2001 to 2005	15	107	130	1256
	2006 to 2010	18	170	124	2059
	2011 to 2015	19	196	124	3690
Gambella	1995 to 2000	1	3	41	88
	2001 to 2005	1	13	21	88
	2006 to 2010	1	23	40	150
	2011 to 2015	1	30	40	381

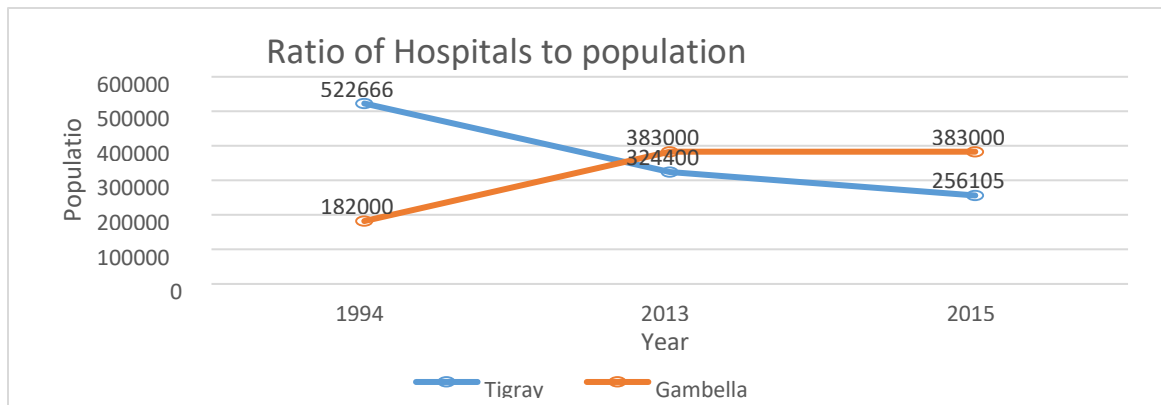
Source: Statistical Abstract of different years, MoH, FDRE.

As can be seen from Table 5.3 above, the number of hospitals in Tigray increased from six in 1995 to 19 hospitals in 2015. That is a 300 percent increase within 20 years. However, the number of hospitals in Gambella remained the same within the same years. The 1994 population census showed that there were 3,136,000 people in Tigray region. Hence, the proportion of health facilities to population was 1: 522,666 hospitals per population, 1: 29,866 Health Centres (HCs) per

population, 1:17,617 clinics per population, and 1:3164 hospital beds per population.

In the same period, there were 182,000 people in Gambella (see Table 5.2 above). Therefore, the proportion of hospitals to population in the Gambella region was 1: 182,000. With the same analysis, the proportion of health centres, clinics and hospital beds were 1: 60,666, 1: 4,439 and 1: 2,068, respectively. So, Gambella had a better ratio of hospital to population, clinic to population and hospital beds to population than Tigray. However, there was a better ratio of health centres to population in the Tigray region than in Gambella.

According to the CSA, the population of Tigray in 2007 was about 4,314,456. Therefore, on average there was one hospital was serving 239,692 people. In the same period, one hospital was serving 306,916 people in Gambella. However, the Ethiopian health system standard indicates that a primary hospital is expected to serve 60,000-100,000 people. A health centre is expected to serve 15,000-25,000 people. A health post is expected to serve 5,000 people. That said, in 2015 a hospital in Gambella served all the 383,000 people of the region. In the same period, in Tigray there were 4,866,000 people. That meant, the proportion of hospital to population was 1: 256,105. Hence, in 2015, Tigray was better off than the Gambella regional state in terms of the ratio of people per hospital. However, there is still a gap between the performances of the two regions and the federal health standard if one compares Figure 5.1 below and the standard.



*Figure 5.1. Ratio of Hospitals to Population*

Source: CSA Statistical Abstracts of different years

The trend in Figure 5.1 above shows that the Tigray region started very poorly but improved over the 15 years by constructing new hospitals. Gambella started well but did not add any new hospitals in this period despite the need for them to increase the number of hospitals to at least three to meet the national standard. As for Tigray, despite their good performance in terms of construction of hospitals, they still need to increase the number of hospitals by 30 in order to meet the national standard. It will be easier, therefore, to meet the national standard in Gambella compared to Tigray because of population. However, by 2015, Tigray was much better than Gambella in terms of the number of hospitals per population.

Almost all regional and federal respondents agreed that there were dramatic improvements and changes in the construction of hospitals in the Tigray region. One informant from the Gambella region expressed disappointment by saying that:

“There were a significant number of the people in the region who travelled to the neighbouring regions such as Metu and Jimma to get health services” (Interview, Code 5, 2015).

The respondents could not support their information with strong evidence on the actual number of people who travelled to the neighbouring regions to avail themselves of medical services. However, there has been a recent attempt by the

Federal Government to construct one additional hospital in the Gambella region because they have realised that there is a problem.

As could be seen from Figure 5.1 above and 5.2 below, in 2013 the proportion of a hospital, a health centre and health post to population was 1: 324,400; 1: 22,738 and 1:7486, respectively. In Gambella, the proportion of hospitals, health centres and health posts was 1: 383,000; 1: 13,679 and 1:3648 respectively. In the same year, the total population of Ethiopia was 87,729,000. Therefore, the proportion of hospitals, health centres and health posts to population was 1: 675,031; 1: 26,416 and 1; 5342, respectively. It is clear that the national standards were also not met in all the regions. Figure 5.2 shows the trend of health centres.

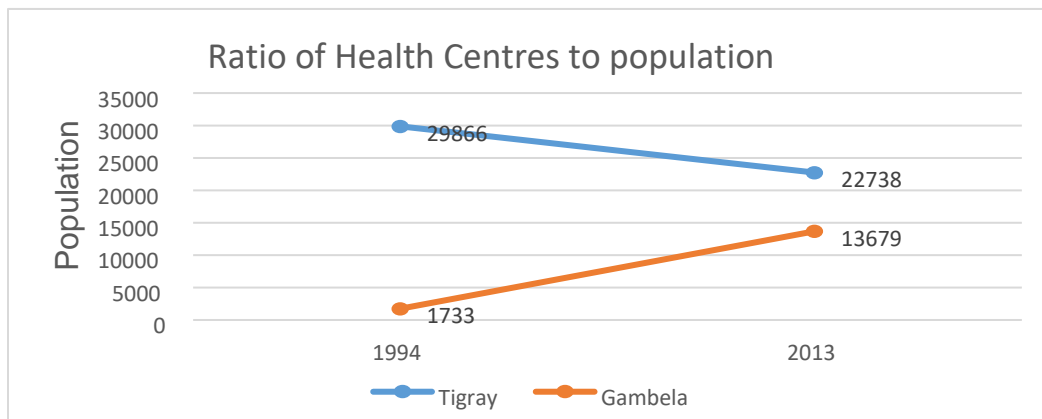


Figure 5.2. Ratio of Health Centres to Population

Source: CSA Statistical Abstracts of different years

Figure 5.2 above reveals that in 2013 the Gambella region (1: 13,679) was better in terms of the ratio of health centres per population, despite a small number of health centres compared to Tigray (1: 22,738) regional state. From the above figure, one can observe that the ratio of health centres to population, as a trend, worsened in Gambella while that of Tigray improved. This is an indication that not much development of health centres has taken place in Gambella. For a detailed understanding on the number of beds per population see Figure 5.3 below.

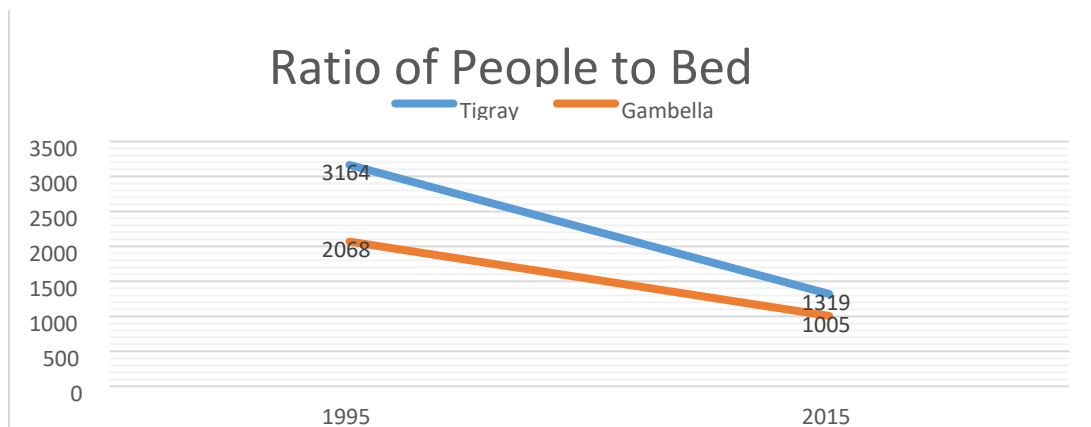


Figure 5.3. Ratio of People to Bed

Source: CSA Statistical Abstracts of different years

As can be seen in Figure 5.3 above, both regional states recorded a remarkable improvement in the proportion of health beds to population, in the given period of 1995 to 2015. However, Gambella's accomplishment was better than that of Tigray. The trend for both regions was similar from 1995 to 2015.

An analysis of the health posts per population as can be seen on Figure 5.4 below gave an interesting finding in that despite similar trends, Tigray improved more than Gambella.

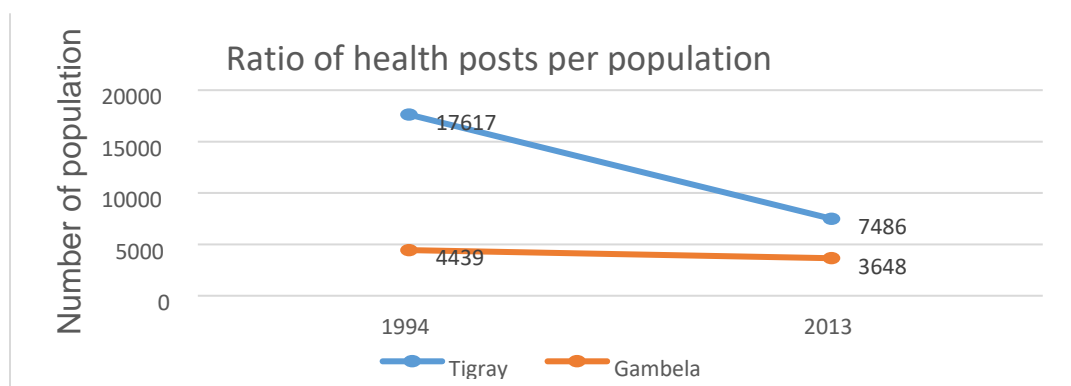


Figure 5.4 Ratio of Health Posts per Population

Source: CSA Statistical Abstracts of different years

However, the proportion of health posts to population (in 2013) in Gambella (1:3648) was better than that of Tigray (1:7486). This could be because of the fact that the population in Tigray region was greater than in the Gambella regional state and that Tigray had more hospitals than Gambella. The trend, however, for both regions improved from 1994 to 2013.

The above analysis focused on infrastructure in the health sector between the two regions and also at the national level. It is clear that Gambella was better than Tigray in several aspects and one could attribute that to the population size despite the fact that there was a lot of infrastructure development in Tigray. As far as the perceptions of people are concerned, including the key Informants, Tigray was more progressive and better than Gambella. However, the data gathered on per capita progress says something different. Informants from the federal ministries who also believed that Tigray was much better in all these indicators stated that:

“The wide disparities in the availability or number of health facilities in the two regions was because of the commitment of the leadership, the capacity to mobilize regional resources which include the resource from the people and party affiliated economic organizations as well as the stricter monitoring and support of projects by the leaders of TPLF, the core of EPRDF in the Tigray region” (Interview, Code 1, 2015).

The informants revealed that in the Gambella region, there was a very weak and less committed leadership at all levels of administration according to a key informant from the Gambella region who stated that:

“Leadership is weak and It seems that there is low priority given by the EPRDF as the regional ruling party in Gambella. EPRDF is not a member of the ruling coalition. Furthermore, there are very few development partners, such as the private sector and NGOs, which

are engaged in the health sector development in Gambella but this cannot bring infrastructure development to the required standard” (Interview, Code 1, 2015).

The above-mentioned opinions of respondents could be supported by Cindy (1995); Yang (1990); Wei (2007); Wu (2008); and Demurger (2002). Therefore, strong leadership commitment and political will is crucial factors for balanced regional development. However, despite all these weaknesses in Gambella, the regional performance in terms of per capita development was still better than that of Tigray. The analysis moved from infrastructure to other health indicators as shall be seen below.

**Table 5.4. Average IMR/1000, CMR/1000 and U-5MR/1000 by Region and Year**

Region	Tigray				Gambella			
Year Indicators	1995- 2000	2001- 2005	2006- 2010	2011- 2015	1995- 2000	2001- 2005	2006- 2010	2011- 2015
IM R	67	102	103.6	77	92	93	93	57
National	77	96.8	96.8	73	77	96.8	96.8	73
CMR	42	73	73	71	70	82.4	82.4	78
National	48	84.5	84.5	80	48	84.5	84.5	80
U-5MR	106.0	148.0	169.0	109.0	156.0	113.0	233.0	77
National	123	140.1	140.1	101.6	123	140.1	140.1	101.6

Source: Health and Health Related Indicators, Different years, FMoH

#### (A)Regional Infant Mortality Rates

As can be observed from Table 5.4 above, in 2015 the average infant mortality rate per 1000 population in the Gambella regional state was much lower (57/1000 live births) than that of the Tigray regional state (77/1000 live births). Though Gambella infant mortality was poor in 1994, there was remarkable progress in 2011 which led to this better performance. A number of observations can be made regarding mortality rates in the sampled regional states over the period between 1995 and 2015. Results showed that in Gambella there was a greater IMR

(92/1000 live births) in 1995-2000. This was higher than both Tigray and the national average.

However, the Gambella region managed to reduce infant mortality by more than 36 percent by 2015. The other regional state, namely Tigray, which had an IMR of 67 per 1000 live births in 1995-2000, increased to 77 live births in 2011-2015, which is an increase of 10 percent, though the region had showed a decrease from 104 of the previous years.

Generally, from 1995 to 2000, the IMR in the Tigray region was lower than both Gambella and the national average. The infant mortality rate increased from 67/1000 live births in 1995 to 2000 to 204 in 2006 to 2010 in the Tigray regional state. This poor performance in Tigray Region might have been caused by the war that took place there. During the same periods, the IMR remained the same in the Gambella region. Table 5.3 and Figure 5.6 above reveal that the IMR for Gambella was better off compared to Tigray and the National average in 2015, while that of Tigray was worse off compared to the national average. The trend for all the regions, including the national one, was interesting in that all started at a low rate then from 2001 to 2010 the rates were at their highest. The government might have realized this and took action which led to all the rates dropping at different levels. The strategy that the government used was effective. The level of infant mortality may be influenced, among others, by poverty, food availability, inadequate maternal education, deficiencies in water and sanitation, and high fertility and inadequate birth spacing.

#### (B)Child Mortality Rates

It can be observed from Table 5.4 above that the two regions started with low child mortality rates and these worsened. All of them, including the national average, increased over the 20 years. Tigray fared better than Gambella and the national average CMR, while Gambella was better off than the national average in the last 15 years. The trend, however, for the two regions and the national average was

similar in that it was moving in the same direction, demonstrating that there were similar interventions being applied in all regions as far as this indicator was concerned.

### (c) Under 5 Mortality Rates

In 1995-2000 the under-five mortality rates for Tigray were lower than both Gambella and the national average. Gambella under five mortality rates were lower than Tigray and the national average from 2001 to 2005. The national average under five mortality rates was lower and much better than both Tigray and Gambella from 2006 to 2010. Gambella's under five mortality rates in that period was the worst. However, Gambella managed to control the under 5 deaths and reduced them in 2011 to 2015 (See Table 5.4. Above). In fact, Gambella's rates were far better than Tigray and the national average in this last period, as can be seen in Figure 5.8 below. The trend, however, in the two regions and the national average showed the highest under-five mortality rates 2006 to 2010 and a good improvement in 2011 to 2015. This implies that the government took serious approaches to intervene in the situation in the whole country. Short birth intervals, high birth order, low birth weight, and the young age of mothers are strongly related with under-five mortality rates (CSA 2007).

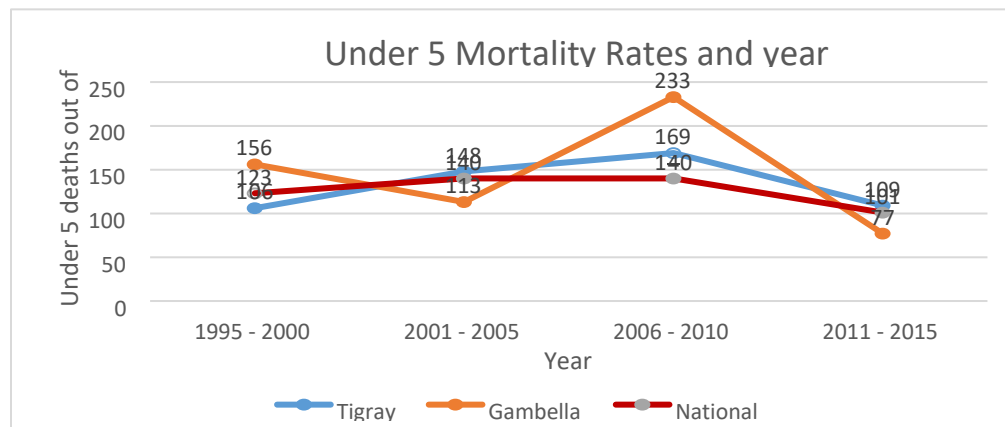


Figure 5.5. U-5 Mortality Rates and Year

Source: Health and Health Related Indicators, Different years, FMOH

Overall, there are significant disparities in CMR, U5MR and IMR between the two regions. These should be addressed by promoting equitable distribution of health facilities and services between the two regions. As the above table shows, Gambella had better results as far as Infant mortality rates and under-five mortality rates compared to Tigray. Tigray had better rates of child mortality than Gambella. Both Gambella and Tigray were better off in most of the years than the national average. To avoid negative results in the future, the federal and regional governments as well as development partners' efforts to improve children's health should be scaled up in both regions.

Data from Table 5.4 also show that there are encouraging improvements both in infant and under five mortality rates in the Gambella region. For example, the number of IMRs and U5MR decreased from the 1995-2000 level of 92 to 57 and 156 to 77 respectively in 2015. It seems that the number of health personnel such as nurses, health officers, doctors, midwives, pharmacists and health extension workers in this region played an important role in reducing mortality rates.

#### (D)Life Expectancy

According to Joakim, Merima and Ole (2013), measuring length of life inequality is one among several ways of capturing overall health status of any region. Joakim, Merima and Ole (2013) Citing Julian and Smits highlighted four reasons why this is a feasible measure:

- A long and healthy life is valued across most societies and cultures, making it useful for comparisons among them.
- As income and wealth are instrumental in reaching more essential goals, such as a long life, variations in length of life provide insight into these backgrounds and contributing factors.
- Inequality in length of life is more directly linked to absolute deprivation than, for example, inequality in income.

- The information needed to estimate length of life inequality is already easily available.

In the past 20 years, life expectancy in the Gambella region was relatively better than that of the Tigray region. Despite the lack of evidence-based research on the factors that could directly or indirectly affect the life expectancy of the population, relatively better level of food availability, primary education and health coverage in Gambella may have contributed to greater life expectancy. As can be observed from Figure 5.7 below, during the given period, life expectancy in Gambella was also higher compared to the life expectancy at the national level.

It is also amazing to see that the trend is the same for the two regions and at the national level. It is increasing in both regions and also nationally, which is good.

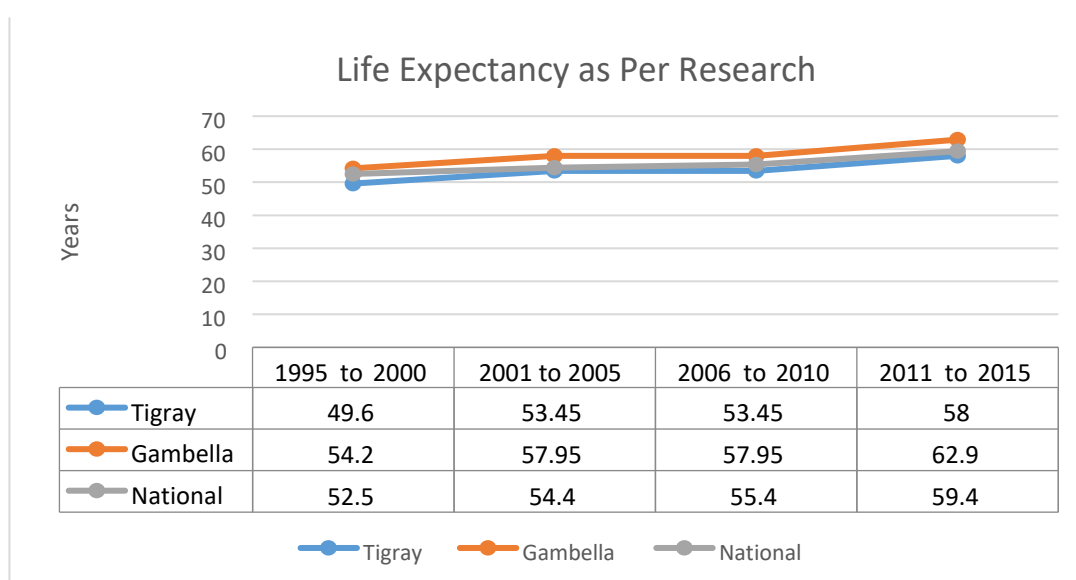


Figure 5.6. Life Expectancy as Per Research

Source: Health and Health Related Indicators, Different years, FMoH

#### (E)Health Human Resources by Region

The other aspect of the health indicators that was examined, was the number of health staff in each region. Though the number of staff does not necessarily demonstrate the service that people and patients receive, it is still a good indicator

of the type of services available in the region. Table 5.5 below lists the number of nurses, health officers, pharmacists and doctors working in these two regions compared to Addis Ababa, the capital city. To more deeply understand the number of staff per region, the figures were aligned to population and the results are shown in Table 5.5 below.

Table. 5.5. Proportions of Health Human Resources to Population

Region	Tigray				Gambella			
Year	1995 - 2000	2001 - 2005	2006 - 2010	2011 – 2015	1995 – 2000	2001 - 2005	2006 - 2010	2011 - 2015
Doctors	94 (1:33,362 )	89 (1:47,450 )	103 (1:41,883)	190 (1:25,716)	12 (1:15,167)	18 (1:13,355)	13 (1:23,615)	14 (1:27,357)
Health Officers	67 (1:46,806 )	58 (1:72,811 )	342 (1:12,614)	439 (1:11,130)	7 (1:26,000)	9 (1:26,710)	50 (1:6,140)	49 (1:7,816)
Nurses	2265 (1:1,385)	1414 (1:2,987)	2686 (1:1606)	4562 (1:1071)	202 (1:901)	248 (1:969)	309 (1:994)	499 (1:768)
HEW	400 (1:10,558 )	1433 (1:3163)	1641 (1:2965)	Na	na	457 (1:728)	218 (1:1756 )	na
Pharmacists	6 (1:522,671 )	6 (1:703,842 )	48 (1:89,874)	91 (1:53,692)	2 (1:91,002)	2 (1:120,195)	12 (1:25,583)	12 (1:31,917)

Source: Health and Health related Abstracts, MOH, and FDRE Different years.

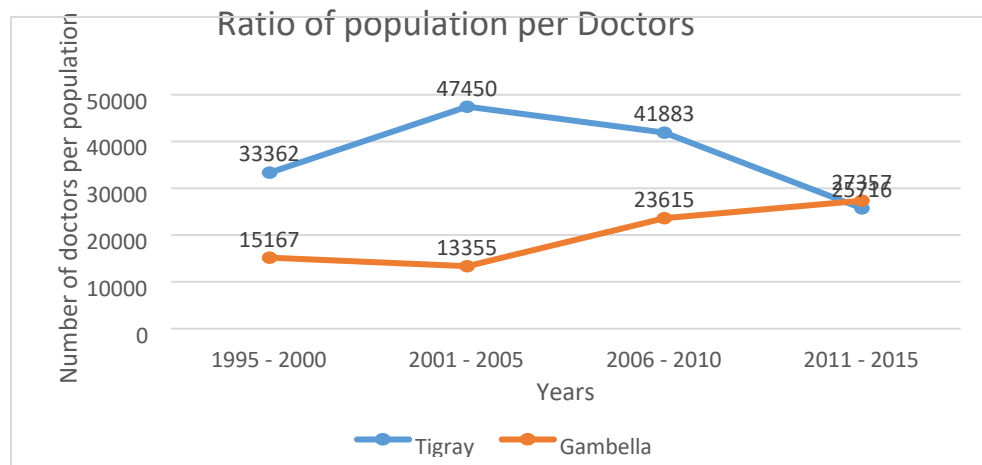
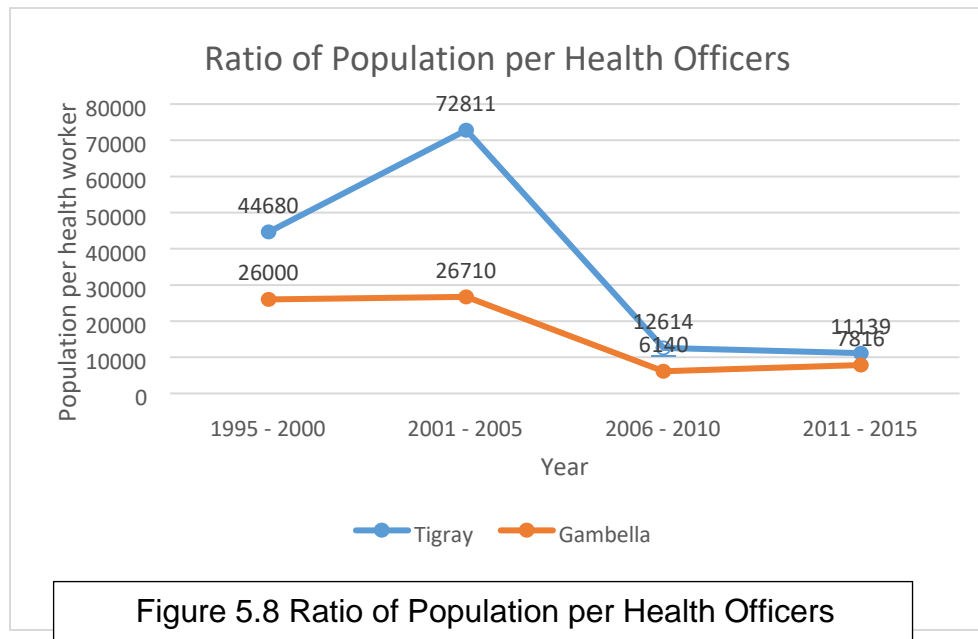


Figure 5.7. Ratio of Population per

Source: Health and Health related Abstracts, FMOH different years.

It is clear from Figure 5.7 above that Tigray started badly when compared to Gambella. However, the situation changed in 2013 Tigray had a smaller ratio of population per doctor, due mostly to improved infrastructure over the years, which may have attracted the doctors. The ratio of population per doctor in Gambella was better than Tigray, merely because of slow population growth and immigration, particularly since the number of hospitals did not increase. Clearly, the trend in Tigray is positive while the trend for Gambella is not good and action needs to be taken soon.

As can be seen in Figure 5.8 below, Tigray started badly in terms of the ratio of population per health worker but improved over the years and it kept on improving. The Gambella region also started badly but improved over time. The trend for the two regions is similar though Gambella did better than Tigray in all the years. Factors influencing this are not clear, but the Gambella region was better off than Tigray in this indicator.



Source: Health and Health related Abstracts, MOH, and FDRE Different years.

It is also clear from Figure 5.10 below that Tigray started badly, becoming worse in 2001-2005, and the reason for that was not known but could have been perhaps the war that took place there. It then started improving till 2013. However, in terms of Nurses, Gambella started better than Tigray and it lost some nurses in 2006 – 2010 but managed to regain in 2013. Overall, Gambella was better off in terms of the number of people per nurse throughout the 20 years. Infrastructure development experienced in Tigray did not necessarily affect the number of nurses recruited. It seems the Leadership of the region and hospitals decisions determine the number of staff, much more than just infrastructure.

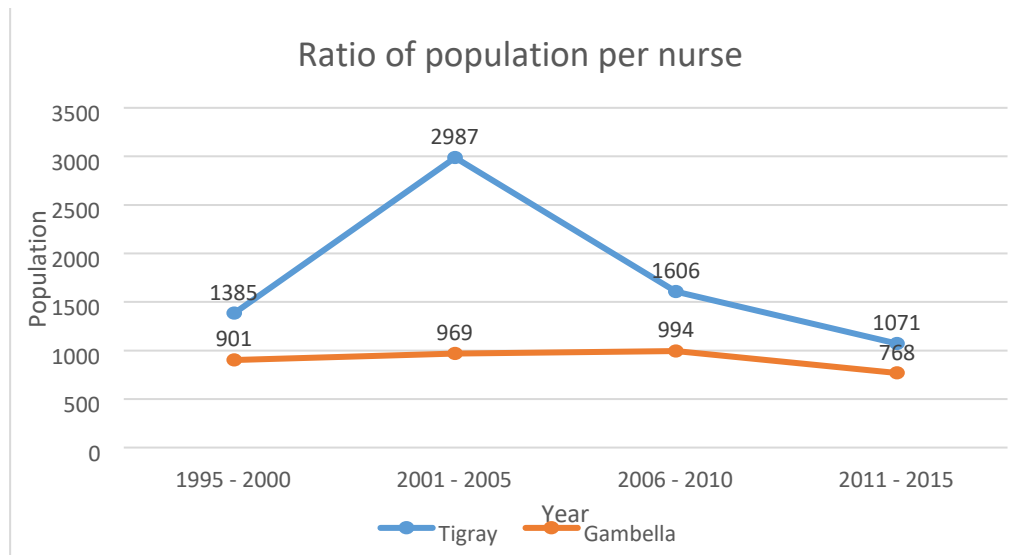


Figure: 5.9. Ratio of Population per Nurse

Source: Health and Health related Abstracts, MOH, and FDRE Different years.

The trend for Gambella over the 20 years was much better than that of Tigray, which became worse in the first 10 years and then started improving. The trend seemed similar in the last 10 years in both regions.

#### (F) Health Extension Workers

The situation was the same when one examines the ratio of health extension workers in relation to the population they served. Gambella was better off compared to Tigray. As can be seen in Figure 5.11 below, in 2013 the number of populations served by one health extension worker in Gambella (1: 1756) was lower than in Tigray (1:2965). Though this ratio did not improve in Gambella, when one looks at the overall trend, it was still better than Tigray, as can be seen in Figure 5.10 below. There was more improvement being experienced in Tigray than Gambella, and subsequently a need to focus attention on Gambella to make sure that the situation does not worsen.

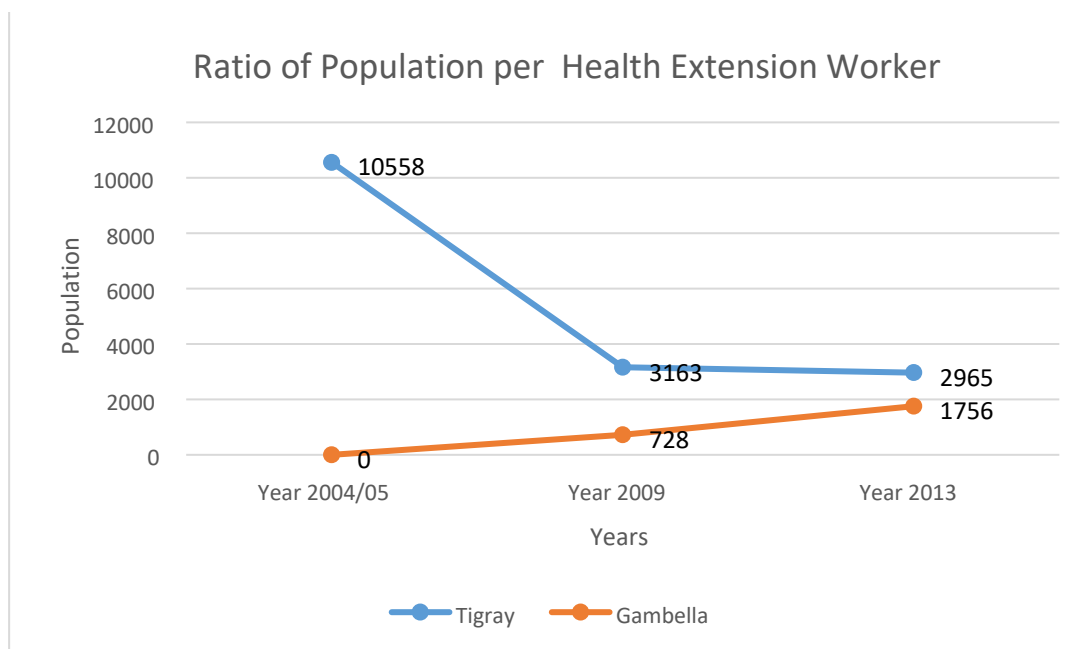


Figure 5.10 Ratio of Population per Health Extension Worker

Source: Health and Health related Abstracts, FMOH, Different years.

Gambella, viewed through the lens of many of these human indicators, was better off than Tigray. It is important to mention that the war in Tigray had an impact because several indicators from around 1998 to 2005 were worse than Gambella. Tigray, however, is improving at a faster rate, while Gambella is progressively worsening, according to some of these indicators. It seems the infrastructure development has helped Tigray to improve steadily, and for that to happen in Gambella, there is a need to focus on infrastructure development.

According to the opinion of the respondents from the Tigray health bureau, “Tigray is in much better shape than the Gambella region.” However, this is not adequately supported by the health performances as far as the indicators are concerned. However, this is supported by the fast growth and the infrastructure development that Tigray is experiencing. An expert from the Tigray region argued that:

“Despite the presence of similar health policies, Tigray is unique in terms of people’s ownership and the

commitment of the political leadership in the health sector. In Tigray, females represent a higher percentage of the beneficiaries of the health policy as the policy gives a high priority to females and children. For example, all maternity care and vaccinations are given for free. If such policies and the political will continue in Tigray, the region will experience more improvement than other regions” (Interview, Code 7, 2015).

The interviews conducted with both the regional and federal respondents indicated that:

“The commitment of the people and political leaders at all levels of regional administration and sector offices was a critical success factor attributed to the performance differences among the two regions. Quality of service provision and lack of adequate and competent health professionals are also the critical challenges facing the health sector in both Tigray and Gambella” (Interview, Code 7, 2015).

The above opinion of respondents is in line with the discussion on the literature review of this study above. From the interview held with federal and regional key informants, it is possible to know that the Federal Ministry of Health supported regional health bureaus in terms of finance, health professionals, logistics, and capacity building. Key informants argued that:

“This support of the regional health bureaus was intended to satisfy the regional health demand of society by increasing the quality of services and producing a health workforce at the regional levels. In this regard, direct financial and technical support, policy

guide and directions, logistics, expansion of health facilities were the main inputs of the federal support. However, additional provisions of medical doctors, financial and material support and technical assistance are expected from the Federal Government” (Interview, Code 5, 2015).

As could be observed from the experiences of Brazil and other countries, the federal government can improve the infrastructure of, provide tax holidays and other incentives for lagging regions (Maila 2002). So, direct and indirect intervention of the federal government can bring balanced regional development.

Respondents argued that a number of challenges faced the health sector in the two regions. The critical challenges to addressing regional health inequalities in the two regions included:

“Rent-seeking of health workers and political leaders at all levels, less community participation and subsequently a low level of sense of ownership as well as differences in commitment, participation and ownership of the people between the two regions stated one Informant. These challenges he continued, contributed to some of the regional health differences. An increased commitment at all levels; public participation and a consistency, dealing with rent-seeking behavior at regional levels are potential solutions to these challenges” (Interview, Code 5, 2015).

A study conducted by Bjorvatn and Coniglio (2004) indicate that in a situation of high rent-seeking, the net effect of the regional development policy will be reduced due to high costs of investment. It is clear from the trends that Gambella was better off in many health indicators. Nevertheless, Tigray’s positive infrastructure growth

was remarkable, providing a competitive advantage and attracting the qualified staff that are critical for the development of the region. It is also important to note that as more infrastructure development takes place in Tigray, more people will migrate to the region, thus increasing the population, which leads to more services required to meet the needs of the people. Gambella's political will and governance, financial support, infrastructure development and capacity building are being neglected and there is a need to focus on these. Chances are that if the infrastructure development does not take place in Gambella, Tigray may surpass Gambella in many health indicators in the coming years. If Gambella region improves in its infrastructure, then the region may become more better off than Tigray, though that growth will also attract some population.

#### 5.3.3. Regional Road Sector Performances

The road sector in Ethiopia plays a significant role in the economy of the country. When the Road Sector Development Programme (RSDP) commenced in 1997, the total road network was only 26,550 km, of which over half was in poor condition. The RSDP was implemented over a period of 13 years in three phases. These were: (1) RSDP I - from July 1997 to June 2002 (5-year plan), (2) RSDP II - from July 2002 to June 2007 (5-year plan), and (3) RSDP III - from July 2007 to June 2010 (3-year plan). Currently, after the implementation of the RSDPs, the total road network grew to 48,793 km, of which close to 60% was in good condition (Ethiopian Road Authority 2011).

Due to the policy and institutional reforms in place during the 1990s, regional states in Ethiopia are accountable for the management and control of rural roads within their boundaries. The regional states are empowered to construct and maintain substantial rural road networks using the allocated budgets by their respective regional governments. During the past three phases of RSDPs, a total of 14,505 km new regional roads was constructed.

**Table 5.6. Density of All-weather Roads (1995-2004)**

	Km/1000 persons					Km/1000 km <sup>2</sup>				
	1995	1996	1997	2003	2004	1995	1996	1997	2003	2004
Tigray	0.21	0.48	0.49	0.62	0.70	12.0	29.1	30.0	44.1	51.0
Gambella	1.70	4.79	4.66	5.86	6.64	12.6	36.3	36.3	52.1	60.5
Ethiopia	0.28	0.41	0.41	0.49	0.51	14.0	21.2	21.6	30.1	32.5

Source; Adopted from Gezahegn et al., 2006.

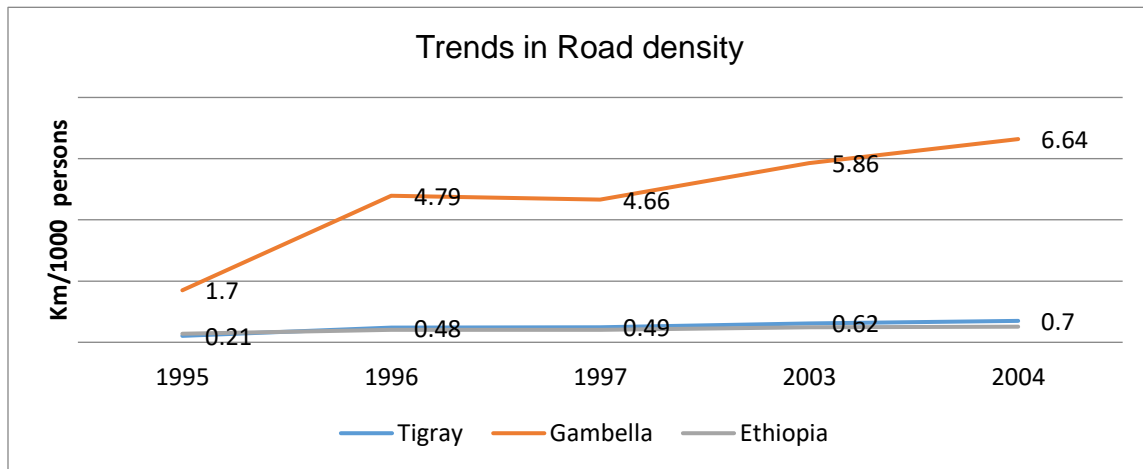


Figure 5.11 Trends in Road Density

Source: Gezahegn et al., 2006

Figure 5.11 above reveals that Gambella was better in terms of road density, measured by km/1000 persons and km/1000km<sup>2</sup>. This may be explained by the fact that the population of Gambella is very small compared with the population of Tigray and any improvement substantially increases the density. Gambella also outperformed the national average, which was commendable.

**Table 5.7. Rural Population with Access to Road by Region**

<b>Region</b>	<b>Rural pop'n in Million</b>	<b>Rural pop'n within 2Km Access</b>	<b>Rural Access Index %</b>	<b>Road Network in KM</b>	<b>Rural pop'n not within 2KmAccess</b>	<b>Rural Gap</b>	<b>Rural pop'n without road access</b>
<b>Tigray</b>	3.695	1,090,144	29.3	2933	2,605,11	70.7	2,612,475
<b>Gambella</b>	0.251	89,007	36.2	1169	162,432	63.8	160,418
<b>National</b>	66.321	17763288	27	48793	48558196	73	48,3738,56

Source: Adopted from Gezahegn et al., 2006; House of Federation, 2012.

Availability of standard roads is one of the basic necessities and a precondition for development. The expansion of road construction can greatly enhance the development effort of the economy. Without a quality road network, any socio-development endeavour cannot be achieved. From Table 5.9 above, it is clear that the total rural population without road access is greater in Tigray (70.7%) compared to Gambella (63.8%). Both Gambella and Tigray were better off than the national average in 2012.

A key informant from Tigray region Road Authority explained that:

“Due to the long years of civil war that took place in the Tigray region and the previous oppressive policies of the past governments, no road maintenance was carried out. Almost all existing roads were extensively damaged or out of use.” (Interview, Code 3, 2015).

The key informant interviews conducted with the respondents of Tigray revealed that in 2015 there were a total of about 2850 km road length in the region of which only 450 km was asphalt, and the rest (2400 km) was all-weather roads. According to the information of Ethiopian Road Authority (ERA):

“The distribution of the network of rural roads comprising those administered by the regional states of Tigray and Gambella was 7,087km and 1,335km respectively. Tigray road development grew by 103% of their planned growth, while Gambella accomplished 85% of their planned growth” (Interview, Code 3, 2015).

A wide difference in planning and performance in the road sector between the two regional states was another reason mentioned by respondents. According to key informants working at the federal and regional offices of road authority, there are a number of reasons for the performance differences between the two regional states. These include: “Commitment of the leadership, lack of equipment, lack of skilled manpower, and lack of good governance in Gambella” (Interview, code 3, 2015).

These views of key informants support the theoretical argument provided in Figure 2.2 above. However, when one examines the actual proportion of the total road network per regional population, there was better performance in Gambella region as stated above.

**Table 5.8. Average Kebele Accessibility to Roads by Region (2014).**

Region	No.of Woredas	NO. of Kebeles	No. of Kebeles		No.of Kebeles	
			Number	Percent	No	Percent
<b>Tigray</b>	35	714	383	54	547	77
<b>Gambella</b>	11	198	67	34	87	44
<b>National</b>	707	15,602	6222	40	10660	68

Source: ERA, 2005.Universl Rural Road Access Program; ERA, 2014.

According to the information from ERA (2014), the percentage of Kebeles connected by all-weather roads in Tigray was 77 percent, compared to

Gambella at 44 percent, and the national average at 68 percent, as shown in Table 5.10 above. It is clear from these results that Gambella has fewer Kebeles connected by all-weather roads compared to Tigray and the national average. This has a major impact on Gambella, because Gambella's main economy is based on livestock and agriculture. Under these conditions, it is difficult for the farmers take their produce from the different Kebeles to the city center or to a location where the produce can be transported to other regions. Despite this lack of connections in Kebele with all-weather roads, Gambella was better off than Tigray in terms of the proportion of road in km per population.

However, the information gathered from ERA (Interview, Code 3, 2015) shows that:

“ERA prepared an annual work plan regarding the road network assigned to be upgraded or constructed under the RSDP-IV (from 2011-2015) in the two regions. According to the plan, about 2500 km and 200 km road network were to be constructed in Tigray and Gambella regions respectively. This plan did not seem to have worked in both regions.”

**Table 5.9 RAI for Tigray and Gambella Regions, 2009**

Regions	Total area(km <sup>2</sup> )	Inhibited area		Total rural pop'n	Rural pop'n density	Road network	Rural pop'n within 2 km access	Rural access index (%)
		%	km <sup>2</sup>					
<b>Tigray</b>	139300	80	40063	3722287	93	2933	1090144	29.3
<b>Gambella</b>	25802	50	12901	245568	19	1169	89007	36.2
<b>National</b>	1099207	-	737588	65686312	89	48793	17704333	27.0

Source: ERA, 2011.

The Rural Access Index (RAI) measures the number of the rural population who live within two kilometres from an all-weather road as a proportion of total rural population. The RAI was developed by the World Bank to provide a quantitative index reflecting the established link between physical isolation and poverty. The RAI was accepted by the African Ministers of Transport and provides a consistent basis for estimating the linkage to the Millennium Development Goals (MDG) and Sustainable Development Goals (SDG). The RAI is used to inform policies and strategies so that the rewards of development are distributed more equitably to the rural population.

Despite the significant efforts and investments made in the course of the RSDP's and improvements to the main trunk and regional roads, Ethiopia still has a very limited road network, insufficient to provide the level of access needed by many of the country's rural communities. To reduce the travel burden, which is hampering the country's economy, and to make a real impact on the efficiency of the transportation system, the road network in both regions, particularly the rural road network, needs to be enhanced both in terms of expansion and improvement.

According to Table 5.9 above, the RAI in Tigray was lower (29.3%) than Gambella (36.2%). This means that Gambella, as a region, has a better road network than Tigray, especially roads connecting the rural areas. This is important for Gambella as many of the people in Gambella are farmers and they need to take their produce to the market; the improved road network is crucial. This does not mean that people in Tigray do not need to have an improved RAI. Many of them are involved in the business sector, which also requires a good road network.

It was interesting to examine how much road development the two regions would require in order to attain 50 percent or 100 percent RAI and the figures in Table 5.10 below give us the picture.

**Table 5.10. The Required Level of Road Network to Achieve 50% and 100% RAI Target**

Regions	Total Rural pop. (2009)	Rural Pop. Density	Current Road Network	Required Road Network Level to attain a RAI of	
				50%	100%
<b>Tigray</b>	3,722,287	93	2933	5,008	10,016
<b>Gambella</b>	245,568	19	1169	806	1,613
<b>Ethiopia</b>	65,686,312	89	48,793	83,604	167,207

Source: ERA, 2011

It would require more effort for Tigray to reach 100 percent RAI compared to Gambella because: a) Gambella has a smaller population in the rural area compared to Tigray; and b) Tigray's starting point in 2011 was 2,933 which was very low for such a population.

Respondents were asked about changes in road sector performances at the regional level in the past 20 years. The interviews conducted with the experts of Tigray revealed that:

“The total road network has increased in the past 20 years. According to the information from the Construction, Road and Transport Bureau of Tigray Regional State, in 1992 the total road network of the region was 906 kms only. In 2014, it reached to more than 5000 kms which seems to suggest that Tigray was making good progress” (Interview, Code 3, 2015).

If one examines the situation in 2011 as demonstrated in Table 5.13 above, there is much improvement in the road sector. The interview conducted with an expert who is working at the Rural Road Authority of Gambella revealed that:

“The region is far behind other regions in the country. Particularly, when compared with other regions the road

networks that connect Woreda to Woreda and Kebele to Kebele in Gambella region are at the lowest level.” (Interview, Code 3, 2015).

This statement aligns with the information on the road network between Kebeles provided above. According to the information gathered from the Ethiopian Road Authority, in 2008 there were 846 km and 1367 kms of total road network in Gambella and Tigray, respectively. Respondents from Gambella stated that:

“The differences in the level of implementation capacity, including lack of skilled manpower and equipment, lack of spare parts and dynamite were the major contributing factors for the poor performance in Gambella.” (Interview, Code 3, 2015).

Respondents further explained that:

“Past historical conditions, instability or conflict in the Gambella region, a rent-seeking business mentality and the tendency to enrich oneself without adding value were additional factors. A lack of appropriate machinery, qualified and competent engineers and a lack of political commitment were also among the primary factors contributing to the performance differential between the regions” (Interview, Code 3, 2015).

However, both the road density per population and the RAI showed that Gambella was better off than Tigray. The researcher observed that the perceptions of the respondents were based primarily on what was happening in the last five years, without examining indicators to understand the progress. The results shared in this research present a long-range picture that could be difficult for some to believe due to this shorter-term focus.

When asked about the major challenges faced in road sector performance in the two regions, high turnover of skilled manpower was mentioned as the critical challenge facing the road sector in the Tigray region. Specifically, respondents at both federal and Gambella regional levels described the main challenges of the road sector in that region as:

“Problems of delay in road maintenance, repeated changes of design, problems related to compensation, heavy rainfall, delays in procurement of machineries, access/availability of roads linking Kebeles and Woredas, lack of quality/standard of roads, lack of availability of capable contractors, very small road budget distribution and utilisation, lack of clarity on road ownership and the responsibility of the community and weak coordination among different sectors.” (Interview, Code 3, 2015).

The information gathered from the key informants of the Tigray regional state revealed that there is considerable Federal Government support to improve the road sector performances of the region. “The support is mainly in the areas of capacity-building, material support and assistance in terms of the wider policy and strategy in the sector”. The head of planning and study sub process of the Bureau of Construction; Road and Transport of Tigray regional state (Interview, Code 3, 2015) stated that “the Federal Government support is considerable.” However, the interview conducted with the head of the Rural Road Authority of Gambella showed that:

“The support of the Federal Government in terms of technical capacity and material support is far from satisfactory”. There is some budget support for maintenance of the damaged roads in the region.” (Interview, Code 3, 2015).

It is indeed clear that the federal and the regional perception of support received from the federal level, especially in Gambella, is different. According to the head of the Rural Road Authority of the Gambella region, the Federal Government established a special support board to assist the less developed regions in the country. The main objectives of the Federal Government support are to:

- build the capacity of regions, bringing adequate sustainable and comfortable road transport system;
- achieve equitable development among the regions; and
- assist the formerly less developed regions to achieve an equal level with the relatively advanced regions.

It is expected that the outcome of federal support in this sector will enable the regional road sector to achieve set objectives and bring sustainable and equitable safety road development in the regional states. Gambella respondents seem not to appreciate that there has been good progress through this federal support to less developed regions such as Gambella.

Human resource capacity building, provision of technical assistance, design of development objectives and strategies and construction of main roads are the benefits that the Federal Government has provided as mentioned by the interviewees of the two regions. Respondents firmly believed that “new strategic initiatives, support in terms of systems and manuals, capacity building, information technology (IT), continued construction of new roads that connect Woreda to Woreda and the maintenance of old roads are expected from the Federal Government in the next few years.” (Interview, Code 3, 2015).

The discussions made with respondents showed that insufficient support of the Federal Government in the areas of ICT, lack of additional training and low level of technological support is the basic weaknesses of Federal Government support (Interview, Code 3, 2015). Delays in road maintenance and failure to connect Woreda to Woreda in the region are the main limitations of the Federal

Government, as mentioned by the Head of Rural Road Authority of the Gambella region. An appropriate and timely federal government is an important condition to bring balanced regional development.

The interviewee from Tigray Regional State road authority indicated that “Tigray region was satisfied with the support of the Federal Governments in the areas of capacity building and systems and strategies development”. However, the respondent from Gambella region was not happy with the support of the Federal Government. According to him, “even though the Federal Government has been assisting the region, the support is not sufficient to address the demands of the people of the region” (Interview, 2015).

According to the federal respondents, the critical bottlenecks to equitable regional development in the road sector are “a lack of both strong political commitment and leadership in the regional states. Weak implementation capacity and pervasive corruption, especially in Gambella, are mentioned as the major challenges of equitable development.”

From the foregoing discussions about regional road sector development, it is clear that respondents from both regional and federal levels believed that Tigray has performed well. Yet, unlike the views of the key informants, the actual evidence and facts showed that the less developed region of Gambella has performed better than the relatively developed region of Tigray though this research did not analyse how much of the road infrastructure was in good shape when making the comparison.

Though quantitative information was not readily available to track the trends properly, the information gained showed that Gambella was doing better than Tigray and Tigray was making more progress. Further, if not much is not done in Gambella, very soon Tigray will have better road infrastructure and better RAI than Gambella.

### 5.3.4. Regional Agricultural Sector Performance

In 1994, Ethiopia formulated its long-term agricultural development strategy, known as the Agricultural Development Led Industrialisation policy (ADLI). The objective was to bring economic transformation from agriculture to industry and service sectors. It was formulated to serve as a springboard for the overall economic growth of Ethiopia. As the backbone of the economy and the source of more than 86% of the livelihood of the population, it is believed that agriculture contributes to the wider economy through supplying commodities to domestic food markets, industries and export markets. It also expands the market for raw material inputs for industries (Berhanu 2009; Tsegaye 2006).

The ADLI of Ethiopia is believed to help achieve robust and pro-poor economic growth, accelerate the progress towards the MDGs and help to attain food security and food self-sufficiency. ADLI's focus is in the use of selected seeds, modern fertilisers, pesticides, the development of small-scale irrigation and the provision of extension services. In Ethiopia, the land is under the ownership of the government. The people are given only usage rights. In other words, the people of Ethiopia cannot buy and sell land, and have only user rights. That means the regional governments have very few alternatives in decision-making and resource mobilisation in their region (Tsegaye 2006).

**Table 5.11. Total Available Land for investment by Sector (in thousand ha)**

Region	Cotton	Pulses	Oil crops	Maize	Palm	Oil	Coffee	Rubber	Tea	Total	Land Rent rate Min. Max.
Tigray	269	20	125	-	-	-	-	-	-	414	30(\$2)- 40(\$2.6)
Gambella	316	-	19	200	100	20	50	15	720	20(\$1.3)- 30(\$2)	

Source: Ojulu, 2013

Table 5.11 above reveals that there is more agricultural investment land for a variety of crops in Gambella. However, the land rent rate in Gambella is lower than that of the Tigray regional state. This could be related to access to markets, remoteness, and a lack of better infrastructure facilities in Gambella. Low land prices could be one method of attracting investors to unstable and remote peripheral regions.

With a total area of 2,978,200 hectares (where about 1,200,000 ha are available for investment) and a population of 307,096, Gambella has been a major focus of development by the Government of Ethiopia to attract foreign investors to its agricultural sector. The government has offered tax holidays, duty-free imports of machinery, easy bank loans, and cheap land rent to investors. In Gambella, 42 percent of the total land area is either being marketed for lease to investors or has already been awarded to investors. The point of conflict now is that the land leases are leading to the displacement of people from their land, loss of livelihood, and deforestation. One of the main companies involved is Karuturi Global, which was allocated 100,000 hectares of land, with an option to increase to 300,000 hectares. This land lease deprives about 5000 indigenous people of the lands they use for farming along the Openo River. The people were not consulted about this deal. Rents for this area were reported to be as low as 1520 birr per ha (USD1-1.25). Another major company involved in the Gambella region is Saudi Star Agricultural Development Company. Legal analysis of the land lease contracts raises concerns about lease rates per hectare, infrastructure development, water use provisions and environmental responsibility.

Table 5.12 below indicates that, out of 11 agrobusiness firms, eight are from India. The other three are from Saudi, Turkey and China. Gambella is comprised of about 2,580,200-hectare. Currently, there are 1,200,000 (46.5%) hectare land available for investment. According to Ojulu (2013), a lack of recognition and respect for existing land rights of indigenous people, unregulated use of water resources, voluntary environmental impact assessment and weak monitoring, evaluation and

enforcement mechanisms are major gaps identified in land lease deals in Gambella.

According to a respondent working at the office of the bureau of agriculture and rural development of Tigray regional state (Interview, 2015), “there are considerable changes in the sector. There are changes in environmental protection and the rise of production and productivity as well as the expansion of irrigation and livestock production in the region”. A respondent who is working at the bureau of agriculture of Gambella (Interview, Code 6, 2015) said “there are only very few farmers who experience ox plough in the region. Farmers are trying to diversify their livelihood through producing food crops, cash crops and rearing livestock, etc. The extension system is somehow strengthened and enhances production and productivity”. Furthermore, large-scale agricultural investments have direct and indirect benefits for the regional government, such as increasing tax revenue, technology transfer, creating employment opportunities, and food security (Ojulu 2013).

An expert from Tigray (Interview, Code 6, 2015) said that “agricultural performance rises from time to time. As a result, the poverty rate of the region decreased from about 60% in 1995 to 33% in 2015”. This rate is higher as compared with the national poverty average of 21 percent. On the other hand, the respondent of Gambella said that “food crops such as maize and sorghum, commercial crops such as rice, tomato, coffee, sesame, groundnut, livestock production such as milk, beef, honey, fish etc., have been increasing in the region”. However, it is reasonable to question whether the people of the region have benefited from these agricultural products or from the natural resources exploited by other foreign companies and regions.

**Table 5.12. Official Land Leased to Investors in Gambella Region**

<b>Company Name</b>	<b>Nationality</b>	<b>Investment type</b>	<b>Area of Ha</b>	<b>Capital (Million Birr)</b>	<b>Land rent per Year (Birr)</b>
<b>Roch</b>	Indian	Soya Beans	25000	1451	2,775,000.00
<b>BHO</b>	Indian	Edible Oil Crops	27000	918	2,997,000.00
<b>Sannati</b>	Indian	Rice	10000	160	1,580,000.00
<b>Verdanta</b>	Indian	Tea	3012	631	334,332.00
<b>Karuturi Agroproducts PLC</b>	Indian	Palm, cereals, rice and sugar cane	100,000	2110	2,000,000.00
<b>Saber Farm PLC</b>	India	Cotton & Soya Bean	25000	436	3,950,000.00
<b>Green Valley Agro PLC</b>	India	Cotton Farming & Related Activities	5000	171	555,000.00
<b>JVL Overseas Pvt Ltd</b>	India	Cotton Farming & Related Activities	5000	74	790,000.00
<b>Saudi Star Agricultural Development</b>	Saudi	Rice	10000	37640	300,000.00
<b>Huana Dafengyuan agriculture</b>	China	Sugar cane	25000	2973	3,950,000.00

Source: Yassin, 2014; Ojulu, 2013.

The more this land is leased the more the region develops. However, the government must make sure that the people are not displaced and if they are there is adequate compensation to them and that they get jobs at the farms.

**Table 5.13. Irrigation Development by Typology and Region, 2006**

Region	Irrigation Activities			Total Development	Irrigable potential	Undeveloped
	Traditional	Modern irrigation				
		Small	Medium/Large			
Tigray	2,607	10,000	-	12,607	300,000	287,393
Gambella	46	70	-	116	600,000	599,884
Total	138,339	48,074	61,057	260,970	4,256,457	4,008,987

Source; Adopted from Gezahegn et al., 2006

Table 5.13 above shows that there is potential for irrigation in both regions but the potential in Gambella is greater. Very little land has been put into irrigation in Gambella despite its potential. The region and the Federal Government should attract many investors to help develop this potential. Tigray also needs to advance in its irrigation efforts, since they also have significant areas of land that could be under irrigation but are not. The trend here is that the two regions have not done a good job over the past 20 years in terms of irrigation. This potential needs to be exploited if they are to develop further.

**Table 5.14. The percentage of Population assisted by Relief Food**

Region	Pop'n assisted		Percent Living below the poverty line					
	Relief Food in %		1995/96			1999/00		
	1995/06 - 2000/01	2001/02- 2002/03	Rural	Urban	Total	Rural	Urban	Total
<b>Tigray</b>	30	37	41.8	24.4	34.3	54.6	38.4	50.5
<b>Gambella</b>	20	21	57.9	45.7	56.1	61.6	60.7	61.4

Source: Adopted from Gezahegn et al, 2006; Mulat, Fantu and Tadele, 2006.

Table 5.14 above indicates the percentage of population in the two regions which were assisted by relief food. The percentage of the population assisted by relief food in Tigray was staggeringly high. If one observes the percentage of the population who got food assistance during this period in Tigray, it was greater than the percentage of the population who got food assistance in Gambella. Thus, it can be said that the Gambella region was better off. Both increased the number of the people getting food assistance, though the increase in Gambella was smaller than Tigray.

In addition, the same table reveals the numbers of people living below the poverty line (though it is 1995 to 1999 information). In Gambella, the percentage of those living below the poverty line was very high compared to Tigray. A possible explanation is that the poverty line is determined based on the cash economy and it is possible that Gambella has more food than cash circulating in the region.

**Table 5.15. Livestock Population ‘000’ by Region and Year**

Region Year Livestock	Tigray			Gambella		
	1995-2000	2001-2010	2011-2014	1995-2000	2001-2010	2011-2014
Cattle	271.29	7074.74	3967.5	26.6	152.9	268
Sheep	772.52	3435.86	1328.37	5.04	36.23	32
Goats	1408.2	2620.58	3355.32	5.32	44.4	84.53
Camels	14.1	37.53	47.82	-	-	-
Poultry	2979	4,049.48	5177.87	130.45	220.43	314.88
Beehives	98.98	211.58	232.97	58.89	-	72

Source: CSA, 2000-2014.

As can be seen from Table 5.15 above, the crude numbers of livestock population in Tigray were higher than in Gambella. Contrary to the popular belief, this data showed that the semi-pastoralist region of Gambella has a lower livestock population than Tigray. Even when one examines the ratio of animals per

population, the number of animals per person in Tigray is higher than Gambella. Figures 5.12 to 5.15 below illustrate this. The trend, however, is different for different livestock. As can be seen on Figure 5.15, the number of cattle per person in Gambella has been increasing so that it is almost the same as Tigray. In fact, if that growth trend continues, the number of cattle per person in Gambella will surpass that of Tigray in the next 5 years. This makes sense when one realises that Tigray towns and population are growing faster than Gambella and that Gambella has good agricultural land, and hence, food for cattle.



**Figures 5.12-5.15: Proportion of Livestock per Population**

Figure 5.13 above also shows that, though Gambella started with fewer sheep per person, they have surpassed the number of sheep per person in Tigray. In fact,

the number of sheep per person in Tigray has been decreasing, perhaps due to urbanisation. As for the goats (Figure 5.14), the trend is similar, perhaps because the vegetation of Tigray is suitable for goats. There are still more goats per person in Tigray than Gambella and the trend seem to be continuing. Similar results were found when one examined the number of chickens per person. The trend is similar, and Tigray is better than Gambella.

It seems three factors have led to the trends observed above. The fact that there is a significant urbanisation in Tigray may be impacting the decreasing number of livestock per person as people are now depending more on the cash economy. On the other hand, the fact that Gambella has great agricultural land, less density and investors working in agriculture in the region contributes to the number of livestock per person increasing. It is envisaged that in the next five or so years the number of livestock in Gambella will be more than that in Tigray. It should also be noted that though the number of livestock per person in Gambella is increasing, it does not mean that this is what is happening in the households. The presence of commercial farmers may distort these figures, so that when one examines the households there may not be any growth in terms of the number of livestock per person.

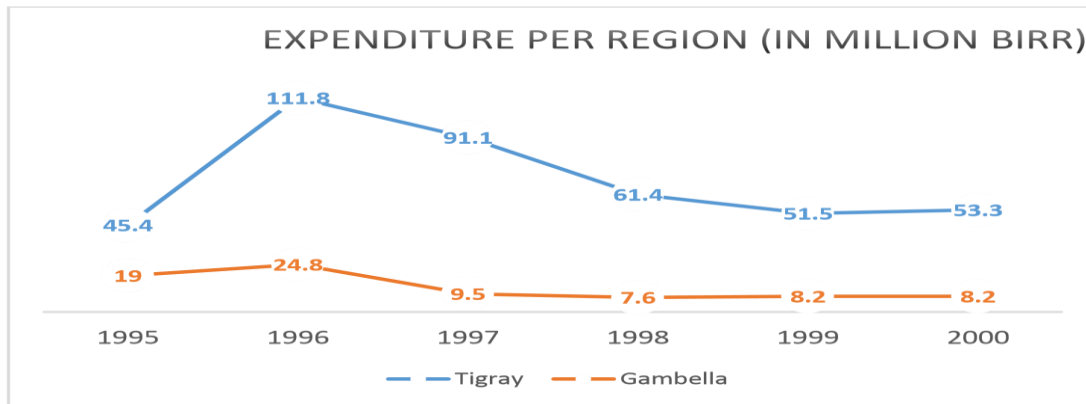
**Table 5.16. Regional Total Expenditure on Agricultural and Natural Resources (in millions of Birr)**

Region	1995	1996	1997	1998	1999	2000
<b>Tigray</b>	45.4	111.8	91.1	61.4	51.5	53.3
<b>Gambella</b>	19.0	24.8	9.5	7.6	8.2	8.2
<b>Ethiopia</b>	1,159.4	1,313.5	1,217.2	1,649.8	1,446.3	1,532.3

Source; Adopted from Gezahegn et al., 2006

The information in Table 5.16 is also presented in Figure 5.17 below. It is clear that Tigray spent more in Agriculture and Natural Resources during those years compared to Gambella. When one examines the trends as seen in Figure 5.16

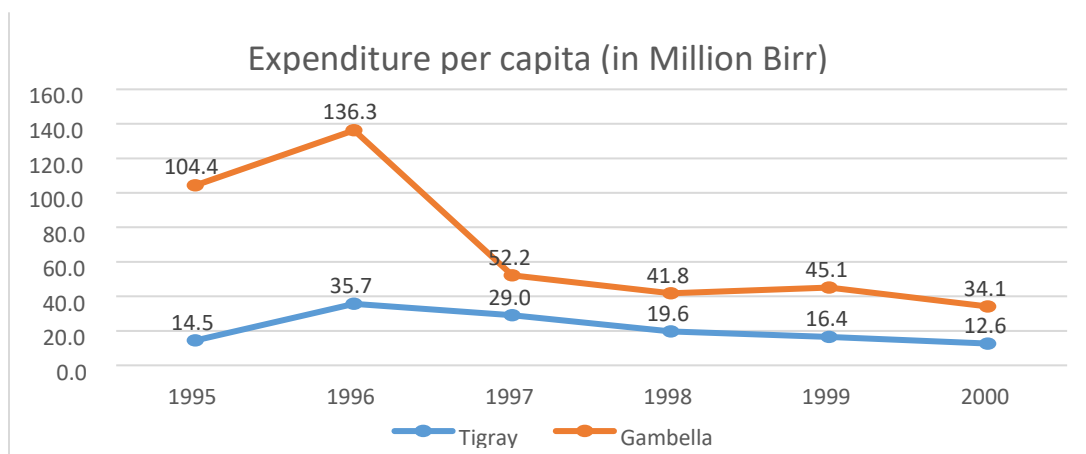
below, it is clear that there is a similar trend in terms of expenditures in the two regions. There was increased expenditure in 1996, where the trend indicates reduced expenditure in each region as the years advanced. Figures were not available to look at the current situation.



**Figure 5.16 Expenditure Per Region (in millions of Birr).**

Source: Adopted from Gezahegn et al, 2006

Figure 5.16 reveals that the total expenditure (in million Birr) for agriculture and natural resource development allocated by Tigray during the period was greater than the expenditure allocated for agriculture and natural resource development in Gambella. This result does not help explain the comparison of expenditures between the two regions unless one examines the per capita expenditure.



**Figure 5.17.E expenditures per Capita (in Million Birr)**

Source: Adopted from Gezahegn et al., 2006

Though Tigray had a higher total expenditure than Gambella, the per capita expenditure during the same period (Figure 5.17 above) shows a different result. Gambella allocated and spent more money in agriculture and natural resources per capita than Tigray. The trend of allocation and expenditure was, however, similar as both decreased. One wonders whether the regions themselves allocated the resources or if this was dictated by the Federal Government. Perhaps there was a policy on allocation and expenditure of resources. Though current information was not available, the researcher is confident that the trends shown above would not show significant change in the current budgets.

According to the expert from the Bureau of Agriculture and Rural Development of Tigray, the region's performance has caused a rapid population growth and the demand keeps on rising over time. However, the expert of Gambella said that the region showed the lowest agricultural productivity as compared to other regions. This is due to a weak agricultural extension system, development agent related problems, poor infrastructure, lack of skilled manpower, problems related to farmers' research centres (FTC), and a lack of coordination and linkages.

Furthermore, the population of the region lives in very scattered locales, which hindered the provision of social services. It was not clear as to what other regions the expert was referring. It is also possible that he was examining total agricultural production without examining the per capita performance. However, the issues that he mentioned still require attention for there to be a greater agricultural productivity in the region.

From respondents of the federal and regional experts, it is possible to conclude that political commitment of the regional governments, commitment of development actors to strengthen the systems, development stagnation and inadequate skilled workforce in the extension system are the major factors that hindered the development of agricultural production in Gambella (Interview, 2015).

With regard to the Federal Government support, respondents believed that since both regional states and the Federal Government of Ethiopia have similar development objectives and goals, they help each other in different activities. According to the expert of Gambella (Interview, Code 6, 2015), “the Federal Government supports the construction of Farmers Training Centers (FTC), technology promotion programmes, scaling up, capacity building, villagisation programmes and pastoral and agro-pastoral programmes.” Most of the agricultural activities have to be done by the regional governments. The feeling was that the support of the Federal Government is insignificant. However, unlike the perceptions of the key informants, the Federal Government support to the emerging regions such as Gambella is reasonable per the findings above. That said, it is clear that government assistance alone cannot guarantee balanced regional development.

The main objective of the federal support to emerging regions such as Gambella is to narrow the differences of performance amongst the regional bureaus. As to the respondents, “regions have the same mission and objective to become a middle-income citizen”. The expert from Gambella (Interview, 2015) stated that “increasing production and productivity of agriculture, strengthening the capacity of the sector, scaling up technologies on a wider scale and increasing accessibility of the rural community to services are some of the objectives of the federal support”.

According to the informant from the Bureau of Agriculture and Rural Development of Tigray (Interview, Code 6, 2015),

“The federal support consists of supplying fertilized seeds, modern manure and other new technologies to help transform the sector. Therefore, new technologies have been adopted; staff capacity is built, household income improved, poverty reduced and generally

production and productivity increased from year to year in Tigray region.”

The collaboration between the Federal Government and regions in implementing agricultural activities helps to achieve the goal of seeing the people of the two regions in a strong economic condition and food self-sufficient. The expert of Gambella said that “resources mobilisation for MDGs, scaling up the villagization programme, benchmarking, experience sharing, and empowerment mechanisms are some of the benefits.”

It is particularly interesting to note that the perceptions of experts in Gambella seem to be negative while those in Tigray are positive. Gambella used to be called a backward and emerging region. This seems to have stuck in the minds of the experts, who although analysing the information in order make factual conclusions, rely on perception.

It is clear from the above that agriculture is critical in Gambella, hence the expenditure per capita, the increase in livestock production, and the increase of investors in agriculture, which is providing employment for the people. Despite these high-level investments, it also seems that the small holder farmers lack critical support, and this need to be improved. However, despite that, they seem to produce enough food for themselves compared to Tigray, as was seen by the number of people requiring food aid. It now makes sense why the health indicators for Gambella in general were better off than Tigray. However, one should not forget that Tigray faced conflict conditions, which disturbed its agricultural production. It is possible that in some of those years the relief need was greater than that of a peaceful Gambella. Despite all, Gambella is better off, not only as seen in the agricultural indicators used but also in the health indicators, which is mostly a function of the food that one eats.

### 5.3.5. Education Sector Performances

A well-educated and trained manpower can play a critical role in the development of any country. The contribution of educated human resources to development is not questioned. Further, the availability of a sound educational base will determine the supply of trained manpower to all sectors of the economy (Tsegaye 2006).

As was pointed out in Section 3.4.2, the 1994 Education and Training policy was aimed at restructuring and expanding the system of education in Ethiopia. Some of the key points that can be discerned from the policy are as follows (EEA 2001): Its focus on primary education, the emphasis given to expansion of education in rural areas, use of nationality language as a medium of instruction, the decentralisation of the education management system and curriculum reform and change in the educational system.

Several indicators were used to compare the two regions in terms of education. These indicators were divided into two broad areas: access indicators and performance indicators.

#### (A). Access Indicators

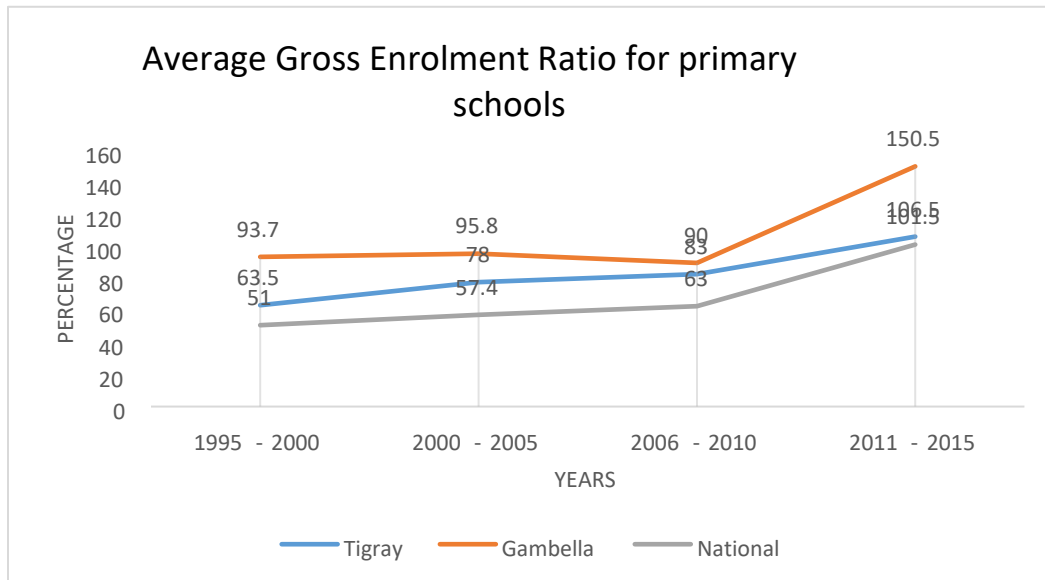
**Table 5.17 Average Gross Enrolment Ratio by Region and Year**

Year	Primary (1-8)		National	Secondary (9-12)		National
	Tigray	Gambella		Tigray	Gambella	
1995-2000	63.5	93.7	51.0	18.7	18.1	12.8
2001 -2005	78	95.8	57.4	33.8	19.7	14.1
2006- 2010	83	90	63	45	38	40
2011-2015	106.2	150.5	101.3	41.2	52.5	38.4

Source: Educational Abstract of different years, FMoE

The total participation of students in primary schools in Tigray region increased over the last 20 years from 63.5% in 1995-2000 to 106.2% in 2011-2015. Similarly, the enrolment rate of students in Gambella increased from 93.7% to over 150% in the same period. The average participation of students at secondary schools in

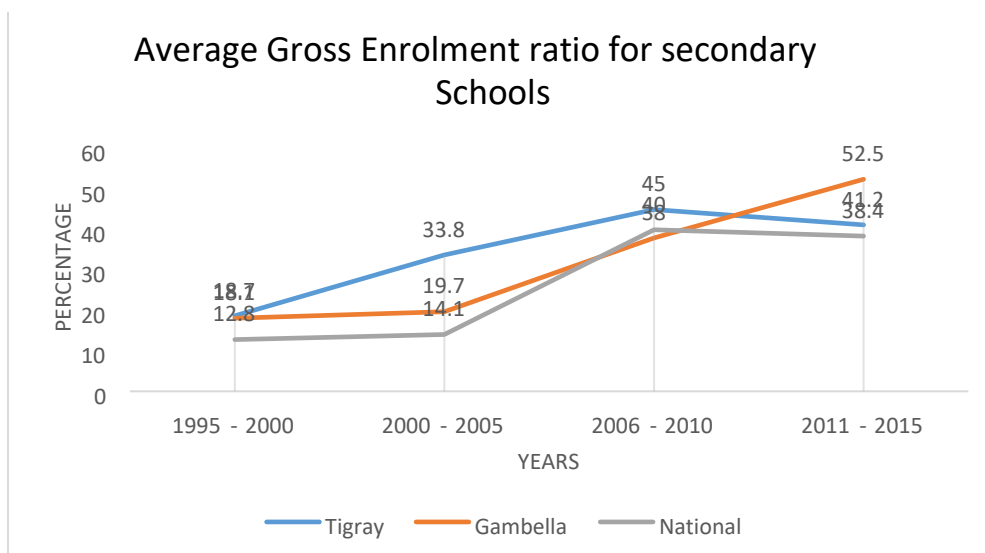
2015 in Gambella (52.5%) is also better than Tigray (41.2%) during the same period. Note that these two regions performed higher than the national average.



**Figure 5.18 Average GER for Primary Schools**

Source: Educational Abstract of different years, FMoE

The gross enrollment at the primary school level as seen on Figure 5.18 above in Tigray was lower than that of Gambella in the last 20 years. The figures were above 100%, as was explained in section 3.4.2. The two regions also performed above the national average. The trend was similar, with some variations, between the two which seem to suggest that the education policies were implemented and emphasised at the same time.



**Figure 5.19 GER at Secondary Schools**

Source: Educational Abstract of different years, FMoE

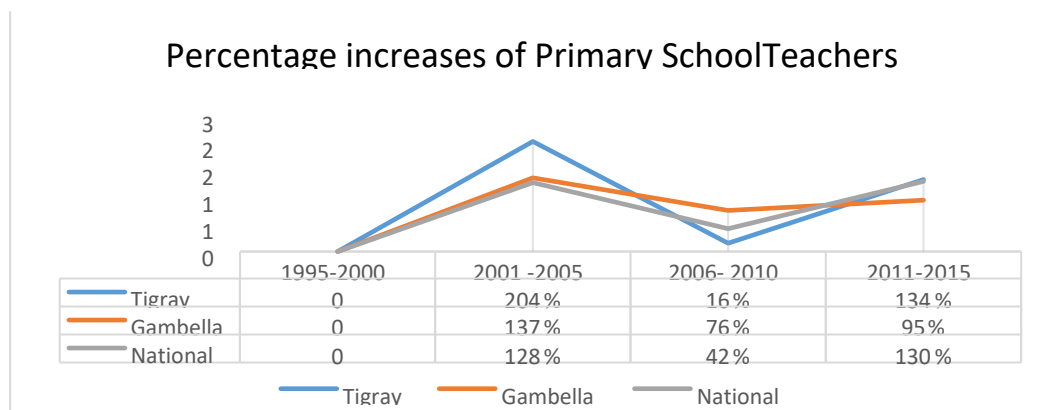
The gross enrollment of Tigray started higher than Gambella, but Gambella improved steadily so that in the last five years Gambella was better than both Tigray and the national average, which was impressive. The trend was similar in that all were improving. However, Tigray's performance and the national average decreased in the last five years, while Gambella increased. In both regions, the participation rate at secondary schools was lower than that of the primary. This implies that out of the total of school age population of 15-18 years old, a good number may be outside the system at that level. It is possible that this may be due to lack of school fees, which in some way leads to many dropping out and early marriages taking place.

**Table 5.18. Average Number of Teachers by Region and Year**

Year	Primary (1-8)			Secondary (9-12)		
	Tigray	Gambella	National	Tigray	Gambella	National
<b>1995-2000</b>	6301	578	89,189	531	48	12,932
<b>2001 -2005</b>	19,165	1368	203,040	1740	168	20,795
<b>2006- 2010</b>	22,155	2,412	289,288	3,283	415	45,463
<b>2011-2015</b>	51,737	4708	665,473	8640	1140	248,210

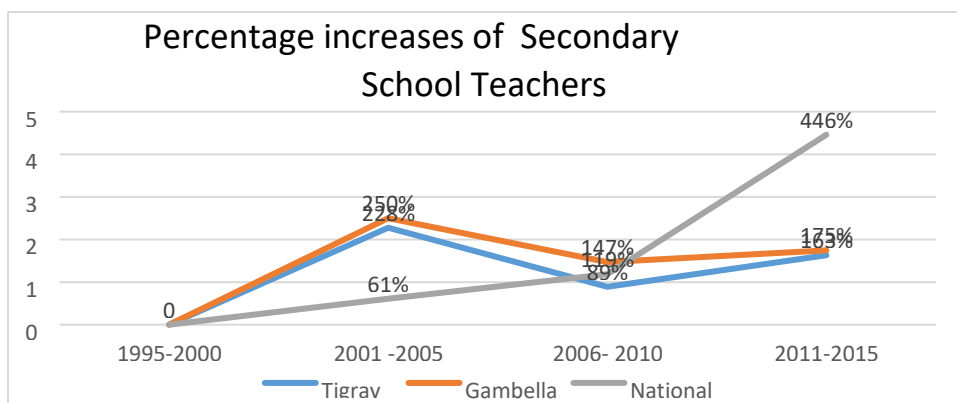
Source: Educational Abstract of different years, FMoE

Table 5.18 above shows the number of teachers at primary and secondary schools for the past 20 years. Assuming that the starting point was zero, the following Figure 5.22 and Figure 5.21 gives us the percentage increase for both primary and secondary school teachers. As far as primary school teachers are concerned, Tigray had the highest employment of teachers in 2001 to 2005 and the lowest in 2006 to 2010. The same trend was true for Gambella, and the national average. After that, all increased again. In terms of the percentage growth of teachers at the primary school level, Tigray seemed to have better growth. This could have been due to a high population growth.



**Figure 5.20 Percentage increases of Primary School Teachers**

Source: Educational Abstract of different years, FMoE



**Figure 5.21 Percentage increases of Secondary School Teachers**

Source: Educational Abstract of different years, FMoE

As for the secondary school, Figure 5.21 above shows that the percentage increase in Gambella was higher than that of Tigray. However, the national average increase was higher than both Gambella and Tigray. It is possible that there were many regions that had a low teacher ratio and the government gave greater growth priority to those regions than to Gambella and Tigray. However, if we examine the ratio of the number of teachers to each regional population, Gambella was better off than Tigray. The trend in both regions showed major growth from 2001 to 2005 and again from 2011 to 2015.

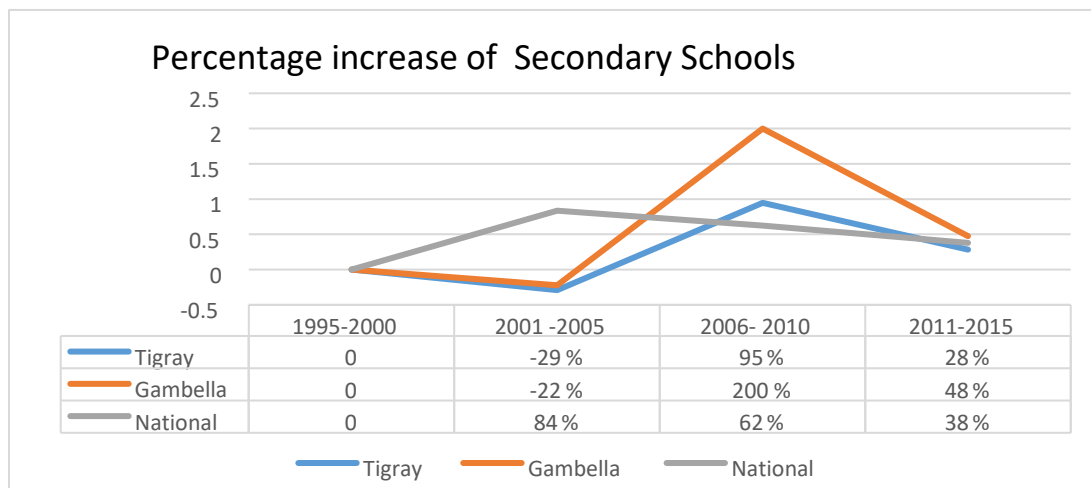
**Table 5.19. Average Number of Schools by Region and Year**

Year	Primary (1-8)			Secondary (9-12)		
	Tigray	Gambella	National	Tigray	Gambella	National
1995-2000	745	91	12,089	79	9	455
2001 -2005	1479	168	19,412	56	7	835
2006- 2010	1955	205	26,951	109	21	1355
2011-2015	2009	235	30,094	140	31	1867

Source: Educational Abstract of different years, FMoE

Table 5.19 above shows the actual number of the schools in the years mentioned. It is clear that the number of primary schools increased over the years, but it is interesting to note that the number of secondary schools decreased in Tigray and Gambella from 2001 to 2005. Perhaps this happened because the government closed some unacceptable schools that were operating at that time.

A simple analysis of the percentage increase in terms of schools for both primary and secondary is presented in Figure 5.22 and Figure 5.23 below. Assuming the starting point in 1995 was zero, the figures show that there was a remarkable increase in primary schools from 2001 to 2005. Explanatory factors include the declaration of free universal education in 2003. This demanded a greater investment in infrastructure as well as declaring existing buildings as primary schools. This, therefore, created a trend of increased number of schools in those years. The trend was similar for Tigray, Gambella, and the national average and though Tigray was strong in the first 15 years, Gambella ended stronger than Tigray in the last five years.



**Figure 5.22. Percentage increase of Secondary Schools**

Source: Educational Abstract of different years, FMoE

The number of secondary schools, as can be seen on Table 5.19, decreased for both Gambella and Tigray. It is possible that some secondary schools might have

been turned into primary schools to meet the universal education goal. It could also have been that the secondary schools that were closed were of poor quality, and the government was dealing with that problem. The trend for Tigray and Gambella was similar and there was greater increase of secondary schools in 2006 to 2010 period for both. Gambella, however, had the greatest percentage increase and was better off than Tigray in that regard. All decreased in the percentage increase of secondary schools in 2010 to 2015 and though the percentages were very close, Gambella was slightly better than Tigray and the national average during that period. When one examines the number of schools to population, Gambella was still better off than Tigray.

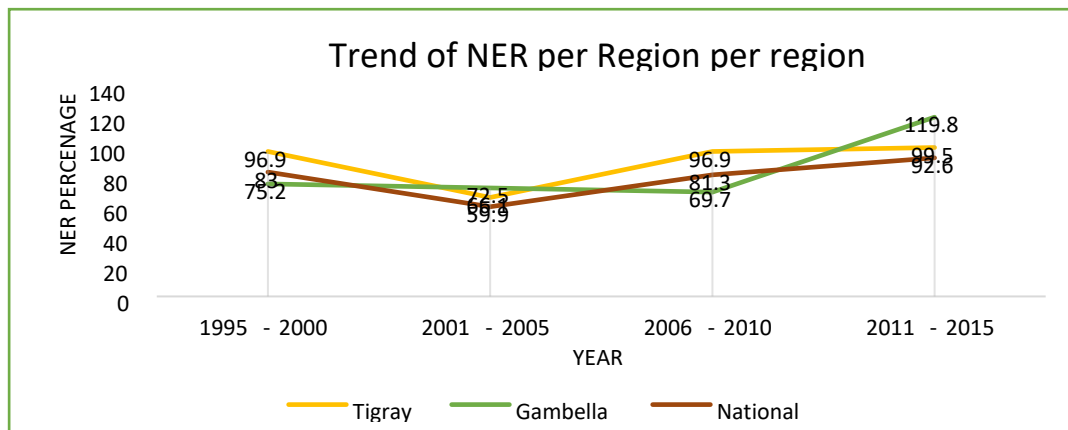
#### (B).Net Enrolment Rate

The Net Enrolment Rate (NER) is the best way of measuring participation and is a more refined indicator of coverage in terms of explaining the proportion of pupils enrolled from a specific age group. The NER is usually lower than the Gross Enrolment Rate (GER), as it excludes over-aged and under-aged pupils. From Table 5.20 below, it can be seen that there was a big increase in the 2011 – 2015 period in NER in both regional states. The Education Statistics Annual Abstract 2008-2009 reveals that the NER at the primary level in Tigray was better than that of Gambella from 1995 to 2010 but that of Gambella was better off from 2011 to 2015. It was interesting to note that the NER for girls in Tigray was higher than that of boys over the 20 years, while the NER for boys in Gambella was higher than that of girls.

**Table 5.20. Average NER at Primary (1-8) Level by Regions**

Region	1995 -2000			2001-2005			2006-2010			2011-2015		
	M	F	T	M	F	T	M	F	T	M	F	T
<b>Tigray</b>	95.6	98.1	96.9	63.6	68.7	66.1	95.6	98.1	96.9	98.1	100.9	99.5
<b>Gambella</b>	80.2	69.7	75.2	89.6	54.2	72.5	80.2	69.7	69.7	123.3	115.9	119.8
<b>National</b>	84.6	81.3	83.0	65.1	53.3	59.9	84.6	81.3	81.3	95.1	90.1	92.6

Source: Education Statistics Annual Abstract, 2008-2009..



**Figure 5.23 Trend of NER Region and National**

Source: Education Statistics Annual Abstract, 2008-2009; page 11.

As seen above, the trend for Tigray, Gambella and the national average is similar in that the NER for the two regions and at the national level began higher, then went down in 2001 to 2005, started rising and was the highest in 2011 to 2015. While there was no clear pattern, by 2011 to 2015 Gambella emerged better in NER than Tigray or the national average. It seems there the policy change (Universal Education) in 2003 led to the growth of NER in the following years.

### (C). Quality Indicators

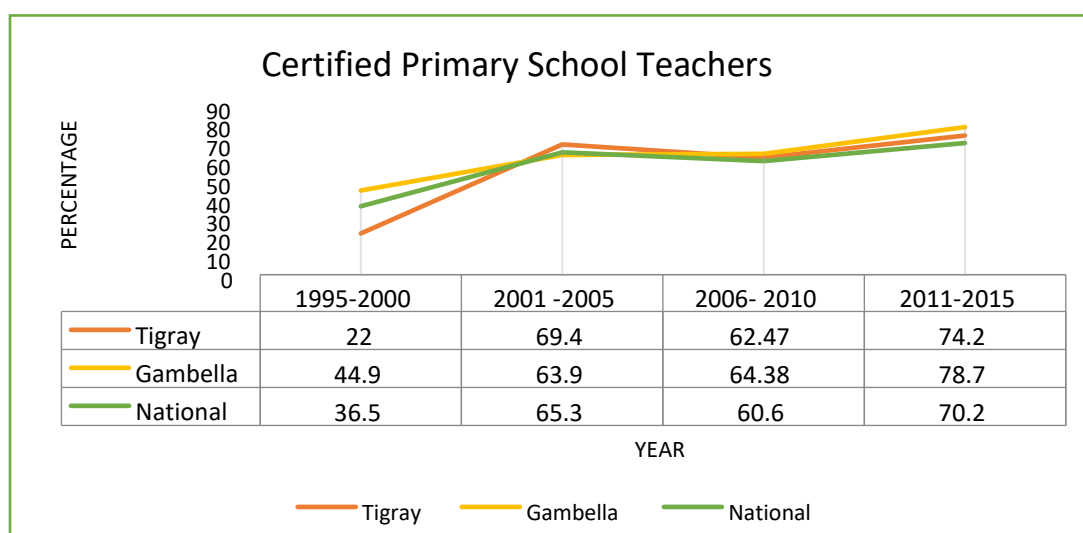
One of the quality indicators in education is the number of certified teachers available in regions. The following table shows the percentages of diploma and degree holders at primary and secondary schools.

**Table 5.21. Percentage of Certified Primary and Secondary School Teachers**

Year	Primary (1-8)			Secondary (9-12)		
	Tigray	Gambella	National	Tigray	Gambella	National
<b>1995-2000</b>	22.0	44.9	36.5	22.0	44.9	36.5
<b>2001 -2005</b>	69.4	63.9	65.3	11.2	27.5	37.4
<b>2006- 2010</b>	62.47	64.38	60.6	34.6	45.8	49.6
<b>2011-2015</b>	74.2	78.7	70.2	87.0	76.9	92.3

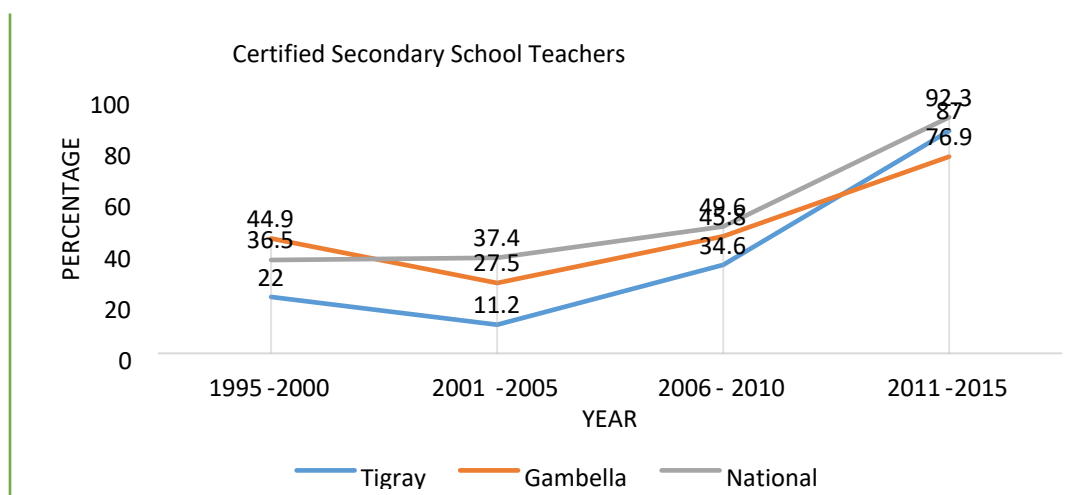
Source: Educational Abstract of different years, FMoE

At the primary level, the number of certified teachers in Gambella was greater than both Tigray and the national average over 15 years as can be seen on Figure 5.25 below. It is amazing that Gambella, by 2015, had a higher number of certified teachers at the primary school level than did Tigray or the national level, signifying that the children were receiving a better education.



**Figure 5.24 Certified Primary School Teachers**

Source: Educational Abstract of different years, FMoE



**Figure 5.25 Certified Secondary School Teachers.**

Source: Educational Abstract of different years, FMoE

At the secondary level, both regions performed well, except from 2001 to 2005. In the first 15 years Gambella had many certified secondary school teachers compared to Tigray but in the last five years, Tigray surpassed Gambella. This may be because of the infrastructure development that has been taking place in Tigray. It is also amazing that the national average for certified teachers was higher than that of Tigray and Gambella in the past 15 years, which seems to suggest either that some regions (urban) are skewing the figures, or simply that Gambella and Tigray are lacking many certified teachers.

The trends at the primary and secondary levels are similar. This may just signify that the government is doing a good job of ensuring that when a policy is introduced it is implemented in all regions, which is commendable.

(D). Efficiency and Equity Indicators

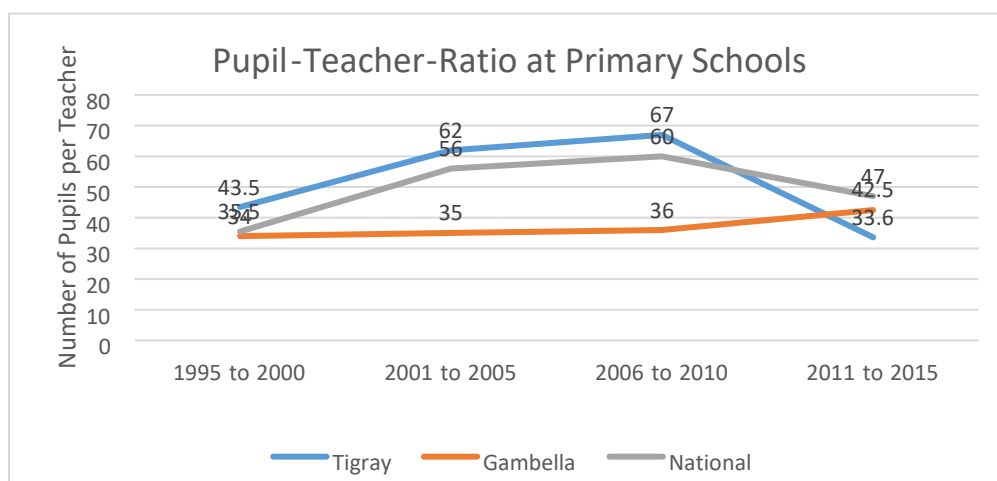
**Table 5.22. Average GPI, PTR and PSR in Schools by Region, 1995-2015**

Year	1995 to 2000			2001 to 2005			2006 to 2010			2011 to 2015		
Indicators	GPI	PTR	PSR	GPI	PTR	PSR	GPI	PTR	PSR	GPI	PTR	PSR
<b>Tigray</b>												
<b>Grade 1-8</b>	1.15	43.5	61.5	1.0	62	65	1.00	67	69	0.99	33.6	42
<b>Grade 9-12</b>	0.89	31	60	0.6	61	78	-	70	83	1.03	30.2	40

<b>National</b>												
<b>Grade 1-8</b>	0.66	35.5	57	0.7	56	66	0.93	60	70	0.99	47.0	54.4
<b>Grade 9-12</b>	0.7	33	63	0.6	43	75	0.80	46	78	0.68	-	-
<b>Gambella</b>												
<b>Grade 1-8</b>	0.59	34	71	0.6	35	54	0.84	36	57	0.94	42.5	58
<b>Grade 9-12</b>	0.65	28	69	0.2	35	84	-	40	70	0.53	27.0	55

Source: Educational Annual Abstracts, different years, FMoE

The Pupil-Teacher Ratio (PTR) and Pupil-Section Ratio (PSR) are the two main human factors in an educational system of a country. PTR and PSR allow us to measure the level of human input (teachers) for a given size of pupils. These ratios need to be compared with the set national norms. These indicators are the most commonly used measure of quality of education. The national standard for PTR is 50 pupils per class in both primary and secondary schools in Ethiopia.



**Figure 5.26.PTR at Primary Schools**

Source: Educational Annual Abstracts, different years, FMoE

As can be seen on Figure 5.26 above, Gambella had excellent PTR at Primary School for the 20 years and was better off than Tigray and the National average. It also beat the national standard.

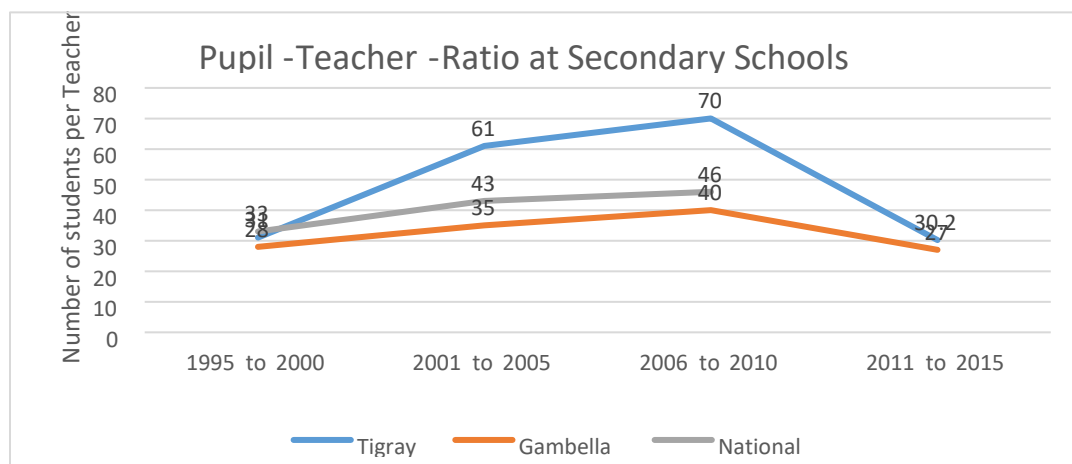


Figure 5.27. PTR at Secondary Schools

Source: Educational Annual Abstracts, different years, FMoE

Figure 5.27 above also shows that Gambella was also better off in terms of PTR at the secondary school than Tigray and the national average. Over the 20 years, Gambella had a better ratio than the National Standard.

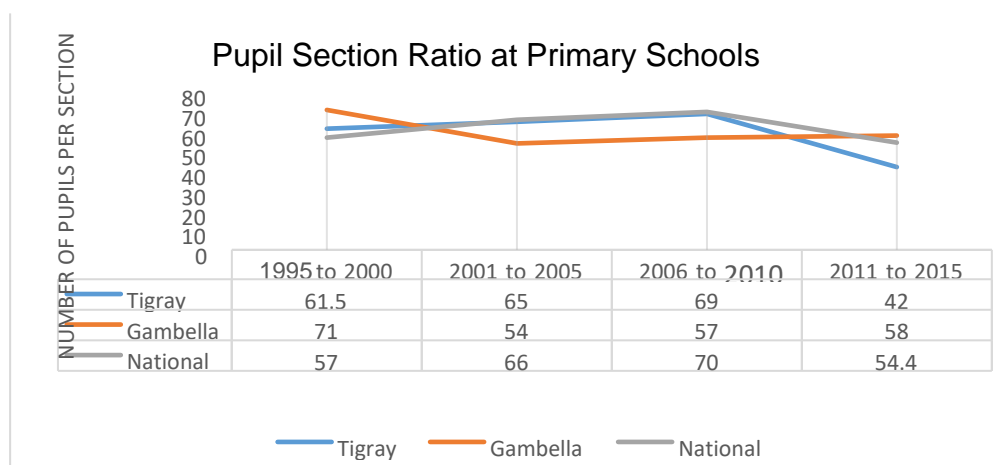


Figure 5.28. PSR at Primary Schools

Source: Educational Annual Abstracts, different years, FMoE

Figure 5.28 shows that Gambella started badly but improved over 10 years and was slightly above Tigray and the national average in 2015. Tigray did better than Gambella in the last five years. The trend was reasonably similar.

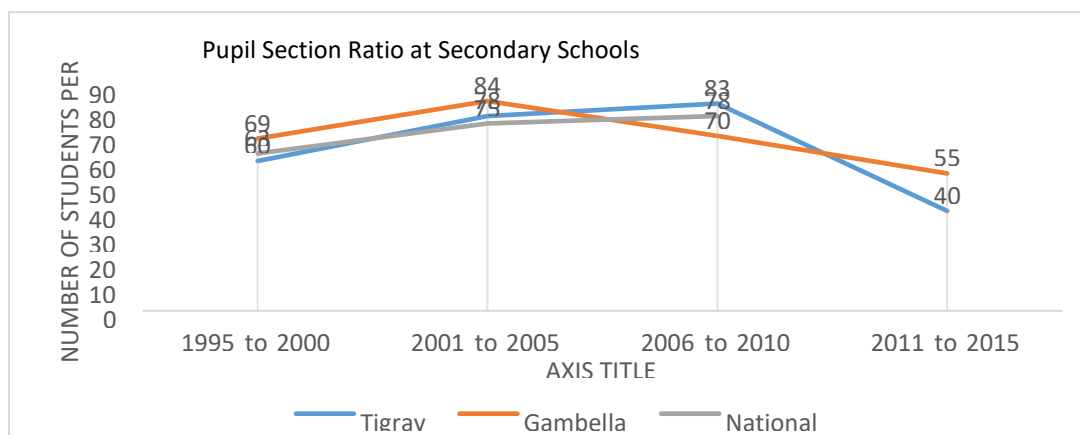


Figure 5.29. PSR at Secondary Schools

Source: Educational Annual Abstracts, different years, FMoE

Figure 5.29 shows that Gambella started badly as far as PSR is concerned but improved over time. Tigray started well, became worse, and then improved in the last five years. Tigray ended better than Gambella and the national average and standard.

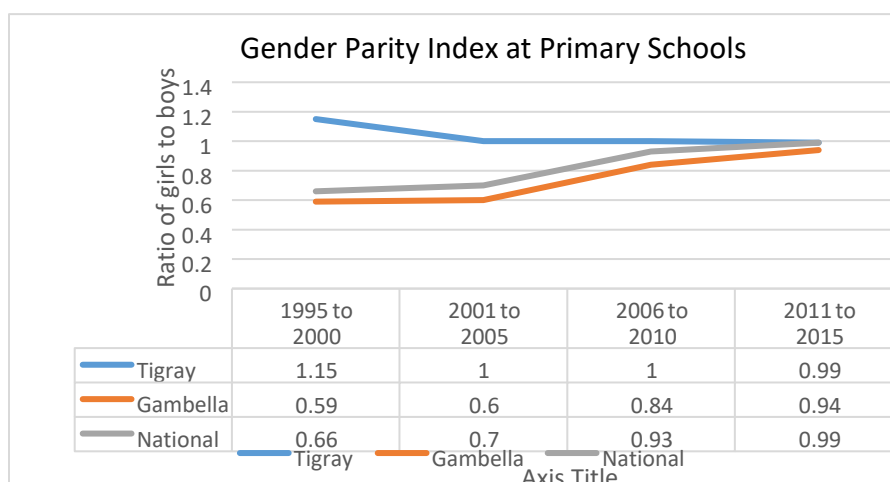


Figure 5.30. GPI at Primary Schools

Source: Educational Annual Abstracts, different years, MoE, FDRE.

In terms of GPI at the primary school level, as shown on Figure 5.30, it is clear that Tigray performed better than Gambella and the national average. It had the same number of boys and girls, which was excellent. Gambella improved over time and in the last five years it did well so that the ratio of boys to girls was very close. The trend was similar.

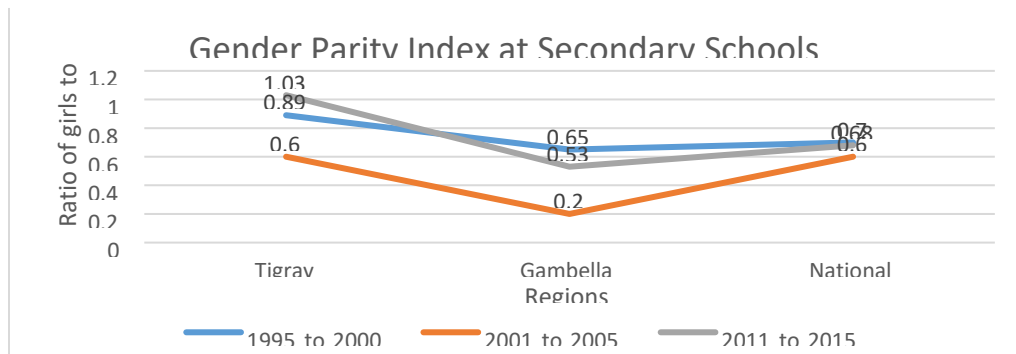


Figure 5.31. GPI at Secondary Schools

Source: Educational Annual Abstracts, different years, FMoE

The Gender Parity Index at the secondary school was worse for Gambella, though the region is improving. One would need to investigate what makes many girls not continue with their secondary education in Gambella. This may be a cultural issue. The trend was similar for both regions and even at the national level. The girls' attendance at the secondary school was lowest from 2001 to 2005 for the two regions and even at the national level. Perhaps after that, there was a policy set to encourage girls to continue with their education.

The expert at the Ministry of Education mentioned that (Interview, Code 2, 2015), "the educational performance of Gambella is low when compared with Tigray. Education needs sustained and strong community support to facilitate and run the teaching and learning process. However, support from the community to the schools is insufficient as compared to other regions." According to him, "the education budget allocated by the regional government is insufficient as compared to other regions. In addition, students enrolled in schools did not get adequate support for learning from early ages in Gambella." However, while these

arguments may be valid, many of the education indicators showed that Gambella performed better than did Tigray.

Overall, there was a perception that Gambella is lagging behind Tigray in general aspects. Per informants, “access to education of local community children (indigenous ethnic groups such as Nuer, Anuak, Megenger, Omo etc.) is still very low at both primary, secondary and tertiary levels” (Interview, Code 2, 2015). Although community participation and adequate finance are very important factors for the provision of education services to the community, the actual data gathered from secondary sources of the Federal and Regional education offices showed that Gambella’s educational performance is better than Tigray’s.

The informants indicated that the major factors that contributed to the performance differences in educational performance among the two regions were: inappropriate criteria in assigning workers; weak relationship among the regions and small budget allocation; non-merit assignment of people on different positions in schools, lack of commitment of experts and leaders to support teaching and learning in Gambella; socio-cultural factors such as early marriage in Gambella; disciplinary problems and reluctance of students to go to school; parents’ educational background; parents’ economic problems; poor parent-child interaction; poor working and living conditions; lack of participation of parents in school affairs; and poor parental ability to afford the necessary materials to girl children (Interview, Code 2, 2015).

An expert at the Ministry of Education (Interview, Code 2, 2015) argued that performance differences between Gambella and Tigray were due to:

- a. capacity of education officials at all levels
- b. poor infrastructure of the region
- c. the livelihood of the community
- d. cultural, economic and traditional hindrances

The challenges listed above need to be addressed effectively. However, the data obtained from the Education Management Information System (EMIS) in the Federal Ministry of Education shows that in most indicators of education Gambella is better off than Tigray. The respondents from the Bureau of Education in the two regions said that:

“The Federal Government support is enormous. There is provision of in-service training for teachers, educational materials for schools, and school grants for schools. The federal support is effective. The major objective of support by the Federal Government to less developed regions is to produce a literate population that can deal with problems encountered in life and serve as a foundation for further education” (Interview, Code 2, 2015).

Generally, the main objective of the Federal Government support is to bring equitable development across regions in Ethiopia. For instance, “technical assistance and staff deployment were made to Gambella region. There was also training for teachers and building of schools” (Interview, Code 2, 2015). This information indicate that the federal government is trying to build the capacity of regional states. The major support of the federal government to regional states is to ensure that every Ethiopian living in any part of the regions of the country to relatively similar public services (HoF 2015).

Training was provided to the respected teachers and principals in leadership and management for Gambella. According to the expert who is working at the Bureau of Education in Gambella, “there was no evaluation made regarding the support of Federal Government and the achievements registered”. On the other hand, the expert at the Ministry of Education said that “there was evaluation regarding this support. Despite these efforts from the Federal Government, an absence of accountability of school principals to the people, and a lack of feedback and reports from the Teachers Association of Gambella is a major problem being encountered” (Interview, Code 2, 2015). The argument explained above shows that there is lack of good governance in schools.

As was pointed out above, the perceptions of staff in Gambella were negative; and this negativity came from the fact that at the national level Gambella is seen as a “backward” region, and yet many indicators in the education sector showed that Gambella was better off than Tigray. It is clear that professionals should not base their conclusions from perceptions but rather from the facts. The fact that there is visible infrastructure development in Tigray does not necessarily mean that it is better off than Gambella in key areas.

#### 5.3.6. Revenue and Expenditure Allocation

Proclamation No. 7/1992 was the basis for assigning functions and sharing revenue between the Federal and Regional Governments. It laid a legal foundation for the devolution of financial power to the Regional states. However, Proclamation 41/1993 further clarified the expenditure assignments between the centre and regions. Furthermore, Proclamation 33/1993 defined the allocation of revenue sources between the Federal and regional states.

The 1995 FDRE constitution refined and defined the assignments of revenue between the central and regional governments (See Table 5.23 below). Different documents showed that the recurrent and capital expenditures of the regions have increased from time to time. In 1993/04 budget, the share of the regions was not more than 37%, which indicates that much of the expenditure was allocated to the Federal Government. The share of the regions from the consolidated expenditure was 40% and 44.6% in 1994/05 and 1995/06, respectively. Hence, there has been a shift toward fiscal devolution since 1993/04. Despite the efforts made by the Ethiopian Government, some regions such as Afar, Benishangul Gumuz, Somali and Gambella lack sufficient and qualified human resources to implement the expenditure and revenue assignments bestowed on them as far as Tsegaye (2006) is concerned.

**Table 5.23. Summary of Division of Major Revenue Sources in Ethiopia.**

No.	Federal Government Revenue Sources (Article 96 FDRE constitution)	Regional States Revenue Sources (Article 97 FDRE constitution)	Joint Federal-Regional States Revenue Sources (Article 98 FDRE constitution)
1	Customs duties & other charges on exports % imports	Personal income taxes on employees of the Regional states % private enterprises	Income taxes on profits, sales, excise % personal incomes on enterprises jointly owned
2	Personal income taxes on employees from employees of the FG % international bodies	Land use fees	Taxes on profits of companies % on dividends due to shareholders
3	Taxes on income, profit, sales & excise duties on enterprises owned by the FG	Income tax on sole traders	Income taxes on mining & all petroleum & gas royalties
4	Income taxes on winnings of national lotteries & other games of chance	Taxes on incomes of private farmers	Income/profits taxes on company profits & share holder dividends
5	Income taxes on air, rail, & sea transport services	Taxes on income on private houses within the regional government	-----
6	Taxes on income from houses & properties owned by the FG	Taxes on profit, sales & excise & personal income on income of enterprises owned by the RG	-----
7	Fees & charges on licenses issued & services rendered by the organs of the FG	Taxes on income from mining operations, royalties & land rentals	-----
8	Taxes on monopolies	Fees & charges on licenses issues & services rendered by RG organs	-----
9	Federal stamp duties	Royalties from use of forest resources	-----

Source: Constitution of the Federal Democratic Republic of Ethiopia, 1995.

As can be observed from Table 5.23 above, buoyant taxes, such as foreign trade taxes, are assigned to the Federal Government. Foreign trade taxes have the capacity to expand the growth of commerce. A direct tax, whose economic base is limited, falls under the jurisdiction of the regional states. Thus, productive taxes are under the exclusive domain of the Federal Government. Access to domestic borrowing for the regions is allowed only under certain conditions, and with the approval of the Federal Government (Tsegaye 2006).

A number of studies showed that there is a wide degree of vertical and horizontal imbalance of budget between and among regions in Ethiopia. The revenue

sources assigned to the regions are inadequate to discharge their responsibilities. Thus, building the capacity of regions to mobilise resources and empowering regions in determining their tax basis and rates is crucial to reducing existing fiscal imbalances. In the long-term, intergovernmental fiscal transfer cannot be a solution to reduce inter-regional disparity. It will undermine initiatives and aspirations of local governments. Developing regional capacities by developing their resource base and granting them full rights to mobilise local resources and achieve a greater degree of autonomy in resource generation should be given due attention. Tegegne (1998) has clearly argued that Ethiopia needs to formulate explicit regional policy that focuses on:

- inter-regional cooperation and fostering of complementarities between regions (such as enabling regions to capitalise on their comparative advantages);
- diminishing inter-regional grants with a stronger focus on enhancing the regional capacity to generate and mobilize resources; and
- regional capacity building through: national human resource development programme, sharing of experiences and changing the remuneration system so that skilled people will take up the tasks that decentralisation is bestowing upon them.

The overall component of intra-regional policies at different regions should aim at fostering regional competitiveness by designing adequate incentives systems, coupled with the provision of infrastructure; developing Private-Public-Partnership in the provision of infrastructure and development ventures; enhancing local entrepreneurship in a variety of fields including agriculture; creating local capacity to make sound investment programmes; enhancing the roles of the private sector through better and differentiated investment policy; authentically implementing the participation of the community; and undertaking serious efforts to generate inter-sectoral plans (Tegegne (2008)).

Undeniably, the above lists of modalities and strategies will contribute to enhancing regional and intra-regional development in Ethiopia. However, other important aspects of regional development policy, such as good governance, political commitment, and will of the authorities, the significant natural and human resource differences between regions etc. should also be given due consideration.

According to Tsegaye (2006), vertical fiscal imbalances could be addressed with inter-governmental transfers. Ethiopia has implemented a formula to transfer grants to regional states, a formula that has changed many times since 1993/04. For example, there were variations in indicators used and weights assigned to each of them. In the 1995/96 budget year, three budget transfer formulas with an equal weight of 33.3% were implemented. Population, the regional revenue budget and the I-distance indicators were used. The lack of adequate and up-to-date information, the problems attached to the I-distance indicators, the built-in disincentives for enhancing tax efforts, the reconciliation of multiple objectives, the need for encouraging the implementation of minimum standards and the need for correcting for spill-over were the major problems associated with the formula for budget transfers to regional states (Tegegne 1999).

In the 1997/98 budget year, population (60%), level of regional development (25%), and regional tax collection effort (15%) were the indicators used for the transfer of capital budget to regions. The formula allocated higher shares to those states with a large population size such as Amhara (19.20%), Oromiya (25.29 %), and SNNP (15.90 %). The length of roads, the share of rural population to total population, per capita industrial production, per capita crop food production, density of telephone lines, number of post offices, hospital beds in relation to total population and pupils in elementary schools in relation to total population were the indicators used to measure the level of regional development. Relative weights were given for the criteria based on their ability to represent efficiency and equity. While population number and level of economic development was taken as indicators of equity, regional tax revenue collection was taken as an efficiency element by the criteria (Tegegne 1999; Tsegaye 2006).

**Table 5.24. Variables of the Budget Grant Distribution Formula**

<b>Year</b>	<b>Variables</b>	<b>Weight in Percent</b>
<b>1995</b>	➤ Size of Population	30
	➤ I-distance (index of development)	25
	➤ Regional revenue collection	20
	➤ Capital Budget allocation for EFY 1994	15
	➤ Area	10
<b>1997</b>	➤ Size of population	33.3
	➤ Level of development	33.3
	➤ Ratio of regional revenue collection to budget	33.3
<b>1998</b>	➤ Size of population	60
	➤ Level of development	15
	➤ Ratio of regional revenue collection to budget	15
	➤ Area	10
<b>2000</b>	Size of population	55
	Level of poverty	10
	Level of development	20
	Revenue collection performance	15
<b>2004-07</b>	Size of population	65
	Level of development	25
	Revenue collection effort	10

Source: FDRE, The New Federal Budget Grant Distribution Formula; 2007, page 5.

Since the implementations of an ethnic-based federal system in Ethiopia, allocations of grants from the Federal Government have been significant and often predominant sources of funding for regional states. However, central government control over most lucrative revenue sources has been a contributory factor to the heavy dependence of the regional states on central grant transfers. When one examines revenue collected in the two regions, it is clear that Tigray collected more money than Gambella. However, one would need to examine the revenue collected per capita. When one examines these figures in relation to population of

the two regions, the picture becomes interesting. Figure 5.32 below gives the picture of revenue collection.

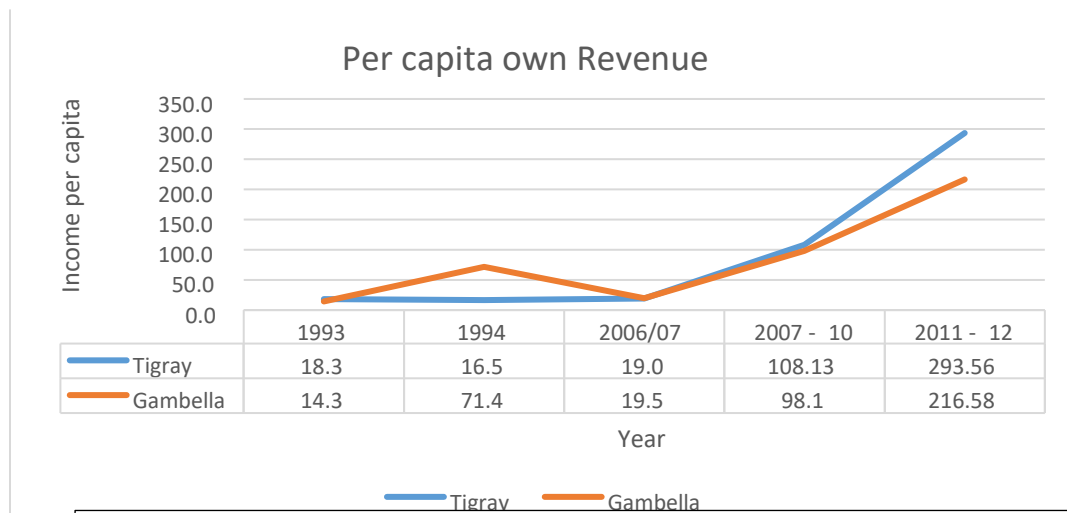
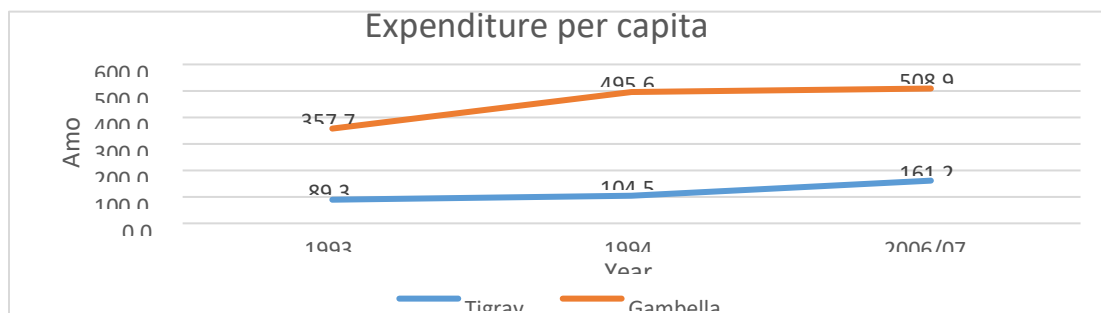


Figure 5.32. Per capita Own Revenue

Source: FDRE, The New Federal Budget Grant Distribution Formula.

It is clear that Gambella, though they started badly, collected more in 1994 than Tigray, and then were almost the same in 2007. Both regions increased in their regional revenues per capita which was impressive. Tigray was still better than Gambella. However, it was also encouraging that the trend was similar as can be seen in Figure 5.32 above. In terms of expenditures, the picture was as can be seen in Figure 5.33 below for the earlier years.



Source: FDRE, The New Federal Budget Grant Distribution Formula.

Source: FDRE, The New Federal Budget Grant Distribution Formula.

Gambella spent more per capita than Tigray perhaps because the Federal Government was trying to lift up the perceived undeveloped region by giving it more money to use for development. Governance issues might also have led to high expenditures in Gambella. The issue of instability in Tigray might have led to lower expenditure per capita.

Figure 5.33 Expenditure per Capita

The trends were different when one examined the income per capita and the expenditure per capita. The trend in income per capita was different while the expenditure per capita was similar. The gap between income per capita and the expenditure per capita in those regions was compared and Figure 5.36 below gives the picture of the two regions. It is clear that more money per capita was given to Gambella than Tigray either as external loans, federal grants and / or assistance. So, Tigray was more self-sufficient compared to Gambella in those years.

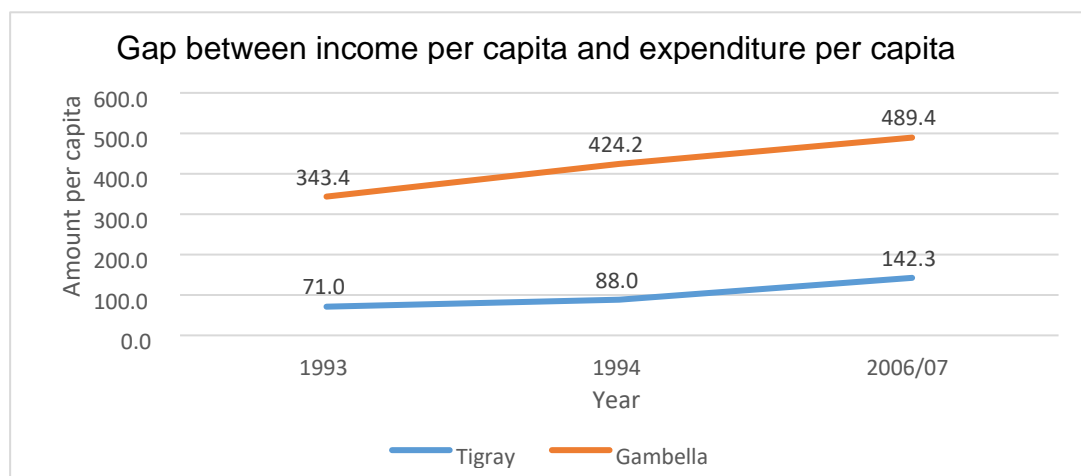


Figure 5.34 Gap between income per capita and expenditure per capita

Source: FDRE, The New Federal Budget Grant Distribution Formula.

It was unfortunate that current information could not be accessed, as it would have helped to give a better picture in terms of the gap between regions.

**Table 5.25. Per Capita Own Revenue by Region and Year**

Year	Per Capita Own Revenue		Own Revenue as share of Expenditure	
	Tigray	Gambella	Tigray	Gambella
<b>2007-2010</b>	108.13	98.1	33.92	11.98
<b>2011-2012</b>	293.56	216.58	40.45	14.2

Source: FDRE, The New Federal Budget Grant Distribution Formula.

Table 5.25 above shows the per capita revenue variations in the two regions. The average per capita revenue of Tigray (108.13) is better than that of Gambella (98.1) from 2007 to 2010. From 2011 to 2012, Gambella made a dramatic improvement in per capita own revenue. Similarly, the owner revenue as a share of expenditure was higher in Tigray than Gambella during the specified years.

**Table 5.26. Imbalance between Tigray and Gambella Regional States.**

Region	Pop'n (%)	Poverty Index			Urban Unemployment (%)	Fiscal Imbalance % (2010/11)
		1995	1999	2010/11		
<b>Tigray</b>	5.85	45	49	0.318	19.40	24.61
<b>Gambella</b>	0.42	35	66	0.320	12.57	11.53
<b>A.A.</b>	3.71	34	41	0.36	22.50	79.51

Source: Adopted from Abu Girma, 2013. P.6-32. and World Bank 2005

Table 5.26 above shows that the poverty Index for Gambella and Tigray was not very different in 2011; however, these two regions were better off than Addis Ababa. The unemployment rate was lower in Gambella than Tigray and Addis Ababa. The fiscal imbalance for Gambella was better than that of Tigray in 2011.

**Table 5.27. Percentage Share of Federal Grants by Region**

Year	Tigray	Gambella
1993/4-2001/02	8.62	3.18
2006/7-2010/11	7.58	1.92
2011/12-2014/15	7.18	1.52

Source: FDRE, House of Federation (2010 and 2012), p. 55 and 172.

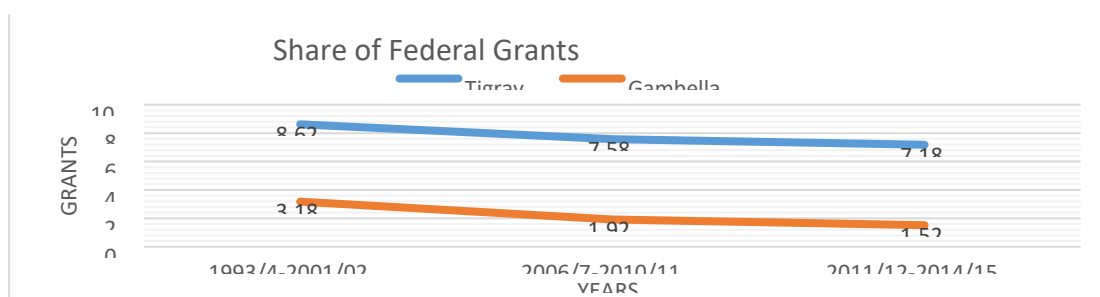


Figure 5.35. Share of Federal Grants

Source: FDRE, House of Federation (2010 and 2012).

Figure 5.35 above shows that there is a huge variation between Tigray and Gambella regions regarding the share of federal grants. From 1993/4 to 2001/02, Tigray regional, state received 8.62 percent, which is more than double compared to Gambella's share during the same period. Even worse, the share of the federal grant of Gambella region declined from 3.18 percent to 1.52 percent during 2011-2015. However, the trend for these grants declined for both regions as can be seen on Figure 5.35 above. Perhaps the grants helped Tigray to do more infrastructure development compared to Gambella. **Table 5.28. Budget subsidy & PC Transfer by Region (in million birr).**

Year	Tigray		Gambella	
	Budget subsidy	PC subsidy (Birr)	Budget subsidy	PC subsidy (Birr)
1993- -1996	311.4	89.12	77.89	417.47
1997-2000	267.54	74.71	120.6	588.78
2001-2005	352.6	88.54	115.15	514.67
2008-2013	1791.7	363.3	359.2	835.61

Source: Open access.leidenuniv.nld.

The average budget subsidy for the two regions revealed variations each and every year from 1993 to 2013. The trend can be seen in Figure 5.38 below. In the given periods, there was a significant federal subsidy increase in Tigray, perhaps because the biased grant formula to population size. It should be mentioned that the criteria for regional subsidy is mainly based on population.

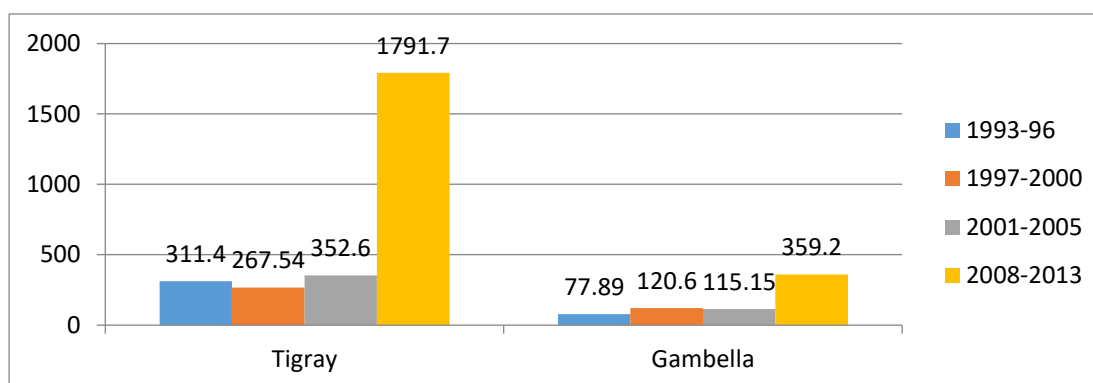


Figure 5.36 Federal subsidies (in Million birr) for the two regions.

Source: Open access.leidenuniv.nld.

**Table 5.29. Annual Growth rates of Revenue collection by region and year**

Year	Tigray	Gambella	Addis Ababa	National
2006/07-2007/08	16.6	12.9	12.5	11.9
2007/08-2008/09	31.9	21.8	18.8	22.6
2008/09-2009/10	15.9	16.4	5.65	9.18
2009/10-2010/11	14.6	25.3	3.41	13.9
2010/11-2011/12	32.7	25.9	34.4	25.7
<b>AAGR</b>	22.33	19.76	14.98	16.64

Source: MOFED unpublished data

Table 5.29 compares the annual growth for the two regions, Addis Ababa and the national average. As can be seen, Tigray registered a better average growth rate of revenue during the given years compared to Gambella and Addis Ababa. Figure 5.37 gives trend details.

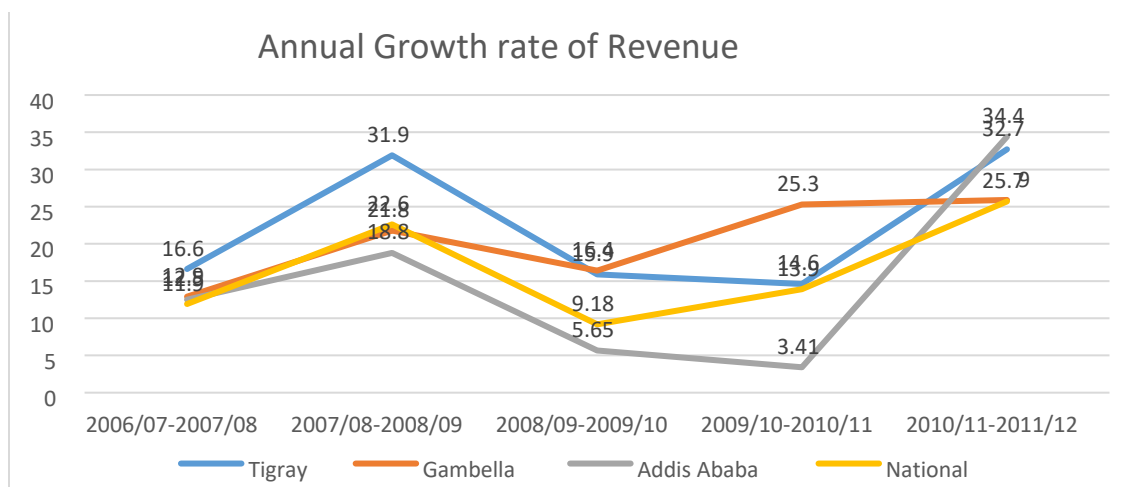


Figure 5.37. Annual Growth Rate of Revenue

Source: MOFED unpublished data

It is clear that the trend is similar, though that of Addis Ababa declined in 2009 to 2010. It is not clear why this was the case. Tigray started well, but declined, perhaps due to the war. Gambella declined somewhat during the same period but increased later.

**Table 5.30. Per Capita Expenditure by Region and Year (millions)**

Year	Tigray	Gambella	Addis Ababa	National
2007	196.5161	748.2213	915.443	173.5623
2008	285.8795	888.4018	2045.872	282.6855
2009	338.229	691.6225	2117.574	319.2655
2010	408.397	939.1434	1550.842	344.3404
2011	543.6743	1246.67	1606.37	436.1056
2012	901.778	1832.37	2348.581	646.4416
<b>Average PC Expenditure</b>	445.7457	1057.738	1764.114	367.0668

Source: MoFED unpublished data.

As illustrated in Table 5.30 above, the per capita expenditure of Gambella is higher than that of Tigray during the specified periods. This indicates that Gambella had more to spend per capita. Perhaps this came about because the government

increased the subsidies for Gambella. It is also possible that the revenue growth rate for Gambella and per capita expenditures were influenced by the commercial farmers in the area.

It is not surprising that the per capita expenditure of Addis Ababa is higher compared with the two regional states and the national average. This is because more income is raised in Addis Ababa compared to all other regions; therefore, their budget is higher. The per capita expenditure trend is shown on Figure 5.39 below. It is interesting to note that the trend is similar as well, though at the beginning the trend for Addis Ababa was not similar to the other regions. It is clear from these figures that the government is able to control what happens to different regions.

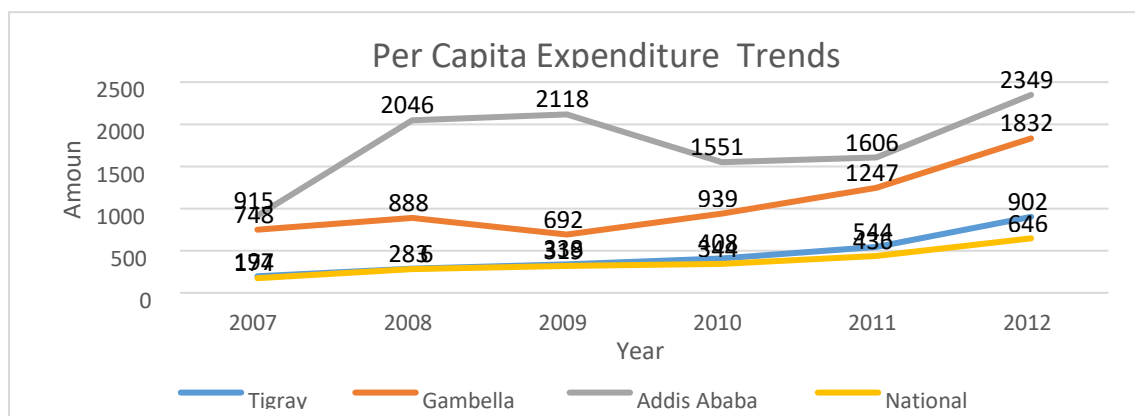


Figure 5.38. Per Capita Expenditure Trends

Source: MoFED unpublished data.

An expert from the Tigray region (Interview, Code 4, 2015) said that the revenue collected by the region has been increasing over time. However, as per the respondent from the Gambella region (interview, 1, 2015), “no fundamental change was made in revenue collection. The expected revenue that was planned to be collected was not collected”. The respondent further explained that “even the small amount of revenue which was collected every year was not well managed by the regional authorities”. This was not substantiated. An expert in the Ministry

of Finance and Economic Development (Interview, Code 4, 2015) believed that there were a lot of improvements both in revenue collection and expenditure performances at the federal as well as in the two regional states. Revenue collection performance increased from year to year, but Gambella still needed to expend more effort to collect from its potential clients in the region.

The two regions collected more than what they planned. However, due to some capacity and remoteness of the Woredas, Gambella did not collect as per their potential. In Gambella, there are capacity and infrastructure problems. Most potential Woredas are also found in remote and inaccessible areas, which are far from the capital city of the region.

According to the respondent from Tigray, the amount of expenditure has increased from year to year. In Gambella, the expenditure demand has increased over time. However, most of the expenditures are allocated for the payment of the regional civil servants' salaries. The expenditure for development, which could have changed the life of the people of the region, is not given due attention (Interview, Code 2, 2015). The expert from Tigray believed that the regional development disparity is not yet reduced, because there are deep-rooted differences in investment among regions in Ethiopia. According to the interviewee of Gambella, "the economic growth registered in the past years in Ethiopia even further widen the already existing development disparity in the country" (Interview, Code 4, 2015). However, as could be seen from the actual data gathered and presented in this study, there are commendable improvements made by the country to reduce regional disparity in the past 20 years.

According to the expert working in the bureau of Finance and Development of Gambella, the people of the region have benefited in terms of education, health, water, and roads. However, "the people of the region who are engaged in agriculture, especially the pastoralist community, have not benefited from the development in the country" (Interview, Code 6, 2015). Hence, there is a great deal of future work to improve the lives of the semi-pastoral communities in the region.

The large-scale investments found in Gambella region are not performing as expected.

According to the expert from Tigray, in the past 20 years the income disparity among regions has been reduced. However, it is not reduced as much as hoped. To the interviewee from Gambella, “the income disparity among the regions in Ethiopia is not reduced. The life of the indigenous people of the region is not still improved. Rather the regional development disparity increases over time” (Interview, Code 6, 2015). It was significant that the staff responded to these questions without checking the data available to support their claims.

With regard to the incentives given to regions by the Federal Government, the interviewee from Tigray (Interview, Code 4, 2015) said that the private sector benefits by the Federal Government incentives. However, there is a lack of support in the areas of administration. There is a block grant budget support by the Federal Government based on the formula in the regions. The formula, which is used for budget support distribution, has treated the emerging regions in a special manner. It gave one percent privilege from regions’ GDP.

But, according to the expert from the Gambella region (Interview, Code 1, 2015):

“The incentives provided are not sufficient as per the request of the people of the region. Even worse, the small amount of support extended to the region by the Federal Government lacks transparency and accountability. Ideally, it should have been protected from the possibility of corruption.”

One of the basic reasons for the Federal Government support to the emerging regions is that “these regions are historically lagging behind other regions in terms of the basic necessities such as roads, education, health and the like. To bring emerging regions to an equal level of development with the relatively developed regions, the Federal Government has been providing technical, financial and

manpower assistance for the last two decades”. However, both the respondents of the two regional states are not satisfied with the support given to emerging regions in Ethiopia. They believe that the federal subsidy formula used to allocate the federal grants should be improved and changed. “The formula has benefited those regions with a larger population size”. This implies that the federal grant formula should be revised to consider additional points. The above view of respondents is similar to the arguments of experts who are working in the HoF of Ethiopia. Although the variables used in the formula were periodically revised based on the experience of countries that have a federal structure of government, such revisions could not satisfy the expectations of the stakeholders (HoF 2015).

When asked if their regions could be able to fully cover their expenditures, both respondents disagreed. To them, it is impossible to cover their own expenditures, at least in the short term. The respondent from Gambella added that “this could happen only if the attitude of the leaders of the region is changed. The small amount of money collected from the people every year is going to the pockets of few individuals” (Interview, Code 1, 2015). This may well indicate that lack of good governance and absence of capacity of a region may be one of the factors that hamper the development of the region. Corruption should be reduced to use the already scarce resource of the region. This finding is in line with the discussions in chapter two of this thesis. Studies show that administrative reforms, judicial reforms, fighting corruption and developing a national outlook is crucial to register fast economic development (Onichakwe 2016).

Respondents were asked to evaluate the overall impact of the country’s development policy on regional development. Per the respondent from Tigray, “the existing regional policy and strategy is good, but the main problem is the way the policies and strategies are implemented” (Interview, Code 4, 2015). Contrary to the view of the respondent from Tigray, the expert from Gambella argued that there is only development when the real life of the people is changed. In reality, what we observe is that the development disparities have been increasing over time.

Contrary to these perceptions of the respondents from Gambella, the findings of this study show that Gambella is better off in terms of many health, education, road network, agriculture and even some financial indicators. Respondents were asked to comment on the effectiveness of the Federal Government's policy to address regional disparities. The respondent from Tigray believed that:

“There is an effective regional development policy to address economic disparities among regions in Ethiopia. For instance, The Millennium Development Fund is provided to all regions since 2004 EFY” (Interview, Code 5, 2015).

Contrary to this view, the respondent from Gambella said that “the mere existence of policies and strategies does not mean the life of the people will be changed. There are many policies, but change has not yet come. Development at the national level is increasing the disparity among the regions and the people” (Interview, Code2, 2015). This, however, does not explain why Gambella is better off than even the national average on some indicators. In spite of rapid economic growth in Ethiopia, regional differences between rural-urban, gender and regional disparities in income, poverty, stunting and underweight, and access to education, health services, improved sanitation facilities, and safe drinking water. if Ethiopia is to reach middle income status by 2025 and zero poverty by 2030. Ethiopia should be able to sustain the pro-poor double-digit economic growth registered over the past 10 years (UNDP 2015).

The respondent was asked his view regarding regional gaps in per capita income between developed (Tigray) and less developed (Gambella) regions since 1995. He argued that despite some improvements registered, there is yet a significant gap between these regional states. The interview conducted revealed that the following are the major factors of regional development disparities.

- Recurrent and deadly inter-ethnic conflicts in Gambella region between the Anuak and Nuer groups to control regional political power and

resources. Tensions over access to political and economic influence have erupted before, as in late 2003 when government security forces cracked down after Anuak armed groups clashed with highlanders, leading to allegations of human rights abuses and arbitrary killings ([www.openaccess.leidenuniv.nl](http://www.openaccess.leidenuniv.nl));

- Lack of trust of the leadership in Gambella;
- High level of regional migration to Gambella from other regions;
- Natural resource depletion due to absence of prefeasibility study of projects; and
- Absence of good governance.

The GDP of less developed regions such as Gambella has been increasing in the past few years. For instance, in 1994/5, the regional budget of Gambella was about 90.2 million Birr. In 1997/8, it increased to 138.9 million Birr. During the same period, the regional budget of Tigray in 1994/5 and 1997/8 was 327.8 and 379.8 million birrs (Tegegne 2000:84-85). However, the respondents argued that:

“The livelihood of pastoralists and semi-pastoralists such as the people of the Gambella region has deteriorated over time due to climate change. And yet, the political elite became wealthy and more powerful in the same interval” (Interview, Code 4, 2015).

From this explanation, it is possible to argue that the main problem in the less developed regions such as Gambella is not a budget or financial one. It is governance, capacity issues and distribution issues that should be effectively addressed. As discussed in Chapters 2 and 3 above, there is no clear direct linkage between development and good governance. Development could be accomplished without good governance. Hence, the prevalence of good governance is a necessary but not sufficient precondition for development. However, in their study Diress, Pal and Stein (2013) argued that the livelihood of the pastoralist community in Ethiopia has been deteriorated due to the low

consideration of the unique situations of the nomadic people by the federal government.

**Table: 5.31. Challenges and Causes of Regional Development Policy.**

<b>Critical Challenges</b>	<b>Major Causes</b>
<ul style="list-style-type: none"> <li>• <b>Cultural differences (working habit, low saving,</b></li> </ul>	<ul style="list-style-type: none"> <li>• Historical events</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lack of skilled manpower (lack of leadership capacity)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure biased policy (lack of infrastructure)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lack of political commitment of administrators and experts</b></li> </ul>	<ul style="list-style-type: none"> <li>• Geographical position</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lack of attention from the part of the government and development partners to less developed regions</b></li> </ul>	<ul style="list-style-type: none"> <li>• Extreme and intolerable weather Condition (hostile environment in the less developed regions)</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Knowledge gap about less developed regions</b></li> </ul>	<ul style="list-style-type: none"> <li>• Insecure area for stable life</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Absence of infrastructure</b></li> </ul>	<ul style="list-style-type: none"> <li>• Malaria and insects</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Rent-seeking attitude</b></li> </ul>	<ul style="list-style-type: none"> <li>• Lack of leadership commitment</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Low level of consciousness of the community)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Limited support of Federal Government</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Lack of leadership political commitments</b></li> </ul>	

Source: Interview, 2015.

The issues listed above are closely aligned with each other, but not considered to be in causal relationships; that is, one is not the cause of another. But, the opinions of respondents support the theoretical explanations made in Chapter Two above. Particularly, the views of respondents on the lack of commitment, lack of capacity and lack of good governance are in line with the theories of regional development discussed in Chapter Two above.

The above factors are mentioned by key informants repeatedly. And yet, as we have seen in previous discussions, the least developed region of Gambella has performed well in many key standards such as proportion of health, education and road facilities per population. Recommendations were forwarded by the federal and regional experts to address the regional development challenges, as according to study participants, the federal government should prepare special socio-economic programmes and strategies to reverse the existing situations,

including manpower training (Interview, Code 7, 2015). Additional regional specific policies and strategies that foster equitable development among regions should be designed and implemented. The experiences of China, the US and Brazil to address regional development challenges showed that special policy intervention is crucial to reduce regional inequalities. Additional efforts to improve good governance and reduce corruption through accountability and other mechanisms ought to be implemented.

Empowering regional states in term of fiscal capacity and implementation of villagisation and settlement programmes in the Gambella region may facilitate access to additional infrastructure such as health, education, road, electricity, telephone, and potable water. According to informants, use of indigenous or local knowledge in the less developed regions, and addressing land right issues in Gambella region, may bring balance to regional development. Strengthening the special support of the Federal Government based on equity criteria, strengthening Public-Private-Partnership and raising the awareness of the community in emerging regions such as Gambella were suggested by participants of the study.

Although most of the challenges listed above are observed in the Gambella regional state, the regional state of Tigray is not completely free of them. According to an interviewee from the Federal Special Support Board (Interview, Code 7, 2015), emerging regions such as Gambella have registered significant socioeconomic achievements. There is a significant change in terms of health and education. There are livelihood changes. The current scenario in the region cannot be easily compared to earlier stages. However, respondents argued that:

“The level of development in the less developed regions, including the Gambella region, is not satisfactory. For instance, Gambella has received special support since 1995 but there are still people who are below the poverty line. The Federal Government evaluated the

performances of the development interventions in the less developed regions” (Interview, Code 7, 2015).

According to the respondent from the House of the Federation (interview, Code 7, 2015) “the first thing to do to address the regional inequality between the two regions in particular and among the relatively developed and less developed regions in general, is to recognise the unique problems in the less developed regions and then take proper measures” (Interview, Code 7, 2015). According to the official document of MoFED of the FDRE (2013), trends of poverty incidence in Tigray regional state was 0.561 in 1995/6 and 0.318 in 2010/11. In the same years, the poverty incidence in Gambella regional state was 0.343 in 1995/6 and 0.32 in 2010/11.

Regarding whether there is a fair and just distribution of wealth among regional states in Ethiopia, respondents pointed out that:

“The wealth is distributed by a formula designed by the House of Federation and additional grants have been given to the emerging regions (i.e. one percent of the GDP of the relatively developed region have been assigned to the emerging regions). And, there are also projects implemented in the emerging regions such as Gambella to ensure equitable development. This is a showcase of the Federal Government’s commitment to reduce regional inequalities in the country. According to them, regional disparities have been reduced from year to year” (Interview, Code 4, 2015).

This idea showed that the efforts of the government to reduce regional development imbalances becomes successful. The interview conducted with regional and federal respondents indicated that “there is fast economic growth in the two regions. However, due to an effective leadership commitment in the Tigray

region, development is accelerated”. The responses of interviewees depicted that “regional growth inequality would result in a wide differential among regional states. For instance, some regions will grow fast and others remain behind”. According to them, “if the disparity is not addressed, the Federal Government will be weak. Additionally, there will not be sustained peace and it will be difficult to continue as one strong and undivided country.” In other words, “some dissatisfied regions will request self-determination, including secession as per Article 39 of the FDRE constitution (1995)” (Interview, Code 6, 2015). These comments show that in spite of some efforts made both by the federal and regional states; the results registered up to now are not satisfactory. The opinion of respondents showed that:

“Amhara, Tigray, Oromiya, and SNNPR regions in Ethiopia experienced high economic growth. These regions have relatively more highly skilled workforce, committed leadership, accountability, a conducive environment for the development, including cultural and working habits, and historical growth opportunities. Even though there is a regional convergence between them, of the two sampled regions Tigray is changing at a faster rate than the less developed region of Gambella” (Interview, Code 1, 2015).

Despite the perceptions of respondents, the study found that in many indicators that were tested, the so called ‘emerging’ region of Gambella is better off than the Tigray regional state. There are individuals from the Ministry of Federal Affairs, who argued that:

“No special support should be given to less developed regions. Designing specific regional and local development policies and programmes may address the problem ” (Interview, Code 7, 2015).

In addition, there are various opinions regarding the means of addressing regional economic inequality in the country. For example, some of the arguments include: industrialisation versus agriculture, commercial farming versus subsistence farming, urban development versus rural development, and democratisation versus development. And there is a debate with regard to villagisation and agro-pastoral versus a peasant economy (interview, Code 4, 2015). As explained in the literature review of this thesis, there is no agreed-upon formula to bring balanced regional development. So, it is optimal to design a regional development policy based on the unique history and problems of each country, as well as gathering best experiences and best practices from other countries.

Respondents from both the Gambella region and the Federal Government agreed that some of the critical weaknesses observed in the Gambella regional state include “a lack of good governance, low consultation and partnership with the people, a lack of trust of the society towards the regional leadership, poor implementation capacity of policies and strategies, poor resource utilisation, weak leadership commitment and absence of special policies unique to the region.” As discussed in Chapter Two of this paper, these and other problems hinder the effort of bringing balanced regional development by governments (See Dollar & Kraay (2001).

The interview conducted with key informants showed that the following are major limitations of the Federal Government assistance to regions.

**Table 5.32. Limitations of the Federal Government Policy**

Limitations		Explanations
1.	Lack of region-specific policies	The FDRE has adopted and implemented a one-size fit for all type of policy and strategy for all emerging regions. While some regions have different means of livelihood, culture, tradition and environment, there is a tendency to apply similar regional development policy instruments in every region.
2.	Blanket recommendations for all regions	Without the regional socio-cultural context analysis, and rigorous research, the Federal Government is applying the same modernisation tools.

3.	No amendment of the policies	Without revisiting the weaknesses of previous policies and strategies, the FG is trying to bring balanced development.
4.	No pre-test of policies	There is less effort to evaluate the sustainability and effectiveness of some strategies before a full-scale implementation.
5.	Knowledge gap	The Federal Government experts and authorities have low knowledge on the real situation on indigenous society's wisdom and institutions found in emerging regions.
6.	Lack of trust of the society	There is a mistrust of the FG experts going to the emerging regions for assistance.
7	The gap between plan and achievements	There are no satisfactory achievements in terms of bringing balanced development.

Source: Interview, 2015.

From the interview conducted with regional and federal respondents, the Federal Government is making commendable efforts to narrow the regional development disparities in the country. However, there is still a lack of trust of the regional citizens regarding the real motives of the federal support due to some of the major problems of the Federal Government including “an absence of policy amendments, lack of pre-testing for programmes, blanket recommendations of policies, and the gap between the regional development plan and actual results” (Interview, Code 7, 2015).

According to respondents (interviews, Code 7, 2015), “the categorisation of regions according to their natural and social endowments will facilitate regional balanced development. Following categorisation, plans and action according to the principles of comparative advantages is important. In addition, being comprehensive during the planning and implementation periods of plans are crucial to sustainably address the issue of regional equity in the country in general and in Tigray and Gambella regional states in particular.” The opinion of respondents is supported by the argument of Seltzer and Armando (2011) in that the regional approach to planning should be collaborative and comprehensive.

## 5.4. Summary

This chapter presented and analysed the major findings collected from various primary and secondary sources. In the past 20 years, both regions of Tigray and Gambela have made socioeconomic improvements in health, education, roads, and agriculture and revenue performances. The information gathered from key informant interviews showed that the federal and regional governments faced various challenges and limitations in bringing balanced regional development. Some of the challenges include; lack of good governance, lack of trust of the society on the leadership, weak capacity of implementation of policies and strategies, weak leadership commitment. In addition, participants forwarded their concern about the consequences of regional imbalances. If the disparities are not addressed, the country may face economic and social unrest.

The chapter also identified critical factors contributing to regional inequalities. The chapter discussed major weaknesses and strengths of the federal and regional governments regarding policy implementation, and highlighted the major negative consequences of regional development policy, programmes and projects implemented in the regions, particularly in the Gambella region.

From previous empirical evidence, one can infer that there are encouraging improvements in the past 20 years in terms of access to health, education, roads, agriculture as well as revenue and expenditure performance in the less developed region of Gambella. Unlike the popular belief and perception of key informants both at the federal and regional levels, the government of Ethiopia has made commendable efforts in addressing the regional development challenges in the less developed region of Gambella. As could be seen from the previous discussions, the study found that in terms of the proportion of health facilities, health human resources to population, and quality indicators for population in the emerging regions, Gambella was better off than Tigray.

The evidences from the secondary sources also revealed that access to health, education, roads and the like, Gambella performed better than the Tigray regional

state. Despite the views of experts and key informants about the presence of a wide regional disparity between Tigray and Gambella regional states, the findings above showed that the trend in regional development inequality such as health, education, and road has shown some reduction in the past 20 years between the sampled regions. That means that both the federal and the regional governments have done a commendable job to achieve the objectives of bringing balanced development in the country. In this case it is possible to see the convergence between regional states.

## **CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS**

### **6.1. Introduction**

The primary objective of this empirical study was to investigate the level and challenges of regional development as measured by growth-oriented development composite indicators and analyse the challenges of policy implementation, with a particular focus on the Tigray and Gambella regional states from 1995 to 2015. The specific objectives of this study were to: (1) empirically explain the trends and level of development registered by the sample regional states of Ethiopia in terms of health, education, roads, agriculture and revenue collection performance (1995-2015); (2) identify the major factors of regional development in the sample regional states of Ethiopia; (3) identify the major challenges faced by the sample regional states and the Federal Government in the implementation of regional development policies (1995-2015); (4) assess the strengths and weaknesses of the Federal Government support to regional states (1995-2015); and (5) analyse the consequences of Regional Development policy on the environment of the sample regional states.

In this chapter an attempt is made to provide a brief overview of the main findings with possible theoretical explanations. The chapter will then proceed to provide key recommendations to tackle some of the major challenges identified.

## 6.2. Conclusions

Based on the main findings discussed above, the next section provides the major highlights of important issues related to health, road networks, education, revenue collection, agricultural performance and the main strengths and weaknesses of Federal Government support to emerging regions such as Gambella and to progressive regions such as Tigray. It also highlights the critical regional development factors and the consequences of the regional development policy on the environment of Gambella and Tigray regional states.

### 6.2.1. Trends and Level of Development in Health, Education, Road networks, Agriculture, and Revenue Collection Performance (1995-2015)

#### 6.2.1.1. The Trends in Regional Health Sector Performance

Although the main goals of bringing balanced regional development are far from being fully realised, there have been some encouraging results accrued from the efforts of implementing regional development policy and programs in Ethiopia. The data from secondary sources and the information from interviewees indicated the achievements stated below.

In terms of the number of health facilities in the two regions, Tigray was better-off than Gambella. However, other indicators, such as the ratio of health facilities to population showed that Gambella outperformed Tigray. Regarding infant and child mortality rates, Gambella was better than that of Tigray. In addition, when one looks at the proportion and ratio of health human resources to population, the Gambella region did better than Tigray regional state. Compared to the Tigray regional state, the life expectancy in Gambella was found to be higher than that of Tigray. Therefore, taking the above measures of health, the study found that the less developed region of Gambella was better than that of the Tigray regional state.

#### 6.2.1.2. The Trends in Regional Road Sector Performance

The findings of the study showed that Gambella performed better in terms of road density measured by km/1000 persons and km/1000km<sup>2</sup>. The rural population without road access in Tigray is greater than that in Gambella regional state. The proportion of kilometres per person in Gambella during the study period was higher than that of the Tigray regional state. However, Kebeles were connected by all-weather roads in the Gambella region compared to the Tigray regional state. However, Gambella was better in terms of the rural access index or rural population within two kilometres access. So, when one examined the road network, Gambella was relatively better off than the Tigray region.

#### 6.2.1.3. The Trends in Agricultural Sector Performance

The findings showed that the land productivity in Gambella was higher than that of the Tigray regional state. The percentage of people with livestock was mixed. Gambella was better off in the last five years in terms of sheep per population and was growing faster and almost surpassing that of Tigray in cattle rearing. Tigray was better off than Gambella in terms of chickens and goats. The percentage of population assisted by relief food in Tigray was higher than in Gambella regional state. The findings revealed that despite the availability of large irrigable potential in Gambella region, there are very low levels of modern and traditional irrigation schemes than in Tigray Regional State. Though the results seemed mixed in the agricultural sector, Gambella has the highest potential in agriculture that, when well exploited, will enhance the economic growth and vigor of the region.

#### 6.2.1.4. The Trends in Regional Education Sector Performance

In the study periods, gross enrolment at secondary (9-12 Grade) in Gambella was better than in Tigray Regional State. The findings of the study indicated that from 2011 to 2015, gross enrolment rates at the primary level in Gambella was also better than that of the Tigray Regional State. The study found that there were a higher number of schools and teachers in the Tigray Regional State. But, the

proportion of schools and teachers to number of populations in Gambella was better than in the Tigray region. The NER at the primary level for Tigray and Gambella was 93.3 and 97.6, respectively. In this measure, Gambella was better off than the Tigray Regional State. The gender gap in Gambella was higher than in Tigray Regional State.

The percentage of certified teachers at the primary level in Gambella (78.7 percent) was better than that of Tigray (74.2 percent) Regional State. But, at the secondary level, the percentage of certified teachers in Tigray (87 percent) was better than in the Gambella (76.9 percent) Regional State.

In terms of PTR and PSR at both primary and secondary levels, Gambella was better than that of the Tigray Regional State in the given periods. Tigray exhibits better performance in terms of the Gender Parity Index (1.15) than that of Gambella (0.59). When one examines the education sector, Gambella performed better on many indicators than did the Tigray region.

#### 6.2.1.5. Revenue Collection Performance

The study found that Tigray performed well in terms of its own revenue collection and allocation of budget. In terms of the capacity of collecting income from different sources of the two regional states, Tigray was much better than that of Gambella Regional State. However, in terms of its own revenue as a share of total expenditure, Gambella outperformed the Tigray Regional State.

The study showed that Tigray performed better than Gambella Regional State in terms of its percentage share of federal grants in the given period. This was due to the bias of the grant formula towards more populous regions such as Tigray. This is not very surprising given that more infrastructure development has taken place in the last 10 years in Tigray than in Gambella and therefore improved the economy there.

### 6.2.2. Factors of Regional Development in the Sample Regional States

Generally, the following points were suggested by respondents as the most important factors for regional economic development in the two regions (see chapter two above). These are:

- The level of earlier development (initial historical differences in level of development): both regions, especially the Gambella Regional State, were neglected by the past regimes in Ethiopia. Hence, this historical condition had its own impact on the current development of Gambella. Yet, contrary to the perception of the respondents, the study revealed that Gambella was better off in a number of indicators than Tigray;
- Leadership commitment: The main variation in development between the sample regional states were explained by the differences in the commitment of the regional leadership;
- Specific policy to the emerging regions: Respondents pointed out that the Federal Government should design a regional policy based on the unique situation of each region; and
- Good governance: according to interviewees, good governance is critical and needs to be improved in regions such as Gambella. However, the literature review discussed in this paper showed that it is not always the case that development is linked to good governance. It is possible to register fast economic development without the prevalence of good governance in some areas.

It is possible to conclude that the findings of the study are in line with the earlier discussions in Chapter Two and Three of the thesis. It was pointed out that for there to be equitable regional development, strong political will and commitment, good governance, institutional factors (See Section 2.3.4. of Chapter Two above), financial and human resources, etc. are critical factors for balanced regional development (See also Chapter Two above).

### 6.2.3. Major Challenges Faced by the Sampled Regional States

The following were the major challenges encountered in the implementation of regional development policy at both the federal level and in the two regional states. According to the key informant interviewees, the following were the critical challenges of Gambella Region. These include: Recurrent conflicts and insecurity, lack of trust of the political leadership, immigration of local people to other more developed cities such as Addis Ababa, natural resource depletion by foreign and domestic agricultural investment projects, lack of good governance, weak working habits and low saving, scarcity of skilled manpower (lack of leadership capacity), and weak political commitment of administrators and experts. Respondents argued that low quality of service provision and lack of adequate and competent health professionals are major weaknesses of the Tigray Region.

Lack of attention on the part of the Federal Government and development partners for less developed regions such as Gambella and knowledge gap about less developed regions are some of the weaknesses mentioned by respondents.

From the interviews with respondents, the following issues are also stated as fundamental contributing factors for regional development performance differences in the two regions. There are: peripheral geographical location of semi-pastoral regions such as Gambella, extremely hot weather conditions (hostile environment in the less developed regions such as Gambella), insecure area for stable life because of recurrent conflicts among competing ethnic groups such as Nuer and Anuak, infection of malaria and insects and inadequate financial support of Federal Government to special support regions such as Gambella.

As pointed out in this study (see Section 2.2.3 of Chapter Two), respondents said that the commitment of the people and political leaders at all levels of administration and sectors to foster development is the critical factor that contributes to the performance differences between the two regions. In addition, the critical challenges in the implementation of regional development policy in the

two regions include differences in participation and ownership of the people between the two regions as core reasons for the sector performance differences. (see also Chapter Two).

Furthermore, a weak agricultural extension system, development agent related problems, poor infrastructure, lack of skilled manpower, problems related to Farmers Research Centers (FTC), lack of coordination and linkage, development agents related problems, and weak commitment of the leadership in the Gambella region are some of the challenges noted for regional development policy implementation. These explanations are strongly related to the Myrdal's backwash effects discussed above in Chapter Two of this paper.

The critical factors contributed to the problems of regional agricultural policy in the two regions include (Interview, Code 3, 2015): variation in agro-ecology, land potential, commitment and the will of both the society and the leadership to bring about accelerated growth. On the other hand, a weak agricultural extension system, poor infrastructure, weak political commitment, and climate change are all mentioned by respondents of Gambella as the major factors that hinder regional growth. Some of the most important causes of regional agricultural disparities among the two regions are: poor linkage between development agents and Farmers Training Centers, Woreda offices, and other organisations, as well as differences in implementing activities, and a weak agricultural extension system (Interview, code 3, 2015). Although the above views of respondents lack concrete evidences, there is similarity with the theoretical assertions mentioned in chapter two of this paper above. Lack of capacity and desire of regional leaders, absence of strong institutions, political and geographical factors are contributing factors for regional development.

From the key informant discussions, it is clear that all the challenges posed on regional policies need to be properly addressed. The solutions forwarded to address performance differences in regional agricultural sector include (Interview, Code 3, 2015):

- Capacity building of Development Agents (DAs), farmers, Woreda offices
- Establishment of Farmers Training Centers (FTCs) at all Kebeles
- Strong political commitment
- Strong administration at the Kebele level
- An ox-plough intervention programme
- Periodic monitoring and evaluation of the extension system are critical to address regional inequalities.

Respondents argued that there is a strong political will at the federal level but this is not supported by major programmes. There is a lack of skilled manpower and a weak administrative system in the Gambella region (Interview, Code 3, 2015). As we have discussed above, these problems might be directly or indirectly related to the lack of peace and stability in the Gambella region. This indicate that institutional, human and cultural factors play a great role in regional development.

#### 6.2.4. The Strengths and Weaknesses of Federal Government

##### (A) Strengths

From the interviews conducted with both regional and federal key informants, it was clear that the two regional states registered socio-economic developments. Particularly in Tigray, there has been sustained and accelerated economic developments such as better socio-economic service provisions, relatively better implementation effectiveness and capacity, and improved governance.

The Federal Government managed to provide the resources to the two regions based on their criteria, which was commendable. More resources or subsidies were provided to regions such as Gambella. Capacity building, skilled labour etc. were provided to all the regions, though not necessarily in adequate measures.

## (B) Weaknesses and Limitations

Delay of task accomplishments was mentioned as a weakness of the federal support programs. Continuity of financial support, inadequate capacity building and finance to the regions, lack of frequent monitoring and evaluation of programmes, lack of adequate financial support were some of the weaknesses noted for the Federal Government.

In addition, as indicated in Chapter Two Section 2.4 above, blanket recommendations of policies across regions by the Federal Government without taking the unique context of each region into account was a noted weakness. Additionally, an absence of the desire to amend policies (such as investment policies on commercial agriculture), a failure to pre-test policies before full implementation, and a knowledge gap are some of the weaknesses observed in the past 20 years (Interview, 2015), as far as the Federal Government is concerned.

Major weaknesses of the implementation of development plans in the two regions also include: low consultation and partnership, lack of trust of the society, lack of efficiency, lack of sustainability and consistency in assisting emerging regions, lack of additive impact of federal interventions in the so called support regions, and the gap between plan and achievements in bringing the desired balanced development (Interview, Code 2, 2015).

As discussed in Chapter Two Section 2.2.3, above, there are a number of factors that influence and help determine regional development. The following are mentioned as major challenges (obstacles) faced at the Federal and Regional levels (Interview, Code 2, 2015): Lack of leadership and political commitment, lack of sufficient budget or subsidy to emerging regions as the formula is basically based on size of regional population, rent-seeking practices in less developed regions such as Gambella, weak accountability, less committed and disciplined labor force, absence of region specific plans, ineffective working habits, extremely

hot temperature, lack of rule of law and informal restriction of citizens' right to work and live where they need or choose in the Gambella region.

As pointed out in Chapter Two of this study (See Section 2.2.4.), major factors contributing to the differences in educational performance between the two regions are: inappropriate criteria (lack of meritocracy) in assigning government workers; inappropriate relationship among the regions and budget allocation; insufficient educational inputs; weak commitment of the school leadership; socio-cultural factors such as early marriage impacting choices for girl children in the region; student related factors such as disciplinary problems and reluctance of students to go to school; poor educational and economic background of parents; unhealthy parent-child interaction; and poor working and living conditions (Interview, Code 2, 2015).

The following major factors directly and indirectly influenced the education sector in Gambella: lack of participation of parents in school affairs and poor parents' ability to afford the necessary materials for their girl children; weak capacity of education officials at all levels; poor level and quality infrastructure of the region; subsistence nature of livelihood of the community; as well as cultural, economic and traditional hindrances contributing to the performance differences in education between the Tigray and Gambella regions (Interview, Code 2, 2015). Lack of equity between the "indigenous" community and the rest of the people who came from other regional states, poor monitoring and evaluation capacity of performances, high absenteeism of teachers and students from schools, and poor educational facilities and inputs. However, some of the above deeply engrained views of respondents could not be triangulated from other sources and lacked reliable evidence.

#### 6.2.5. Negative Consequences of Regional Development Policy on the Environment of regional states

As noted by the interviewees, the impact of large-scale commercial agriculture and settlement programs implemented in the Gambella region on the forest and wildlife of the region was huge. The interviewees further noted that there were no prior feasibility studies about the economic potential of areas before investment interventions in the Gambella region. According to the view of respondents, valuable forest resources were destroyed and wild life was displaced, because some areas in the park were allocated to foreign and domestic commercial investment projects without strict legal restrictions, monitoring, and evaluations. The local political resistance and mass killings of the highlanders and recurrent climate change in the region frequently resulted in natural disasters such as flood, drought and displacement of the people. In particular, natural resource depletion due to absence of prefeasibility study of projects by both the domestic and international investors are some of the negative consequences of the regional policy. The findings of this study are in line with the research conducted by other researchers. For example, Azeb (2017) argued that the large-scale land grabbing in Gambella has resulted in natural resource depletion and the displacement of farmers.

However, respondents failed to mention the negative consequences of regional development policy on the environment of Tigray regional state. One would also see that the unplanned infrastructural development due to an increase in population also affected the environment in the Tigray region.

### 6.3. Summary

This section discusses accounts of key informant interviews conducted with various respondents at both federal and sample regional states in order to demonstrate their perceptions of regional development policy implementation challenges in their respective regions. The discussion in the previous sections

revealed that the horizontal development disparity measured by the proportion of health, education, revenue, agriculture, and road infrastructure facilities to population, found that Gambella was better off than that of the Tigray regional state.

The views of the key informants above appear puzzling. On the one hand, they argued that Gambella is worse off than Tigray Regional State. On the other hand, the evidence collected from different sources showed that if one divides the number of health, education, agriculture, revenue and road infrastructures to the population of each region, the so-called emerging region of Gambella is found to be better off. It seems that there is a distinction between the development of infrastructure and dividing the number of infrastructures to the existing population. Needless to say, that quantitative increment does not necessarily mean there is development in a specific area.

However, it is undeniable fact that respondents from Gambella region have legitimate reason to explain the wide differences between Gambella and Tigray regions. As has been mentioned in this paper above, the scope of this research is limited only to access to health, education, road infrastructure, revenue collected and agricultural performances as measure by the proportion of the regional population of sample regions. Other indicators of regional development such as industrial output, investment expansion, mining, tourism etc. are not considered.

From the overall discussions and interviews conducted with regional experts and federal deputy ministers, it is possible to conclude that there are regional specific and federal specific challenges that need to be addressed in order to bring more sustainable and equitable regional developments. For instance, in the Gambella Regional State, a lack of implementation capacity, widespread mismanagement of resources by regional elites who control power, cultural and work habit problems, inappropriate local and regional policies, an absence of feasibility studies, and asymmetrical vertical fiscal allocation of sources of income between the federal

and regional states etc. are some of the repeatedly cited problems on the part of respondents.

From the evidence collected from the secondary sources above, Gambella has performed well in terms of the ratio of health, education, and road infrastructure facilities to regional population. The trend of regional development has been encouraging and there is adequate federal support to the less developed regions such as Gambella. However, some of the regional discrepancies in revenue collection and agricultural productivity require additional policy intervention. Hence, successful responses to the identified challenges of regional development policy are crucial for maintaining national integrity and for achieving a balanced and equitable regional development between regions in Ethiopia.

Generally, the efforts made by the federal and the two regional governments in bringing balanced regional development are commendable. However, the researcher agrees with the main points raised by respondents regarding the fundamental problems facing the regional development policy implementation in the two regional states.

Despite the slow infrastructural growth and against the common understanding among experts interviewed, the findings of this study indicated that the semi-pastoral region of Gambella is better off than Tigray Regional State. This is one of the main contributions of this study to the knowledge in the field of development studies and the policy makers in the country.

#### 6.4. Recommendations

From the overall discussions above, unlike the views of most of the key informants from the federal and regional states, the emerging region of Gambella was found to be relatively better than the “developed” region of Tigray. However, as discussed in Chapter Two and Chapter Three, reducing regional development disparity and ensuring sustainable regional growth needs a strong political

commitment of all stakeholders and the capacity to design and implement various policies and programmes.

The following recommendations are shared to bring about balanced regional development in both Gambella and Tigray regional states. The forwarded recommendations are directly or indirectly related to the discussions in the finding section and the experiences of the selected countries in the world such as China, United States of America, and Brazil. The experiences of these states could help to address the regional imbalances in Ethiopia. The following recommendations are made based on the findings of this study.

#### 6.4.1. Recommendations Related to Road Infrastructure, Governance and Revenue Collection

Design a thoughtful and integrated region-specific development policy. For example, the design and implementation of a demand driven and region-specific capacity building programme that could address the ineffectiveness of policy implementation and skill gaps in emerging regions such as Gambella would help regional leaders and civil servants to complete projects on time and collect adequate tax as planned. The regional governments should allocate additional budget on the road sectors to connect Woreda to Woreda. The URRAP should be supported by adequate budget to increase the road network in the regions.

As strongly observed from the discussion with respondents, regional states have very limited fiscal capacity and autonomy. Hence, granting more revenue collection autonomy to regions may reduce the existing fiscal gap. For this to happen, regions should mobilise additional finance from their own sources.

Design and implement a mechanism to enforce financial and political accountability, good governance, and reduce corruption. Some of the main challenges identified by respondents in emerging regions such as Gambella was weak accountability of the political officials, and lack of good governance leading to pervasive corruption. For this reason, it would be necessary to design and

enforce rules and regulations and take appropriate measures with the culprits. Establishing regional growth corridors, growth poles, preferential treatment, and infrastructure such as railways, industrial parks, and market centres in peripheral regions such as Gambella. There is a huge natural resource potential in both Gambella and Tigray Regional states. Hence, constructing railways, industrial parks, urban settlements and market centres would facilitate the effective utilisations of these resources.

Establishing Research and Development Centres will accelerate regional development and contribute to the national growth of the country. Furthermore, allocating more investment in infrastructure, urban development and higher education in the two regions would help to create new jobs and attract the private sector to the region. These best experiences could be drawn from China, the US and Brazil. Design and implement policies to promote regional competitiveness, innovation through business development, human resource development, and cluster developments in regions. In this regard, best practices and lessons could be taken from the regional development policies, strategies, and instruments of countries such as the US, China and Brazil, as discussed in this paper above.

#### 6.4.2. Recommendations Related to Health and Education

It is necessary to increase community participation through creative and dynamic means, since insufficient community ownership and participation was one of the main problems identified by respondents. Hence, more effort needs to be made to involve local people, particularly the native ethnic groups, to address the low participation and dropout rates of students, particularly girls. In order to reduce the gender gap, the absenteeism of teachers and students, and the low participation of parents in schools' affairs, attention should be given to increased cooperation and partnership between schools and the community.

Ensure sufficient health and education facilities. There is significant health and education infrastructure in the Tigray region. However, Gambella was found to be

better off in terms of the ratio of the number of health and education services per population. However, the number of populations in the study regions has been growing over time. Hence, additional efforts need to be made to construct health and education facilities in both regions in order to satisfy the growing demands of the population. Fostering a healthy relationship between teachers and students to increase the rate of students' participation and families. The lack of interest of students to learn was identified as a major problem in Gambella region and taking additional measures to reduce high under five mortality rates including providing immunisation to both children and mothers. This measure may help regional states achieve millennium Development Goals and Sustainable Development Goals.

#### 6.4.3. Recommendations Related to Federal Government Support

Maintain a lasting peace, political stability, and good governance in both regions with a particular focus on solving the recurrent ethnic conflicts between the two major clans and the killing of the 'Highlanders' in the Gambella region. The number of people who came from other regions of the country in the Gambella region is greater than the people of Gambella. Design a regional development policy based on the unique features of each region and avoid any blanket recommendation of policies. Pre-test policies before full implementation of any interventions to determine feasibility and avoid negative consequences. Provide more consistent technical assistance and consultant services to the leadership of the emerging regions such as Gambella to increase the effective implementation of designing regional development policies. However, as argued by respondents, this should not compromise the autonomy and independence of regions.

It is necessary to ensure a strong working partnership between The Special Support Board, Ministry of Federal Affairs, House of Federation and other development actors. It was argued that a lack of strong coordination and participation between development actors is a critical factor hindering balanced development. It is necessary to develop a strong sense of full ownership and political commitment of regional leadership and civil servants to implement policies

and programmes. Weak political commitment, political will and weak capacity are the major factors for successful balanced regional development. It is necessary to strengthen the link and collaboration between the developed and underdeveloped regions through intergovernmental relations. Although there have been some encouraging efforts in forging a state to state relationship and cooperation in Ethiopia, there is still a need to work on strengthening a horizontal collaboration among the regional states. Strengthening the relationship between neighboring Woredas, Kebels, and sector institutions.

The Federal Government should strengthen the Special Support Board. One way of doing this could be to establish a Ministry of Regional Development to effectively coordinate development actors and mobilise resources. Furthermore, it is necessary to establish a strong and effective coordination and monitoring and evaluation system to track the implementation of regional development policies. Strengthening financial transparency and accountability mechanisms is required, along with procedures to make sure that the subsidies allocated are efficiently used and the House of Federation should revise the existing grant formula and design and implement a new federal grant formula which takes into account the critical problems of each region. This may address the historical injustices and sense of marginalisation and develop a sense of national feeling among the people of Gambella.

#### 6.4.4. Recommendations Related to the Agricultural Sector

Establish small, medium and large-scale commercial agriculture through direct consultation with the indigenous population and ensure their benefit. According to respondents, there is a sense of marginalisation and lack of sense of belonging in the part of the people of Gambella. Provision of agricultural subsidies for small-holder farmers and pastoralists in the Gambella region and modernise the weak agricultural extension system. Preserve and develop regional forest, water, and wildlife resources in each region with the participation of the local people. According to respondents from Gambella region, the foreign large-scale

commercial investments brought a negative impact on the forest and the environment of the region.

It is necessary to follow-up and regulate foreign commercial agricultural investments in the Gambella region and take legal measures to reduce the impact of climate change on the environment, national parks, wild animals, and forest resources of the regions, and to scale up the ongoing villagisation and settlement programmes and provide the necessary infrastructure such as health, education, electricity, grain mill, drinking water, etc. It is clear that currently, there are thousands of refugees from neighboring countries, especially from South Sudan, and there is great pressure on the natural resource and competition over the scare resources and strengthen the Farmer Training Centres in the study regions that provide the necessary training for development agents.

#### General Comments

- a. Leaders' and people's perceptions, indicating that one region is better than the other, should not be accepted as fact until a critical analysis has been made. Contrary to many people's expectations, Gambella was better off than Tigray in many indicators, as pointed out above; yet, even professionals that were interviewed drew on perceptions other than facts, which was unfortunate.
- b. Infrastructure development does not always translate into the livelihood of people has been improved. Tigray experienced a great deal of infrastructure development, where many of the social indicators and even road networks were behind Gambella. Life expectancy alone in Gambella was higher than the Tigray region, which showed that people in Gambella were better off.
- c. The fact that a region supports opposition party and not the ruling government does not mean that the government will neglect it, as was the case of Gambella.

- d. While Gambella performed well in the last 20 years in many indicators, the time has now come for the Federal Government to ensure there is an infrastructure development in Gambella to enhance regional development.
- e. The comparison between Gambella and Tigray as a region that is struggling and a region that is doing well was helpful. However, if such a comparison is to be done again, it may be a good idea to ensure that the population sizes are also comparable as a small investment in a less populated area makes more gains than the same size investment in a very populated area. It is also important to ensure that critical indicators are used at the Federal level to compare regions as they invest to avoid over investing in what one may call a “backward region”, while it is not and then further create regional imbalance.
- f. In future research, one would also want to analyse the impact of commercial farming in Gambella on social indicators. This is important, because even when one examined the unemployment rate in Gambella, it was better off than Tigray.

#### 6.5. Suggestions for Future Study

From a total of nine regions in Ethiopia, this study covered only two. Hence, it would be beneficial to study the regional development policy challenges in the country which include all nine regions. This study focused on analysing the ratio of health, education, agriculture revenue, and road infrastructure developments to the number of regional populations in the two regional states in the past 20 years. Thus, it would be helpful to have a comprehensive study, which includes amongst other factors regional industrial developments, regional urbanisation, regional GDP growth, and regional employment and unemployment levels.

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a. List of Annexes

Annex I: Regulation N. /2011

The Council of Ministers Regulation for the establishment of Federal special support Board to provide Affirmative support for those Regions needs to special support. These Regulations is issued by the council of Ministers pursuant to Article 34 of the definition of powers and duties of the executive organs of the Federal Democratic Republic of Ethiopia proclamation 691/2003.

1. Short Title

These Regulations may be cited as “The Council of Ministers Regulations for the establishment of Federal Board to provide Affirmative support for those Regions needs to special support Regulations No.../2011.”

2. Definition

In these regulations

1. “Regions need special support “means Regional States of Afar, Somali, Gambella and Benishangul Gumuz.
2. “Affirmative support” means special supports that provide regard to economic development, good governance and to build their capacity to ensure sustainable development in those Regions.

3. Establishment

1. Federal Board to provide Affirmative support for those Regions needs special support / herein after referred to as the “Board ” /having its own legal personality is established by these regulation.

2. The Board shall be accountable to the Prime Minister.

4. Objective

The objective of the Board shall be:

1. Directive, Coordinate and to ensure the effectiveness of special support that provide by organs of Federal Government.
2. Provide the necessary support for the regions in the carryout democratization, sustainable effort to development and capacity building based on vision and plan.

#### 5. Common Responsibilities and Duties of the Board

1. Provide special support to sustainable capacity building to the regions that their capability to implementation and the Regions that become self-reliant.
2. Initiate planning ideas, give Coordinate and ensure sustainable support with respect to plan preparation, implementation and follow up the integrated special support that provided to the Regions.
3. Direct, coordinate economic development and good governance support provided to the regions and to ensure its effectiveness.
4. Establish Federal special support technical committee they are having necessary professions and experiences.
5. For to achieve its objectives successfully, the board may call the indispensable organs to participate on the meeting.

#### 6. Members of the Board

- a) Chairperson of the board nominated by the prime minister
- b) Ministry of federal affairs .....deputy chairperson
- c) ministry of education.....””
- d) ministry of health.....””
- e) Ministry of water and energy.....””

- f) Ministry of civil service.. .....””
- g) Other members nominated by the prime minister.....””

## 7. Individual Responsibilities and Duties of the Board

Without prejudice to the responsibilities and duties given to it by its establishment proclamation and other laws, every member of the board shall the following responsibilities and duties with regard to the affirmative support it provides:-

1. Identify and plan, in collaboration with relevant neighboring sectoral regional bureau, regional officials and professionals, issue that will bring about critical issues and growth as well as development and capacity building, ensure its compatibility with the country’s objectives and standards, implement, evaluate and ensure its effectiveness
2. Create its own structure to efficiently implement jointly prepared plan of decisive issues and if necessary, deploy competent human power in the regions to make the plan effective.
3. To make sure the implementation of the plan in the regions and at every similar level of structure, properly implement capacity building in organizational and working procedures.
4. Incorporate by taking into account the objectives conditions of the regions local and foreign better practices relevant for the implementation of the plan and create conducive conditions to exchange sect oral better practices among the regions.
5. Identify inputs that cannot be covered by the regions and closely follow up and support its implementation.
6. Evaluate implementation of the plan every quarter with relevant sectoral officials and professionals of the regions and neighboring regions

and present implementation report to the Board through high officials of the institutions.

8. Powers and Duties of chairperson of the Board

1. Direct the activities of the Board,
2. Without prejudice the general provision of article /1/ of this article the chairperson shall;
  - a. Implement responsibilities and duties defined in article /5/ and /7/ of this regulation.
  - b. Call and chair the regular meeting of the special support Board.

9. Powers and Duties of the deputy chairperson of the Board

1. Act in the absence of the chairperson;
2. Serve as a coordinating center of federal support and follow up the implementation of the decision of the Board.
3. Chair the meeting of the technical committee of the special support.
4. Coordinate and follow up the proper implementation of individual and joint responsibilities and duties of Board members and Submit quarterly report to the Board and prime minister.

10. Meeting of the Board and Evaluations

1. The Board shall meet once every three month. If necessary the chairperson may call extraordinary meeting,
2. There shall be a quorum where more than half of the members of the Board are present.

3. Decisions of the Board shall be valid if more than half of those present voted. However, in the event of a tie, the chairperson shall have a casting vote.

4. The Board may adopt its own rule of procedures with regard to its meeting.

5. High officials of the Board members shall, together with high regional officials and professionals, during the first and third quarters evaluate the implementation of the plan by being present in the regions and jointly identify and follow up decisive issues which deserve attention.

6. Members of federal special support Board and concerned regional high officials evaluate the implementation of the plan every quarter and approve the next

#### 11. Accountability

Any Members of the Board failing to discharge its responsibilities and duties under these Regulations shall be held liable.

#### 12. Inapplicable Laws

1. Regulation No.103/96 and 128/99 are repealed by this Regulation.

2. No Regulation or Directive shall, in so far as it is inconsistent with the provisions of these Regulations, be applicable with respect to matters for by these Regulations.

#### 13. Power to issue Directive

The Board may issues respectively, issues Directives necessary for proper implementation of these Regulations.

14. Effective Date: These Regulations shall come enter in to force as of \_\_\_\_\_ day of \_\_\_\_\_/2011, done at Addis Ababa, this \_\_\_\_\_ day of \_\_\_\_\_ day of \_\_\_\_\_/2011

MELESE ZENAWI

PRIME MINISTER OF THE FEDERAL DEMOCRATIC, REPUBLIC OF  
ETHIOPIA

## Annex II Interview Checklists

Interview Checklist for Research Institutions, NGOs and Political parties (Code 1)

### INFORMED CONSENT FOR INTERVIEWS [PhD Dissertation]

I, -----, agree to be interviewed for the project entitled *The Trends and Patterns of Regional Development in Ethiopia: An Assessment of Policy Implications and its Challenges* which is being produced by Aliyou Wudu of Jimma University.

I certify that I have been told of the confidentiality of information collected for this project and the anonymity of my participation; that I have been given satisfactory answers to my inquiries concerning the objectives of the research, benefits, risks and other issues; and that I have been advised that I am free to withdraw my consent and to discontinue participation in the project or activity at any time without prejudice.

I agree to participate in one or more interviews for this project. I understand that such interviews and related materials will be kept completely anonymous, and that the results of this study may be published in an academic journal or book. I agree that any information obtained from this research may be used in any way thought best for this study.

Date \_\_\_\_\_

Signature of Interviewee \_\_\_\_\_

If you cannot obtain satisfactory answers to your questions or have comments or complaints about your treatment in this study, contact:

*[Aliyou Wudu, Mob. 0911718555; email. aliyouwudu@ymail.comCc: signed copy to interviewee*

#### Part I: Background Questions

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

#### Part II: Regional Development Policy implementation challenges

1. Do you think that there is regional development policy in Post-1991 Ethiopia?, If yes, mention the name of the policy
2. Do you think that the RD policy has been effective in reducing the economic development disparity among regions? If yes, how? If no, why?
3. In your opinion, what are the major factors/reasons for regional economic disparity in Ethiopia?

4. Do you think that the Federal Government is doing well to reduce the development disparity among regions? List the policy and practical measures taken.
5. How do you observe the will and commitment of political authorities in Ethiopia to bring equitable and balanced development among regional states in Ethiopia?
6. Do you think that the Special Support Board established by the Federal Government is doing well to help emerging regions? What are the limitations of the Board?

### Part III. Implications of RD policy on the environment and the people

1. In your view, what are the problems of settlements on the forest and wildlife of the region?
2. What are the unintended consequences of large-scale commercial agricultural investment on the environment of the region?
3. What are the impacts of large-scale agriculture on the livelihood of the people of the region?
4. What do you think are the solution to bring balanced regional development in Ethiopia?
5. Additional suggestions:

THANK YOU FOR YOUR COOPERATION

## Interview Checklist for Experts working in education Offices (Code 2)

### Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

### Part II: Education performances (1995- 2015)

1. Have there been changes in education performances in the two regions in the past 20years? If yes, what?
2. Which Regional State (Gambella or Tigray) have better access (NER, GER, GPI) to primary and secondary education? Why?
3. Can you explain the major factors attributed for the performance differences among the two regions?
4. What were the major challenges faced in the education sector performance in Gambella and Tigray regions?
5. How do you explain the Federal Government support to the emerging regions?

6. What are the strengths and weaknesses of the federal support programs?

### Part III: Challenges and Implications of regional education development disparities

1. What would be the implications of regional education disparities in the two regions?
2. What are the most important causes of regional education disparities in the two regions?
3. How do you explain the political commitment of the Federal and the two regional states in Ethiopia to bring equitable regional development?

## Interview checklists for Experts working in Road Authority (Code 3)

### Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

### Part II: General questions

1. Have there been changes in access to road in the two regions in the past 20 years? If yes, what?
2. Which Regional State (Gambella or Tigray) have better access to road sector? Why?
3. Can you explain the major factors attributed for the performance differences among the two regions?
4. What were the major challenges faced in the road sector performance In Gambella and Tigray regions?
5. How do you explain the Federal Government support to the emerging regions?

6. What are the strengths and weaknesses of the federal support programs?

### Part III: Challenges and Implications of regional education development disparities

1. What would be the implications of regional road sector disparities in the two regions?
2. What are the most important causes of regional road sector performance disparities in the two regions?
3. How do you explain the political commitment of the Federal and the two regional states in Ethiopia to bring equitable regional development in road sector?
4. If have additional suggestions.

### Interview checklists for Experts working in Finance and Economic Development Offices (Code 4)

#### Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

## Part II: Revenue and expenditure Performances (1995- 2015)

1. Have there been changes in revenue performances in the two regions in the past 20 years? If yes, what?
2. Which Regional State (Gambella or Tigray) have higher revenue collection performance? Why?
3. Can you explain the major factors attributed for the performance differences among the two regions?
4. What were the major challenges faced in the revenue sector performance In Gambella and Tigray regions?
5. How do you explain the Federal Government support to the emerging regions?
6. What are the strengths and weaknesses of the federal support programs?

## Part III: Challenges and Implications of revenue and budget disparities

1. What would be the implications of regional revenue disparities in the two regions?
2. What are the most important causes of regional revenue disparities in the two regions?
3. How do you explain the political commitment of the Federal and the two regional states in Ethiopia to bring equitable regional development?
4. If you have additional points to suggest.

## Interview checklists Experts working in Health offices (Code 5)

### Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

### Part II: Health Sector performances (1995- 2015)

1. Have there been changes in health performances (access, mortality rates and life expectancy) in the two regions in the past 20 years? If yes, what?
2. Why has child mortality rate increased (from 42 to 71 in Tigray and from 70 to 78 in Gambella) from 1995-2015?
3. Why is the number of health human resource (nurses, health officers, doctors, and life expectancy) in Tigray and Gambella regions are differ in the past 20 years?
4. Why is the differences in the proportion of health facilities (hospitals, health centers, clinics and hospital beds) and mortality rates in Tigray and Gambella regions are too wide in the past 20years?

5. Can you explain the major factors attributed for the performance differences among the two regions?
6. What were the major challenges faced in the health sector performance In Gambella and Tigray regions?
7. How do you explain the Federal Government support to the emerging regions?
8. What are the strengths and weaknesses of the federal support programs?

### Part III: Challenges and Implications of regional education development disparities

1. What would be the implications of regional health disparities in the two regions?
2. What are the most important causes of regional health disparities in the two regions?
3. How do you explain the political commitment of the Federal and the two regional states in Ethiopia to bring equitable regional health development?
4. If you have some points to suggest

THANK YOU FOR YOUR COOPERATION

## Interview checklists for experts working in offices of Agriculture and Rural

### Development (Code 6)

#### Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

#### Part II: Agricultural Sector performances (1995- 2015)

1. Have there been changes in agricultural sector performances in the two regions in the past 20 years? If yes, what?
2. According to the data from the CSA, the disparities in the numbers of irrigated agricultural land in Tigray and Gambella regions is too wide Why?
3. Why is agricultural production and productivity differ in Tigray and Gambella regions?
4. Why is the number of people who received relief food differ in the two regions too much wide?
5. Can you explain the major factors attributed for the performance differences among the two regions?

6. What were the major challenges faced in the agricultural sector performance InGambella and Tigray regions?
7. What are the strengths and weaknesses of the federal support programs?
8. How do you explain the political commitment of the Federal and the two regional States to bring equitable regional development?
9. Can you explain the major consequences of agricultural regional development policy of Ethiopia on the regional environment?
10. What were the impacts of the investments on the environment of Gambella region?
11. What are the benefits and limitations of the Villagization programs implemented in regions such as Gambella?

Interview Checklist for Experts working in House of Federation and Ministry of  
Federal Affairs (Code 7)

Part I: Background Question

1. Name of the Organization: \_\_\_\_\_
2. Name of the interviewee: \_\_\_\_\_
3. Age: \_\_\_\_\_
4. Current Position: \_\_\_\_\_
5. Work Experience: \_\_\_\_\_
6. Educational Level: \_\_\_\_\_
7. Marital Status: \_\_\_\_\_
8. Sex: \_\_\_\_\_

Part II: Regional development Policy challenges and Implications

1. Could you briefly explain the successes registered in bringing equitable regional development in Tigray and Gambella regions in the past 20 years?
2. Which Regional State (Gambella or Tigray) have better performance in health, education, revenue collection, road and agriculture? Why?
3. Can you explain the major factors attributed for the performance differences among the two regions?
4. What were the major challenges faced in the regional development policy implementations In Gambella and Tigray regions?

5. How do you explain the Federal Government support to the emerging regions?

6. What are the strengths and weaknesses of the federal support programs to regions?

### Part III: Challenges and Implications of regional education development disparities

1. What would be the implications of regional development disparities in the two regions?

2. What are the most important causes of regional disparities in the two regions?

3. How do you explain the political commitment of the Federal and the two regional states in Ethiopia to bring equitable regional development?

4. If you have some points to forward.