



**Public Roads Service Delivery and Governance:
The Case of the Benishangul Gumuz Regional State Rural
Roads Authority, Ethiopia**

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This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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Dedication

To my mother, Elizabeth Ejeta

With love and eternal appreciation

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List of Acronyms

ADB	Asian Development Bank
ADLI	Agricultural Development Led Industrialization
BGRRA	Benishangul Gumuz Regional State Rural Roads Authority
BGRS	Benishangul Gumuz Regional State
BoD	Board of Directors
BoFED	Bureau of Finance and Economic Development
BPR	Business Process Re-engineering
CBO	Community Based Organization
CGP	Country Governance Profile
CSO	Civil Society Organizations
DFID	Department for International Development
DS	Design Standard
EPRDF	Ethiopian People Revolutionary Democratic Front
ERA	Ethiopian Roads Authority
ERFA	Ethiopian Road Fund Agency
ETB	Ethiopian Birr (Currency)
ETV	Ethiopian Television
EU	European Union
FDRE	Federal Democratic Republic of Ethiopia
GERD	Grand Ethiopian Renaissance Dam
GIZ	Dutsche Gesellschaft für Internationale Zusammenarbeit (German Technical Cooperation)
GM	General Manager
GoE	Government of Ethiopia
GTP	Growth and Transformation Plan
IMF	International Monetary Foundation
ISS	International Institute of Social Studies
K.m	Kilometer
MDG	Millennium Development Goal
NGO	Non-Governmental Organization
NPM	New Public Management
OECD	Organization for Economic Cooperation and Development
PASDEP	Plan for Accelerated and Sustainable Development to End Poverty
PPP	Public Private Partnership
RCMCP	Road Construction and Maintenance Core Process
RRA	Rural Roads Authority
RSDP	Road Sector Development Program
RSDSACP	Road Study, Design, Supervision, and Administration Core Process
Sq.km	Square Kilometers
TPA	Traditional Public Administration
TV	Television
UN	United Nations
USA	United States of America
USD	United States Dollar
WB	World Bank

Abstract

This paper aims at assessing the service delivery and governance system in the road agencies of the Benishangul Gumuz Regional State (BGRS). On one hand, most of the literatures and reports prepared both at national and regional levels claims, the road agencies are not performing as much they were supposed to do due to financial limitations. On the other hand, the country is allocating much budget for road network expansion which made road a number one financed sector in the nation. This contradiction clearly shows, there should be another way to look at the gaps which are hampering the performance of road agencies. That is, Governance problem. Accordingly, this paper examines the capacity and role of different actors and governance system is in place for the public road service delivery in the regional state.

The research reveals that, while the private firms are playing a foremost role from among the non-state actors, the role of the public is still neglected. The ways through which platforms have been designed in different institutional setups and reform programs that invited the public to play its role are still lagging behind. The level of *transparency* is higher in the road agencies at higher level than those at lower administrative levels. The road agencies in the region are less *responsive* to the public demand. The main reason for this problem comprises of limitations in human resource capacity and political interferences in prioritization. Absence of appropriate *voicing* mechanisms and media coverage has highly affected the responsiveness to the public. On the other hand, there is no direct mechanism in which the road agencies become directly *accountable* to the road users. Similar to these, the major bottlenecks, the lower competency of the existed staff in the regional road agencies and appropriateness to the position they hold as well as the unbalance of budget allocation for further specific topics in the agency (e.g. Between the maintenance and construction works, between the higher and lower level agencies) made the governance and the service delivery abound. These in turn have effect in obstructing the level of transparency, responsiveness, voicing, and accountability. However, for the better performance of the road agencies, building the capacity of the road agencies should not be the only solution. Rather, policies must adhere empowering the demand side, the public, so that they can manage to uphold their voice and hold the service providers accountable to make the service a demand driven.

Relevance to Development Studies

Public service delivery in the context of developing countries has been widely characterized as mostly inefficient and ineffective in addressing public demand. The most common strategy to improve the supply of public services is to improve the capacity of the service supplying agencies so as they can manage to increase the service both in amount and quality. Even if this strategy worked and brought a significant change in improving the performance of the public sector, it should be transformed to a demand driven public service delivery by empowering the public to play a major role as an important actor in the governance system of developing countries.

This study hints at the role of the demand side (the public) in the service delivery as an addition to capacitating the public service providers in order to tackle the socioeconomic problems in specific to the Benishangul Gumuz Regional State and Ethiopia in general in a comprehensive manner. It is due to these qualifications, I found this study adds something relevant to the area of development studies.

Key words: Infrastructure, Public Service Delivery, Road, Governance, Transparency, Responsiveness, Accountability, Voicing, Capacity, Principal, Agent.

Chapter 1

1.1. Introduction

The development of road infrastructure plays a significant role for the socio-economic development of a country. As well, it has political importance for regional integrity. It is a complementary investment that support and facilitate the operation of other development activities (Banister and Berechman 2001). Accordingly, it has a facilitative role in supporting/progressing development along with other factors such as availability of good quality human capital; finance for investment in the development plans; and other political conditions like favorable legal frameworks, policies, supportive policy actions and political stability. In addition, it facilitates dispersion of investments regionally (Peck 1996); improves productivity and facilitating market access, easy and comfortable mobility which in turn leads to a reduction in production cost (Banister and Berechman 2001) and so on.

In general, efficient and transparent public service delivery, specifically the provision of improved public roads requires a thorough attention since its failure can trap country's movement for sustainable development and eradicating poverty. Accordingly, it should be managed with an appropriate approach that suits the context of a country or region.

There are a number of approaches applicable in public service delivery. The first one is the Traditional Public Administration (TPA) model that assumes the State as a sole provider of public service. But, in the contemporary world phenomena, especially in the case of developing countries this approach has got its limitations so that the state cannot provide the services alone due to administrative and resource limitations which has been undermined by an increasing demand for the services associated with rapid population growth, urbanization and rural developments. Due to these, New Public Management (NPM) Theory has become in to figure by reforming TPA acknowledging the role of the private actors as a key players in the service delivery. This approach is in turn limited to address the involvement of other non-state actors, especially the community from the demand side. Accordingly, this problem calls for new governance approach that promote the role of non-state actors from broader dimension as the private sector and the Civil Society Organizations (CSOs) from the supply side of the public service delivery and the community from the demand side of the public service.

Here the supply side represents multi-stake holders which involve in the production as well as the delivery of the public services, while the demand side refers citizens and their role in raising and articulating their need towards the performance of the public service providers with respect to access, service quality, appropriate time of the service delivery and holding the provider accountable for its poor performances. The demand and supply side interaction will be seen in the broader framework of the Principal-Agent Theory.

The research paper focuses on the role of different actors (the state and non-state actors) as well as evaluating the public road service delivery in the Benishangul Gumuz Regional State (BGRS) from the angle of governance principles- accountability, transparency, responsiveness, and voicing; as well as interaction of citizens (principals) and service providing agencies (agents). Finally, it will come up with a policy implication for the betterment in the governance and roads service delivery in the region.

1.2. Background

Ethiopia is one of the ancient states in Africa and used to be ruled by purely central and monarchical types of political systems for centuries up to the time of Emperor Haileselesie, the last monarch who ruled the country from 1931 to 1974. After the overthrow of the Emperor by internal movements, the new Socialist military regime, 'Dreg' has taken the advantage to set a government power due to the power vacuum left after the uprising, the Ethiopian students' movement, but lost its power in 1991 by the military aggression from the Ethiopian People Revolutionary Democratic Front (EPRDF). Accordingly, the EPRDF has organized a National Peace Conference and approved a Transitional Charter, which was a base to formulate a transitional government which governed the country from 1991-95. In 1995, new constitution was formulated and adopted a new political system, ethnic based federalism, in which the 11 administrative divisions jointly constituted the Federal Democratic Republic of Ethiopia (FDRE) and the first multi-party election was held by the same year. EPRDF is ruling the country since 1991.

The 2014 estimate of the total population of Ethiopia is the about 94.3 million (CSA 2013). This figure makes the country the 13th World's and the 2nd African most populous nation. The total surface area of the country is about 1.1 million sq. km (World Bank 2014a).

Since the fall of the socialist Derg regime in 1991, the country has shifted its economic system from command to market economy with a continuous deregulation and liberalization reform actions with the help of the World Bank and IMF. Later the Agricultural Development Led Industrialization (ADLI) was adopted as a country strategy in 1999. In addition, the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP) and the five years ambitious Growth and Transformation Plan (GTP) was launched in 2005 and 2010 respectively (EPA 2012). On the other hand the Country Governance Profile (CGP) of Ethiopia, which is mainly a mirror image for the existed development and the content of the policy on the governance part of the PASDEP has assessed the good governance in Ethiopia in terms of "accountability, transparency, participation, judicial and legal reform and anti-corruption, efficiency and effectiveness" (FDRE 2009: 1).

With the huge population of the nation and extended area of land and settlement, the country's road infrastructure asset before 1991 had been stacked below 26,500 km which made the economic development of the nation to lag by hampering movements from one place to the other corners for economic activities like production and trade, development of other public services and social movements. In order to improve the country's road network status and provide improved basic road infrastructure services to the community at large, the Government of Ethiopia (GoE) decided to implement a Road Sector Development Program (RSDP) in 1997. The RSDP had four successive phases in which the first phase (1997-2002) aimed at rehabilitating, maintaining and upgrading the existed roads while the second (2002-2007), the third (2007-2010) and the fourth (2010 up-to-date) phases have added the construction of newly roads in addition to their aims in the first phase.

Table 1 RSDP Physical and financial accomplishments 1997-2010

Indicator	Base year /1997/	RSDP-I /1997-2002/	RSDP-II /2002-2007/	RSDP-III /2007-2010/	RSDP-IV 2010-2013
Total Road Network (in Km)	26550	33297	42429	48793	85966
Total Road Network in good condition(in km)	5841	9989	20790	27324	60176
Total Road Network in bad condition(in km)	20709	23308	21639	21467	25790
Percentage of Total Road Network in good condition	22 %	30 %	49 %	56 %	70%
Road Density /1000 sq.km	24km	30km	39km	44km	78.3 km
Allocated budget for roads construction (in Millions ETB)	-	8067.5	11439.4	28748.8	25691.9
Disbursed budget for roads construction (in Millions ETB)	-	4497.6 (55.7%)	12847.6 (112.3)	28836 (100.3)	31448.1 (122.4)
Allocated budget for roads Maintenance (in Millions ETB)	-	1078.4	2009	4414.7	1762.2
Disbursed budget for roads Maintenance (in Millions ETB)	-	800.9 (74.2%)	2881.6 (143.4)	4475.7 (101.4)	1290.2 (73.2)

Source: Adapted from RSDP 16 years assessment report (ERA 2013)

The attempts to expand the network and maintain the existing stock, road agencies have been organized hierarchically from the Federal government level through to the Regional, zonal and to the lowest Woreda (District) and Kebele administrative levels. At the federal level, there are two Road agencies called the Ethiopian Roads Authority (ERA) and the Ethiopian Road Fund Administration (ERFA) which are established under the umbrella of the Ministry of Transport. While the ERA is an authorized agency to construct highways interlinking regions of the country and the nation with the neighboring countries (FDRE 1997a), ERFA is an agency established for providing a financial resource for the purpose of maintaining the existing stock of road in the country with a principle, cost of roads maintenance will be collected from the users of the road infrastructure (FDRE 1997b). The nine regions and the two city administrations (Addis Ababa and Diredawa) have their respective regional road agencies. These agencies are authorized to construct link roads that interlink districts to districts, districts to zones and zones to zones within their administrative boundary by the budget from their respective regional councils. Zonal level Road agencies (road maintenance offices) are agencies that are fully attributed to maintaining the roads that are being administered by the regional road agencies by the finance from the ERFA being transferred through the regional road agencies. At the lowest administrative level, there are district level road desks to construct access roads by labor-based methods to interlink Kebeles.

The Benishangul Gumuz Regional State (BGRS) is a specific region which was chosen as a specific area of this research. The region is located in the Western part of the country. The 2014 total projected population of the region is 975,998 (CSA 2013) on a total land area of 50,698 Sq.km (GEOHIVE 2014). The settlement pattern of the region is scattered and the region is characterized by lack of infrastructure, especially road. The road network of the region is about 2036 and the road density is about 40 km per 1000 sq.km in 2014 which is even by far the lowest from the national average 78.3.

The region is divided into three zones and each zone is divided into Districts (here after we call it 'Woreda'), and each Woreda is further divided into different 'Kebele'.

1.3. Problem statement

An effective state is crucial to provide quality public services for economic growth, poverty reduction, and social protection (World Bank 2013). However, in the case of most developing countries, the dissatisfaction in the provision or access to public services is becoming persistent (OECD 2008). To illustrate this, about one billion people living in developing countries have no access to transport infrastructure (World Bank 2014b). Many developing countries, the developing African countries, have a problem of access to financial and human resources which limited the fulfillment of the demand for public services which has a significant contribution in improving the livelihood of citizens (Thornhill n.d). In addition, Ferranti, Griffin et al. (2006) explained the characteristics of these problems as problems of ‘efficiency and equitability’ in delivering public services.

The mostly stated and commonly known factor that is challenging the road sector development in Ethiopia is lack of finance both for the network expansion as well as maintenance and rehabilitation of the infrastructure. Compared to the last three and four decades, the expansion of road network has got attention and grown significantly to help the development of other sectors of the economy. On the other hand, the country has lost much asset value since maintaining the huge amount of the asset requires additional resources (finance, human resource). In recent years, since finance is limited resource in developing countries, and in the context of Ethiopia, the financial utilization over the allotted budgets is expected to be very high, but the financial utilization of the road agencies for the last three years have become by far below 100 percent. While on the other hand the financial utilization of the construction works which are mainly handled by private firms have mainly a financial accomplishment above 100 percent. The existence of this phenomena calls for another issues that should be addressed. These are institutional and capacity as well as governance problems such as lack of accountability between actors, transparency and responsiveness by the government and other service delivering actors which are generally limiting them from participating in policy planning (design), appropriate mechanisms of monitoring and evaluation. These are the main problems that should be addressed in order to provide counter solutions for the incapacity of public road service delivery. Ostrom (1996) explained this in other way of looking on the incapacity in the service delivery as, good agency performance can only be achieved by improving the responsiveness of public agencies to the service users (customers), rather than strengthening the public agencies.

Due to this governance problems, a conflict of goals between the public and the service provider (the public agency) and information asymmetry in which the service providers are more informed than the public may happen (Waterman 1998). Government’s restrictions on access to information on poor service delivery of public agencies or backward communication technologies can contribute for the existence of the information asymmetry. In addition, focusing only on the supply side of the public service delivery doesn’t make the sector more efficient, but also giving parallel attention to the demand side in which the service users request for improved public service delivery through better decision and actions by the state. According to the Kouzmin (2006), the influence of the demand side (the public needs) on the improvement in the public service delivery is basically determined by citizens level of illiteracy in such a way their capacity to express the level of service and their demand. In other words, the lower ability of the public to voice and demand an improved public service may result in poor service delivery by the state or a service delivery that does not console with the need of the public.

On the other hand, in this context, since the state is the sole provider of the public service, the role of the private sector in providing public service delivery is at an infant stage. The private firms only involve in constructing public roads competing for a bid for the works outsourced by the road agencies. In some instances, the private contractors enter into a contract to handle the maintenance requirements of the roads for a limited time (three to five years) after they have constructed by the agreement with the government agency only if the road deteriorates due to quality problem.

The whole essence of accountability and transparency in the public service delivery to the public is all about how the state should attain the maximum societal needs with the attempt to improve the state's service provision capacity through the 'corrective actions' and evaluative role of the public. The public should get a capability to voice and prioritize their needs as well claim their rights. The previously hidden and unclear information to the public should be clear and accessible through the 'transparency systems' (Joshi 2010).

Ethiopia is one of the poorest countries in the world suffering from poor public infrastructure service delivery (road) by the respective public organizations, as well characterized by lack of transparency, accountability and transparency. Even if road infrastructure development has significantly grown, the country has been ranked on the bottom with the countries of the world with the lowest road network. By the same sign with the expansion of the road network, the role of the non-state actors (private sector, the community, NGOs, and so on) in the public service delivery is not as much it can contribute to the sector.

1.4. Objectives of the study

Based upon the existing conditions of the road asset management, which aimed at satisfying the societal needs and existed problems, the general and specific objectives of the research paper are the followings:

The general objective of this research is to study the organization and capacity as well as the governance modalities in the public road service delivering agencies in the Benishangul Gumuz Regional State of Ethiopia and how they are effectively providing the service.

The followings are the specific objectives of the research:

- To evaluate the institutional setup, capacity and the different roles of the state and non-state actors are playing in the service delivery
- To assess and evaluate the applications of governance principles, accountability, transparency, responsiveness, and voicing in the public road service delivering agencies of the BGRS.
- A policy implication for the betterment in the governance and roads service delivery

1.5. Research question

General Question

What are the public road service delivery practices, governance dynamics, and challenges hindering effective road service delivery in the BGRS Rural Roads Authority?

Specific questions

- What governance system is in place for the road service delivery?
- What is the capacity and organization of the road agency that is primarily responsible to build, Operate and maintain roads in the region?
- What are the means by which the public (the clients) participates, hold the road agency accountable and it is transparent and participatory in the service delivery process?
- What are the challenges of the BGRS Rural Roads Authority?

1.6. Methodology

1.6.1. Research area and focus

Public infrastructure service delivery accommodates many of service provisions like Railways, communication (e.g. Telecom services), sewerage systems, water and electricity supplies, roads and so on. However, this study focuses on the road sector, which plays the most facilitative role in the development process, and even in the expansion of the other stated infrastructures. Accordingly, the study area chosen for this study was the Benishangul Gumuz Regional State of Ethiopia.

I used different criteria while choosing the BGRS as a study area. The first one is, the region is the most marginalized states in the country while it is serving as an investment hub for local and international investors; the center of huge government projects like the ongoing hydroelectric power project- the Grand Ethiopian Renaissance Dam which is one of the biggest hydroelectric plants in Africa. Accordingly, the research is intended to understand the governance in the public road service delivery in the BGRS.

1.6.2. Methods of data collection

The study has utilized a mix of primary and secondary data through semi-structured interviews and different online and published secondary data sources.

For the purpose of producing strategy and policy related information on the performance and development of the road sector, a desk review has been conducted. For collecting the primary data, key informant interview have been conducted with the informants both from supply (public service providers) and the demand side (the public). The interviews focused on questions related to capacity, partnership among the different actors, voicing mechanisms for citizens, transparency and accountability of road agencies, as well as the challenges those actors face and the opportunities for the development and improvement of the sector.

1.6.3. Sampling

For the sampling technique, purposive sampling technique was adopted to identify the respondents from both sides of the Public service providers and the public service users. Generally, respondents from both the supply and demand side were categorized as stakeholders in the public roads service delivery. These include:

The road agencies (at all administrative levels): From the Federal to Zonal level the head/planning department heads and public relations officers were chosen for interview based on a purposive sampling method. Accordingly, 2 respondents from the ERA and ERFA (At national level); 1 respondent from the BGRRA (at regional level); 1 respondent from Assosa Zone Road Maintenance Office (Zonal Level) and 2 district level road desk experts were chosen based on the criteria used for clustering to choose respondents as a public service users below. The total respondents from the road agencies were 6.

Private firms (consultants and contractors): 2 respondents from one consulting firm and one private contractor which have the highest amount of contract amount at current time were chosen.

NGOs (Working in the road sector): 1 respondent from NGOs working in the road sector capacity building gave its response to the study

The public at large: in the case of identifying respondents from the public (road users) I have chosen Assosa zone, a zone which has the highest population and road network as well as where the capital city of the region is found. Again, from this zone I have chosen Assosa and Menge Woredas which could help me to see the public road service delivery from the district with the highest and the lowest road networks in the zone. Then, the cluster went go further to choose 3 Kebeles from each Woredas which are relatively more interlinked with main roads. At this stage, I have chosen 4 respondents from each Kebele which comprises either of the Kebele community leader, agriculture extension and development agent, a nurse from the Kebele health post, and school director (elementary school). These respondents were chosen since the road access and service has a direct impact on their performance, and they can reflect the needs of the society very well. Accordingly, a total of 12 people were interviewed as respondents from the demand side.

Totally, 21 people were interviewed as respondents for the study in general both from the demand and supply sides.

Chapter 2

Literature Review and Analytical Framework

The responsibility of Public services delivery and improvement to satisfy the public needs has been a topic in academic debate relying on different theoretical justifications since 1980s after the conceptualization of public administration by Woodrow Wilson in 1887 (Wilson 1987) and later more theorized by the thoughts of Fredric Taylor and Max Weber (Mukanyajena 2012). The two theories for debate were the Traditional Public Administration (TPA) theory and the New Public Management (NPM) theory.

According to Mukanyajena, the TPA theory has got its fundamental theoretical bases from the thoughts of Fredric Taylor (USA) and Max Weber (Germany). The basic characteristics of this theory includes, an administrative style which is purely based on 'hierarchical model of bureaucracy' with an assumption that the staff is permanent, neutral, anonymous, there to serve the interest of the public and equally treat other 'governing party', administers public policy which is designed by politicians and the public service is the only product of public organizations (ibid).

Through time, the inefficiencies in public service delivery and full control of the state over the bureaucracy have called for another way of looking at the public management. Accordingly, the TPA which has mainly focused on 'bureaucratic hierarchy and planning' as well as central and direct control way of organizing and public service delivery were transformed to the NPM which is based on the rules of the market (Stewart and Walsh 1992) and the approach has adopted a set of managerial systems and mechanisms of performance from the private sector to the context of public sector (OECD 2013). And he has stated the characteristics of NPM used by OECD as a "Decentralization, Management by Objectives, Contracting out, Competition within government, and Consumer orientation" (ibid: 135).

Even if the above two theoretical frameworks had a success stories in different times, their main focus for the betterment in the public service delivery is only from the supply side actors. That is, in the TPM, the state's role is sole provider of the public service and better service delivery can only be achieved through the establishment of bureaucratic hierarchy and planning at the center. On the other hand, the NPM has come in to figure to cover the efficiency gap of the state agencies that may not fully serve the public demand by acknowledging the role of the private firms with a market-oriented system to the public agencies. The same with the TPM, the NPM also focuses only on the supply side. i.e. only on the role of the Public agency and private public service providers.

Having the above two public administration theories, the TPM and the NPM theories with their limitation of the focus only on the supply side of the service provision, this paper will present and use *a Responsive Governance Model* and *the Principal Agent Theory* which looks at the public service delivery should consider the role of the actors in the demand side. Here the demand side refers to the public service users.

2.1. The Responsive Governance Model

In the contemporary World, the public service delivery requires an involvement of multi-stakeholders representing different interests and parts of the society with the specific thoughts of governance rather than public administration. This means, rather than focusing only on the state as a sole service provider, adding the role of the private and civil society institutions as well as the community members in the service delivery or improvement.

Birner (2007) has explained the public service delivery as an action which involves identifying strategies from the supply and demand sides in the responsive governance model. So, in this case, an improvement in the service delivery can emanate from good governance system from the either sides, the supply and the demand sides.

The interaction of actors from the supply and the demand sides can be seen with a broader framework of the Principal-Agent Theory. While the demand side represents the interest of the public (the principals) and the supply side represent the service providers (the agents). The strategies addressing the supply side aims at enabling the poor people in interacting their demand for public service from the service providing public organizations being accountable, while the supply side strategy aimed at capacitating and improving ‘incentives of public administration and other service providers’ so as they provide as per the needs of the public. In some cases, mixed strategy in which the public service users directly involve in the service provision can be adopted (Birner 2007: 2). The followings are some of the understandings about the two strategies, the supply and demand side strategies of (ibid) and the broader framework, the Principal-Agent Theory mainly explained by (Awortwi 2012).

2.1.1. The demand side strategy

This strategy emphasizes on accountability and voicing aspects of good governance. It is building the citizens’ capacity especially marginalized societal groups in voicing their complaints and questions to claim for better public services and assuring the accountability of the service providing public organizations by providing appropriate institutional setup to facilitate this interaction.

Generally, the demand side strategy effort is to address the “voice, regulation, financial management, and transparency and accountability dimensions of governance” (ibid).

2.1.2. The supply side strategy

The supply side strategy is a strategy which is emphasizing on the betterment in the capacity and incentive for the public service providers in so that they can satisfy the public needs. Here the production and delivery of the service is through the participation of multiple stakeholders including the public organization, private firms, NGOs, CBOs, and citizens (Birner 2007).

The supply side strategy will be more effective with the fulfillment of the following points:

- i. Even if the demand side strategy assures the public to hold the public service provider accountable and citizens to voice their demand as well to inform citizens about resources allocated and outputs obtained from it, the supply side service providers should simultaneously have the ability to be responsive by supplying better services to the public demands.

- ii. Innovative approaches and new technologies; administrative and fiscal decentralization; and assuring the role of non-state actors (private firms, NGOs and CBOs) in the public service delivery. Innovative approaches may include standardization of products (services) based on production quality and customer satisfaction, computerizing and displaying organizational performances. This can increase transparency. On the other hand, administrative and fiscal decentralization improves the capacity of local governments by giving them political autonomy and financial capacity. On the other hand, it assumes the service providers to be effective and efficient. Finally, the modalities through which the non-state actors participate include Outsourcing (by contracting), Public Private Partnership (PPP), and privatization. This approach assumes when the service provision capacity of the public agency is limited compared to the higher service demand, the non-state actors can cover the gap by adding efforts to the sector.

The outsourcing (contracting) by the public organization to the private firms and any interaction between them needs a working bilateral agreement assuming the public organization primarily plays an 'agent' role and outsource some activities that are over its capacity to be performed by the private firms as per the quantity, quality and the time frame required by the principals, the public. If there exists a relationship between the public service provider and the private contracting party so as to fulfill the public needs, it should follow a series of tendering processes that are transparent and make both the contracting firm and the public service provider as well as the public service providing agency itself and the public at large.

Providing free information to the stakeholders, the CSO, the media or in other way the public at large and the way these stakeholders use it matters the issue of accountability. Additionally, highest level of accountability can be achieved through transparency (Paul 2008). Accountability is critically required in any public tender and procurement system. A system that lacks transparency and accountability could expose the public resources for corruption and miss utilization. These two aspects are mandatory even to the systems that are characterized with low level of corruption. Since they allow the public and civil society to look after each process of the service delivery and existing inefficiencies so that it can be reshaped to achieve the service delivery that fits the public demand (Bashuna 2013).

A deficiency in accountability facilitates corruption. Accordingly, Brinkerhoff (2004) stated three main elements of accountability. These are goals and end results measurements that helps to monitor and put sanctions for poor or non-performance or corrupted activities. On the other hand, an improvement in enabling information system that helps in measuring the respective input and output use and production; monitoring organizations and other CSOs that seeks the expansion of best performances; incentive mechanisms to promote better performances and penalties for underperformances.

2.2. Principal-Agent Theory

The whole matter of a principal agent theory is all about the interaction among the principal and agents and its impact on the services delivery to the demand side (Awortwi 2012). The Principal-Agent Theory has got its foundation in an attempt to solve the Agency risk. This happens when there exists a conflict of interest between the principal and the agent and when the acts or efforts of the principals towards fulfilling the interest of the agents are either unattainable or expensive in such a way that the principal costs much than the benefits to be obtained.

Having this overview of the theory, the next question is, who are the principals and who are agents? Different literatures on the Principal-Agent Theory used different entities as principal and agent based on their role in the reason of interaction among them. For instance, Gialmard (2010) has considered the public (citizens) as a principals and government bodies as agents. On the other hand, Amagoh (2009) has considered the government as a principal while contracting out some of its activities to private firms and the private sector as an agent while handling some activities outsourced by the public agencies.

The interaction among the principal and the agent mainly involves information asymmetry. This information asymmetry occurs when information that is crucial to attain the aims of the principal and/or that helps the agent to act on the behalf of the principal. In this case, the information that helps to achieve the goals that fulfill the demand by the principal is accessible to the agent at a considerably lower cost than the owners (the principals), which means the agent is more informed than its principal. The information gap between these two entities may make the agent to enjoy the advantage of holding more information (where there is limitation or no effective monitoring mechanisms) and underway to impose its interest at the expense of the other. However, mostly, the information advantage by the agents makes principals to ask for the service by the agent in place of pursuing their aims in a straight way through their own ways or action. For instance, a principals may seek some professional services for which they do not have professional competency and information. Here, for the agent there is a probability to pursue its interest in financial gain at the expense of the principals by charging them much more money than the work deserves. Because, the principals are not well informed (the agent has more information) about the cost that is required to provide the service.

This theory has mainly focused at *agency costs*- which mean the principal's costs to reduce agency risks. Agency cost is a cost that ascends due to the self-interest and bad faith of the agent which may result in problems on the contractual agreements between the two entities. There are two ways of reducing these risks. The first one is, to set up a monitoring mechanism to follow-up and control the performance of the agent to check the extent how it is managing to address the goals of the principals and to impose sanctions based up on the information obtained from the monitoring (the sanctions may involve a contract dismissal or non-renewal if the results of the monitoring shows the agent is performing poor). The second one is, the provision of incentives for better performances. This provision of incentives may take place in different ways. These are the economic incentives so that the agent can serve to the best interest of the principals and to recompense the principals at the time the agents fail to address their demand;

However, the Principal-Agent Theory has got its limitations. These are, it is one sided since it degraded the loyalty and professional ethics of the agents while addressing the goals of the agents and stained their picture as if they are always self-centered (Davis, Schoorman et al. 1997). In many cases, agents respectfully operate as per the value of the goals of the principals (the public) for instance, CBOs. Of course, the agent is not always supposed to be self-scarifying, rather understand mutual advantage brings more benefits. On the other hand the Principal-Agent Theory has neglected Principal's opportunistic behavior especially when the public bureaucrats seeks personal gains creating disagreements with the private firms (ibid, Schneider 1992)

In specific case of the outsourced activities of public agencies to be performed by engaging in contractual agreements with the private firms, the question is why to contract out and how to manage the poor performance of the firms. The main idea behind contracting out some proportion of the activities of the public sector is that, governments are basically inefficient to address the whole matter of the public (Huque

2005). Here efficiency can be referred as the reason for the contracting out in terms of the limited capacity of the public sector due to the existing limited structure and manpower; and cost reduction strategy (it is assumed that the private firms are cost efficient than public agencies). But contracting out has got criticism by the proponents of the Traditional Public Administration Theory considering as it tend to detriment the basic values of the public like equal treatment; and hampers the capacity of the public agencies (Brown and Potoski et al. 2006).

Specific to the area of the research, the BGRS of Ethiopia, the extent to which the principals as the actors from the demand side control over the public services providing agencies (agents) with the mechanisms like voicing, accountability and the readiness of the agencies to inform the public through the governance mechanisms like being transparent and to satisfy the needs of the public by being responsive has not yet been assessed. Therefore, this paper attempts to examine the extent to which the governance principles are implemented and capacity and involvement of the different actors in the line of public roads service delivery within the framework of the Principal-Agent Theory.

Chapter 3

Organization, Capacity, Actors and Challenges in the public road service delivery in the BGRS

3.1. Organizational structure and management of the road sector

The Benishangul Gumuz Regional State has been constituted as an autonomous regional state of Ethiopia in 1995 (FDRE 1995). Following the formation of the regional state, the lowest road network of the region which was only 560 k.m for the whole region urged for the establishment of a new Road authority of the region in addition to the two ERA districts (Western and Debremarkos Road Districts). Accordingly, the Benishangul Gumuz Regional State Rural Roads Authority (BGRRA) has been established in 1995 with duties and responsibilities of constructing new roads, maintaining the existing ones, reconstructing to higher standards, controlling, and administering any road related activities in the region.

The road sector of the region is organized in levels of Board of Directors, a main office at regional level, two branch offices at zonal level, and twenty Woreda road desks. The Board of the BGRRA is comprised of 10 members appointed by the regional council from different heads of sectorial bureaus and headed by the President of the region with the BGRRA's role as a secretary. The board is directly accountable for the administrative council of the region.

The BGRRA is directly accountable to the Board and the General Manager who is appointed by the regional council heads the main office. The general manager supervises two core processes (main departments) and three support processes (supportive departments). The two core processes are *Road Study, Design, Supervision and Administration Core Process (RSDSACP)* which is responsible for the study of new roads to be constructed, maintenance and rehabilitation as well as planning and contract administration activities of the organization; and *Road Construction and Maintenance Core Process (RCMCP)* which is responsible for construction of new roads or rehabilitating the existing roads by own force as well as administering roads maintenance activities of the zonal maintenance offices as per the standard and time frame set by the RSDSACP. The RSDSACP has two case teams called the *Design and Contract Administration case team* which is responsible for any engineering designs and administration of the contracts either given to the RCMCP or to be outsourced to private contractors and consultants; and a *Programming and Project case team* which is responsible for programming the activities of the organization and perform project planning, monitoring and evaluation activities. The three supportive processes are Human Resource Administration; Internal Audit; and Finance, Procurement and Material Management, which are directly accountable to the General Manager.

Roads and Bridges construction and maintenance are the main outputs of the organization for which the executive body of the government evaluate its performance. Accordingly, the Regional Administrative Council, the Regional Council, the Regional Bureau of Finance and Economic Development (BoFED), the Ethiopian Roads Authority and the Ethiopian Road Fund Agency evaluates BGRRA by the length, quality and standard of the roads it adds to the existing network and how efficiently it has utilized the allocated budget to the planned activities.

3.2. Capacity

3.2.1. *The capacity of the road agencies in the region*

Charles Polidano has identified three ways to measure the capacity of public sectors. These are, a capacity of implementing policies designed by the government, delivering service to the public and bringing optional policy assistance to higher level decision makers (Polidano 2000).

In line with Polidano's dimensions of capacity, the assessment result has indicated, all the road agencies both at regional and national level has a limitation in implementation capacity which is hampering them from fully supplying the public road service delivery to the higher public demand. Among the road agencies at all levels in Ethiopia, the major capacity gap identified by ERA and BGRRA is limitations in human resource capacity both in number and quality. The responses of these two organizations indicated that, even if roads construction has got much resource (budget), the road maintenance has been challenged by lack of finance. Even if the ERFA is supplementing both agencies especially the BGRRA which is fully funded by ERFA for its maintenance activities, the government of the region have never been allocated a budget for maintenance as a supplementary to the ERFA's budget. The higher budget for the roads construction and the lesser attention to maintenance are making the two agencies to construct more roads but maintain very few which in turn may result to lose much road asset value due to lack of timely maintenance. Opposite to this, the road agencies of the region at zone and woreda level are suffering from lack of finance both for construction and maintenance of roads. And similar to the higher level road agencies, they are facing a problem of human resource limitation both in number and skill level. The respondents from ERA and BGRRA claimed that, besides these limitations, the alarmingly increasing demand for roads service which has resulted due to the fast growing economy of the nation could not be satisfied even if the road agencies have got more budget than they have been given so far and would have been filled with appropriate number and quality of man power.

'With the resource (the financial, machinery, and manpower) we have at hand, we couldn't provide a road access to the whole Kebeles in the region. We only managed to connect 200 out the 450 kebeles of the region (the BGRS) with all weathered roads. But we are doing to achieve it at the end of 2015 with the special budget we are getting from the Federal Government to achieve the GTP objective to interlink the whole Kebeles to the nearest main road by all-weather roads' (BGRRA 2014).

However, they are ambitious that all the kebeles, Woredas, zones and regions will be interlinked with all-weather roads by the coming 2015 according to the specific plans of the strategic objectives of the country's GTP (FDRE 2010).

The other dimension of capacity is the capacity to deliver service to the public (Polidano 2000). As long as the road agencies are working below their potential capacity, it might have adverse impact on the performance of other non-state actors as well, especially on the private contractors and consultants. The most cited reasons of the road agencies of different levels that are hindering them not to work at their full capacity are mainly financial and human resource limitations. Classifying these in to the problems at agency level, the financial problem in the higher level road agencies (at federal and regional level) is getting solved due to the current government's attention to infrastructure development, but human resource limitation is still a major challenge and confronting the road agencies not to move ahead. On the other hand, the non-state actors indicated that there are administrative problems hanging up their performance.

For instance, the private consulting and construction firms interviewed have stated some cases like, all the payment and procurements are centralized in the head office (BGRRA) and it takes long time and process to get services; the management is usually focusing on nonproductive and routine activities and wasting their working hours on frequent and long meetings; and so on.

Coming back to the case of finance, road agencies in the region (BGRRA, the maintenance offices and Woreda road desks), since their establishment, more than 95 percent of their budget have been covered from external financial sources like the recurrent and capital budget from the Regional administrative council, ERFA, and from donor agencies for specific projects at different times. The road agencies of the region from the main office through the zone maintenance offices to the Woreda road desks do not raise sufficient fund of their own while they could have managed to raise a significant proportion of their revenue by their own. Of course, there has been an initiative by the BGRRA to maximize its own income by doing different works like the construction of intercity roads for municipalities, machinery rent, and garage services and so on for external users. But, it cannot be managed well so that it could cover a significant proportion of the budget of the authority. Here, it is obvious to see what this dependence on the external financial sources has brought to the road agencies in the region. First, they have only been delivering the services as per the priority areas and amount required by the financiers since they have to report for the budget allocated for the projects.

Of course, starting from the early 2000s to the period when the budget for the MDGs has been released in 2010, the regional council used to allocate a budget only to recurrent budget and stopped allocating capital budget for road construction due to budget limitations. It is believed that this period was a shadow time that accumulated a burden of road service demand of the community on the road agencies. By the same talk, for the same period, the approved budget for the sector were always below the requested amount that in most cases, it used to be below 25 percent. Duly, the maximum annual budget to the organization was the 3.6 million ETB allocated by the regional council in 2009 from the total 14 million ETB requested for the same year. Getting out of this trap, 150 million ETB (about 7.5 Million USD) have been allocated for road construction in 2010. But due to lack of skilled man power, only about one third of this money were used for a purchase of machineries by the same year. From 2011-13 only 250 km of road had been constructed from the 1008 km plan of URRAP as a proportion of the total plan of 1800 km new roads up to 2015 (ERA n.d).

Unlike the road agencies at higher level, the response obtained from the Woreda road districts shows that they are still suffering from financial limitations in order to perform their mandate (connecting Kebeles to each other and main roads); lack of labor based tools for the construction of community roads; and managerial problems associated with their organizational structure such that, the structure of Woreda road desks were assumed to be under BGRRA both in technical and managerial understandings (BGRRA 2010), but are currently accountable to their perspective Woreda administrative and getting budget from there also. Duly, being under the Woreda administrative councils made them not to have more than five staffs for each road desks. This is by far less to work for the many Kebeles in each Woredas. This made the road desks to get less attention since the administrative is supervising the whole sector offices of the woreda.

The assessment made on the human resource of BGRRA at all levels (including the woreda road desks) shows, the main office and the zone maintenance offices has a total of 249 employees from which 193 are male and 56 women. In addition to this, the total

number of employees of Woreda road desks in the 20 Woredas of the region is 74, from which only 2 are women. Therefore, the total number of employees in the public road agencies of the region is 323 (58 women and 265 men).

The assessment shows that only about 64 percent (208) of the employees are skilled as per the requirement of the position they hold. Booth (2010) stated the consequence of this gap as the development endeavors are usually hanged up or challenged by absence of appropriate and skilled manpower and performance. It is commonly due to the impact of poor or absence of leaders and installed system that can be seen as a role model by subordinates that may implement the development activities that are common in bureaucratic institutions or due to absence of bottom-up accountability. These problems may uphold the non-enforcement of rules, disregarding instructions, and hang the functions not to be carried out. The same to this argument, some respondents of the research pointed out human resource at the head office is much filled by old, semiskilled, and inefficient staff. Moreover, except the RCMCP, the majority of the managerial positions (the General Manager at the head office, the process owner of the RSDSCP, the support process owner position of Finance, Procurement, and Material Management of BGRRA, the process owner positions of the two Zone Maintenance Offices as well as many other case teams) are occupied with managers of unrelated qualifications. This might challenge the full implementation of the technical manuals, development plans, rules, regulations, and application of new technologies as well as transforming the service delivery of the agency. The general implication of the responses from the interviews shows, the road agencies in the region have been working below their capacity while having huge number of employees.

As it has been clearly stated under points 3.1 above, the BGRS has provided an appropriate institutional setup with its own specific organizational structure. Additionally, the organization, from regional to the woreda level road districts have a huge labor force (326 employees) but only 64 percent is skilled as per the requirements of the job positions. The road sector in the region is mainly operating by the financial resources obtained from external sources like from the Regional Administrative Council, the ERFA and other donor agencies. The budget from own source has been identified as insignificant to cover the budget requirements of the road agencies. On the other hand, a small proportion (less than 25 percent) of the requested budgets were used to be allocated before 2010. And since 2011, the government started to allocate in hundred millions by a dramatic shift from allocating below 4 million ETB annually before 2010. For instance 150 million ETB was allocated in 2011 only for roads construction. But BGRRA have utilized only one third of the plan and accomplished only about 25 percent of the planned roads to be constructed. To solve these problems and improve the efficiency of the organization, the government has adopted two major programs by the successive years to improve the public service delivery. These are, the 2010's reform program, Business process Re-engineering (BPR), to improve the service delivery of the agency focusing on restructuring the work processes, organizational and human resource setups; and the URRAP program which aimed at constructing 1800 km all weather roads to connect all the 450 kebeles of the region to the main roads with the special budget obtained from the Federal government as budget for the accomplishment of the MDGs. However, as it has been stated so far, there is a capacity gap that disabled the program to bring the intended result on road network expansion.

These financial underutilization and the existence of the huge labor force (but with the huge skill gap) implies the mostly stated capacity problem, finance is not a major issue. Rather the comparative analysis on the finance allocated, existing man power (with its skill gap) and the physical accomplishments of the organization clearly shows, the

agency has major human resource limitations. Here the limitation on the human resource capacity is not about number of employees, rather it is about the absence of appropriate staffs to the technical posts and the skill gap of the existing staff.

3.2.2. What has been done by the government to build the capacity of the agencies?

Birner (2007) proposed two different approaches for an improvement of the supply of public service deliveries. These are '*administrative and fiscal decentralization*' to the service providers and *enabling non-state actors to actively participate* in the public service delivery. In the first case, '*administrative and fiscal decentralization*' refers to the moves towards a betterment of the supply side of the public service delivery by building the capacity and adding incentives for the public service providers both from the side of the state owned organizations and other non-state service providers. The other case, the involvement of the non-state actors refers to creating a conducive environment that enables the private sector firms, NGOs, CBOs, user organizations, the community, and so on in the service delivery (ibid). Having these references, this paper looked at the road agencies' capacity from two directions. The first one is what has been done by external bodies (Government, NGOs and other donor agencies) to capacitate the road agencies. The second one is what the existing internal capacity of the organization is.

Following the 1991 political transition from the former Derg regime whose political and administrative power is accumulated in the hands of the central government to the current EPRDF regime which has totally decentralized the administrative power and shared a fiscal power with the regional states, the B/G/R/State has been established in in the same period with shared fiscal and fully autonomous administrative role and power. Accordingly, the regional government has established the BGRRA at regional level as well as Zone maintenance offices and Woreda road desks with their own duties and responsibilities in serving the public with the provision of road network expansion, maintenance and administration based on the general public demand or the specific importance of the roads for the socio economic development in the region.

On the other hand, different reform activities have been initiated by the regional government so as to make the BGRRA effectively deliver the road service. These are the restructurings made in the early 1990s which aimed at reorganizing the working sections and departments in the organization and re organizing the human resource constitution of the organization. The planning and implementation of these reform activities have got full financial and technical assistance from GTZ. Accordingly, it was implemented and had a cost cutting effect and improved the efficiency of the organization. An improvement in efficiency includes the improvement in the contract administration capacity and an improvement in the salary scheme of the organization which came after the huge cost cut due to the cancelation of unnecessary posts from the organization to strategically invest more on the payment for key experts like engineers, mechanics, operators and economists. Due to the improved contract administration capacity of the BGRRA, the ERFA has delegated one of its mandates, hiring private consultants which control and consult the roads which are being maintained by the budget from the ERFA in three other regional states' Rural Roads Authorities, Gambela, Somali, and Afar Regional State Rural Roads Authorities in addition to BGRRA itself.

It is our administrative capacity, success of our experts and departments in contract handling which made the ERFA to be confident on us. Duly, we have confirmed this in properly hiring and managing the road consultants working in the region and other three regional states, Gambela, Somali and Afar Regional States for the last three years' (BGRRA 2014).

The government reform policy initiatives in almost all the public agencies generally in Ethiopia and specifically to the BGRRA made the organization to conduct a BPR study in 2010 to bring an improvement in the road service delivery.

Hammer and Champy has defined BPR as “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed” (Hammer and Champy 1993: 32).

3.3. Actors in the road sector and their role

Provision of improved road infrastructure is considered as a key strategy in the country plan of Ethiopia for the struggle against poverty (FDRE 2010). And since its development requires huge financial investment, human resource and different specializations, it is obvious that governments especially governments of the developing countries like Ethiopia cannot fulfil the demand for the public roads service being alone. Accordingly, a participatory governance which includes different actors comprising of the community, private firms (Private contractors, consultants and other suppliers), NGOs (both local and International) and Donor agencies is necessary to involve multidimensional skills, knowledge and resources in different activities in order to address the public demand for the road service.

Mostly, the implementation of multi-stakeholders approach and capacity building activities focuses only on capacitating the service suppliers only. The role of the community is mostly neglected. Therefore, enabling the demand side, especially the poor people so that they can interact their demand for the service by holding the public service providers accountable and by voicing their questions and complaints can be done by the availing proper institutional setup that facilitate this relationships (Birner 2007, Ostrom 1996).

The results of this study has shown that, in addition to the state as the main actor, it has been seen that the non-state actors has a significant role in the service delivery. Both the state and the non-state actors' activities have become interlinked and each actor has its own critical factor on the service provision. Birner (2007) stated this kind of enabling environment as one of his proposed approaches for the betterment of the public service delivery from the supply side by creating an enabling environment for the engagement of the non-state actors like the private sector firms, NGOs, CBOs, user organizations, the community, and so on in addition to the state. We can see the role which the different actors involving in the road service delivery in the BGRS are currently playing as follows:

3.3.1. State actors

The state actors involving in the road service delivery comprises the agency line extending from the Ministry of Transport, through the ERA, ERFA, to the BGRRA, Zone Maintenance Offices and Woreda Road Desks; the Administrative Councils of the region, Zonal and Woreda Administrative; City municipalities in the Region; the RRAs of neighboring regions of Oromia and Amhara Regional states; and other sectorial bureaus in the region.

The ERA and ERFA are currently being administered under the umbrella of the Ministry of Transport. These organizations are playing a major role in the development of infrastructure both in the region and throughout the country. The ERA is authorized and working on the construction and maintenance of high standard asphalt and gravel roads (DS 1-3) both in the region and interlinking it with other regional states. The ERFA is an authorized agency for mobilizing and financing maintenance of existing roads in Ethiopia and currently financing the existing asphalt and gravel roads of all type in the region by financing both the BGRRA and ERA. The BGRRA by its maintenance offices only performing road clearing (at DS 7 standard) and maintaining the regional gravel roads (DS 4-6). The administrative councils at different levels and BoFED have a role in providing budget and evaluating the performance of the road agencies. On the other hand, key stakeholders like Bureau of Investment, Bureau of Works and Urban Development, Bureau of Agriculture and Rural Development, and Municipalities in the region have a role in planning and working in collaboration with the expansion of road and sometimes they come to BGRRA as a customer. For instance, the Asossa City Municipality is signing an agreement with the BGRRA each year so that the authority constructs their intercity roads paying on a standard rates set by ERA and ERFA.

The Rural Road Authorities (RRAs) of the neighboring regions, Oromia and Amhara region RRAs have a role in planning of the roads that interlink the regions. Beyond these, BGRRA has got technical supports from these agencies. For instance, the 12 km gravel road from Mambuk city to Belaya Kebele have been constructed in collaboration with BGRRA and Amhara Region RRA by joint machinery and experts of both Authorities as well as financial contribution of the people of Jawi and Chagni Woredas of the Benishangul and Amhara regions respectively.

3.3.2. Non-state Actors

The non-state Actors working with the BGRRA comprises of Donor agencies, NGOs, Private firms and the community. The followings are the assessment results of these actors in the region with their role:

Donor agencies and NGOs like the World Bank and DFID financing road construction projects, the European Union by building the capacity of the road agencies of all levels with finance provision for short-term and long-term trainings, office furniture, laboratory and garage equipment and so on; GIZ in provision of capacity building activities and initiating reform activities like restructuring the work process of road agencies.

Private firms: the private sector is totally given the construction of all-weather gravel roads which are supposed to be constructed by regional road agencies (DS 4-6) and road consultancy services. Duly, nineteen private road contractors handled the roads construction, six consulting firms supervising the activities of the contractors and two general contractors handled the construction of two bridges located under the supervision of the BGRRA.

The community: Even if there are initiatives being raised by the community to play its role as a principal in demanding the road service holding the road agencies accountable for the maladministration and late responses to the their questions and demands, the role they are playing in providing their free labor for the construction and maintenance of Woreda roads is minimum. This is not because of their unwillingness to do so. But, the road agencies has neglected the crucial role that they would play in the planning processes and resource mobilization. In some villages of the region the community are

supporting the sector with financial contribution to the roads constructions being undertaken at their localities by their own initiatives.

These state and non-state actors interact both directly and indirectly, but formal in all cases. The involvement of the NGOs and other Donor agencies is not always direct. To the context of the BGRRA, the NGOs and donor agencies, finance road projects through the administration of ERA and Regional Administrative Council, while they involve in capacity building activities directly to the agency. But, the involvement of the private sector is with the direct and formal agreements.

The formal agreement with the private sector includes the contractual agreement to handle the roads construction and in some a construction of a single bridge.

As it has been described by Schneider (1999), the challenge to such cases is not only addressing the governance problems and poverty reduction issues, rather it is also planning and functioning governance mechanisms that assures participatory governance. The community is raising a question demanding new roads. At the time they raise this question, the most common phenomena are they contribute finance at least to cover some proportion of the cost of construction and to participate with their free labor. In addition to these, the community in general is protecting road projects from robbery; existing roads from physical damages associated with the expansion of farm land; solving issues related to rights of way by the discussion with local elders so that the road agencies are encouraged to do best quality roads at their locality; and so on. But by the side of the road agencies, the supply of the service seems like it is not demand driven. This is because the response from the majority of the road users indicated that they have never been involved in any planning activities with the road agencies and they consider the agencies as less responsive to their questions and demands. Accordingly, even if the road agencies have been achieving successes in expanding the road network of the region and moves have taken place in allowing some non-state actors in to the governance of the road sectors, the level of participation of the community is still at infancy.

3.4. Outsourced activities of road agencies and Contractual relationship between the actors

As we have seen so far, the road sector in the region has formal and well organized institutional set up. And the government is providing a huge budget both by amount and sources. And we have also seen the BGRRA is totally outsourcing the construction of gravel rural roads (DS 4-6) to the private sector rather than performing it by its own force. Here the question is why to outsource (contract out) and how to manage and control the performance of the contracting private firms?

Huque (2005) stated some reasons why most public agencies contract out their activities. These comprises governments are basically inefficient to address the whole matter of the public. According to him efficiency may refer to limitations in the structure, man power, and cost effectiveness. He assumed cost efficiency is more feasible in the private firms than public agencies.

In the case of the BGRRA, some indicative points have been raised during the interview regarding why the agency is outsourcing the construction of roads which are under its mandate. Currently, the organization is undergoing URRAP program which needs at least one project crew in each of the selected nineteen¹ among the twenty

¹ One of the twenty Woredas which is not included in URRAP is 'Pawe' Woreda where all its Kebeles are interlinked with gravel roads.

woredas of the region. In addition to this, to monitor the nineteen projects, at least six Consultant teams (or consultancy firms) are required. This activity alone requires more than 100 technical experts (engineers and surveyors)². Here, it is impossible to employ and manage these experts with the existing payment scheme, administrative capacity, and organizational structure. On the other hand, the burden of maintaining the 1680 km roads in the region is the duty of BGRRA while the ERA maintains only 336 Km from the total stock of 2036 km roads in the region (ERA 2013). Having these burden and limited human resource limitations in to consideration from the angle of efficiency, cost effectiveness and time required to construct and maintain the roads in the region, the agency designed a strategy of outsourcing the construction and consultancy activities to private firms and have managed to take the maintenance of the existing road stock in the region by its own crew.

Assuming the BGRRA as a principal (only when it outsource its activity to private firms) and private firms as agents, the next question here is, if BGRRA has outsourced its construction activities to nineteen contractors and the consultancy service to six private consultants, how will it manage to reduce the agency costs? Then what is the monitoring mechanisms and how to put sanctions for poor performances of the firms or how it is managing to provide incentive for their good performances?

BGRRA has a URRAP Coordination Unit that is authorized to plan each and every activities of the program in the region and conduct an evaluation at any points of the payment request of each contractors through the consultants. Even if the consultants follow the day to day activities of the projects under their supervision, they have continuous communication with the coordination unit. Accordingly, the unit collects information from the consultants, conduct a continuous monitoring going to the field, get periodical evaluation report from the consultants and check its feasibility. Based up on these monitoring and evaluation results, the unit being with the RSDSCP and the management Unit of BGRRA, will take optional measures in line with their contractual agreement and construction law of Ethiopia. For minor problems from the side of either of the contractors or the consultants, discussion on the issue or warning letters will be send to the concerned agent. On the other hand, if the problems are with negligence and underperformance or cases related to cheating and corruption, the BGRRA has a legal right and responsibility to dismiss its contract with the firms and claim for the unnecessary costs incurred during the process. To illustrate these, the contract with one contractor has been canceled due to underperformance. In opposite, if the contractors complete a minimum of 75 percent of their agreed contract amount, they will sign additional contract and may get its advance payment just to reduce the time gap between the ongoing and the next contracts to zero. In addition, a recommendation letter of success will be attached to their document and will be free from the 5 percent retention that would be deducted from their final payment which was assumed as a guaranty for a quality deterioration that may come after the construction of the road.

² It is the current manpower of the private contractors and consulting firms handling the outsourced activities of the BGRRA.

3.5. Challenges in the Public Road Service Delivery

In line with the major limitations we have stated so far, like the low quality and unfit human resources in all the road agencies of the region and the financial limitations in the lower level road agencies, Wild and Chambers et al. have identified some major constraints in different sectors of public service delivery with regard to the policy arena. These comprises of 'political market limitations, incoherence of policies, intensities of oversight or monitoring of performances, challenges associated with collective action, and moral hazard' (Wild, Chambers et al. 2012: 5). First, the limitations in the political market refers to absence of reliability on the promises by the politicians to citizens. Second, the incoherence of policy is a contradiction among policy plan, organization and roles which may lead to distortions in implementation. For instance when the designed policies lacks to indicate a strategy to get source of finance to implement, where mandates of different institutional setups hold overlapping or confusing mandates and responsibilities and so on. The third challenge is, where there is no clearly set performance oversight or monitoring mechanism is not set in order to make a key stakeholders of public agencies. Next, challenges associated with collective action in which a group of public officials works toward their self-interest than focusing on the interest of the group of the community which they represent. The last but not the least, moral hazard is the other critical challenge that happen when a particular actors are protected from risks that may emanate from their performance (ibid).

Having these as a reference, among the lists of Wild, Chambers et al., the only sited challenge during the assessment of this research is the coherence of policies and institutional setup. This can be seen from two different perspectives as follows:

First, in some cases, poor performances of organizations may emanate from problems associated with improper definition of mandates, poor policy alignments, and financial related problems. On the other hand, these may lead the implementing staff either to abstain from or undertake the different conflicting and vague policies and plans simultaneously (Tavakoli and Simson et al. 2013). In case of the road agencies in the BGRS, the time and procedures of higher price procurement doesn't fit with the nature the road projects. Especially, the long process of the procurements of spare parts for the construction machineries are sometimes stacking project works till the items get procured after long processes.

Secondly, since the nature of roads construction is so technical and it should be managed by a managers who are supposed to have the required professional skills. In the meantime, the Woreda road desks are being under the organizational structure of the Woreda Administrative Council while it would yield better results if it was under the BGRRA. This issue has also been frequently raised by the staffs of the desks. And the BGRRA has proposed a new organizational structure that incorporated the Woreda road desks as its constituent sections, but no more effort was made by the Regional Civil service Bureau to accomplish the proposal. This problem of structure is hindering the road desks from performing more.

Beside these common challenges identified, the budget unbalance may hamper the performance of the sector to lag behind. This implies, the progress of the budget allocation to the sector mainly focuses at the expansion of new roads rather than investing with equal attention on the maintenance of the existed roads. This unbalanced attention may make the country to lose much asset value. Therefore, the maintenance plans should get much attention the same to the construction both by the federal and regional states.

Chapter 4

Governance Principles in the road service delivery

Curbing problems associated with governance and development relationships is becoming main area of policy researches and forums in recent times (Grindle 2004). The importance of good governance is becoming an issue as a means to development in addition to its recognition as a goal for growth and betterment of development indicators (Gisselquist 2012). Accordingly, the wide belief on the importance of good governance comprises of its role for innovation and investment, exchange in markets and the struggle against poverty, minimizing transaction costs, enforcement of contracts, assuring checks and balances, avoiding rent seeking mentalities, assuring the participation of citizens in all aspects of government activities of planning and decision making processes as well as other development activities. Unless and otherwise, lack of good governance may result in retarding economic growth and hold policies and public services not to reach the Poor (Asian Development Bank 2013).

Good governance is a constituent aspect of an organizational management process of any entity which covers its financial management, administrative issues, planning, implementation, monitoring, evaluation, reporting, manpower and communications. Duly, it is the main topic in state and non-state actors (private firms, CBOs, NGOs, and so on) which are in the line of public service delivery for the wider perspective, benefiting the public. Public agencies are assumed to be accountable for their objectives and outcomes and their governance capacity is proven in a transparent manner. Here, Transparency, responsiveness, voicing and accountability are the main governance principles to be discussed in line with the findings of this research as follows:

4.1. Transparency

Transparency can be defined as public's unbound access to up-to-date and trustworthy information about the public sector institution's performances and decisions. Contextually, Transparency in any service delivery is about a free flow of information between the service provider and service users (the public). In addition to the readiness and availability of working environment for transparency in any organization, the availability of proper media and institutions that helps the system transparent are basic. Based on these, the assessment result on the extent of transparency in the BGRS road sector is presented as follows:

The main topics that the road agencies are assumed to publicize in any media comprises of the physical and financial plans with their accomplishments (construction, maintenance and rehabilitation of roads); announcement of bids and evaluation of competing suppliers; contract award with its quality and time frame of accomplishment; budget allocated to the sector; human resource formation; active machineries and the challenges that the sector is currently facing.

The assessment result on the road agencies at all level shows, the understanding on the topics on which the road sectors are supposed to be transparent are limited only to publicizing physical and financial plans with their accomplishment to very limited stakeholders as well as bids announcement at largely accessible media. The rest, bids evaluation, contract award, human resource capacity, the accomplishment of projects as

per the planned schedule and quality, and so on have been taken as non-concerns of the public.

Generally speaking, the road agencies at the higher level are more transparent than those at lower level. For instance, the ERFA publicizes its activities through press conferences with regional road agencies and local governments at least once in a year; present their performance on different magazines at least 2 times a year; provide easily accessible information to the public through their annual brochure; currently make an initiative and conducting a study on how the public budget for road maintenance and safety is free from corruption with the help of the Federal Anti-corruption Commission whose study result is to be published and distributed to the public; present at least semi-annual reports to the state TV (ETV) twice a year; publishing annual magazine and developing their own website that will display activities of the organization.

ERA's respondent has explained that the organization is publicizing its projects accomplishment through the state TV and radio on every stages of their projects' progress and ERA website regarding any information and data of roads in the country; reaching the public on their annual magazine; floating local and international competitive bids on newsletters with the highest distribution in the country. On the other hand, the respondent from BGRRA explained that they publicize their annual and semiannual performances through the regional state radio and TV, and publicize tenders on a nationally widely spread newsletter the same as ERA.

In contrast to the above, the road agencies at zone and Woreda level have responded, they do not use any mechanism and media to communicate with the public. The main reason that they point out are, the media coverage does not reach the Woredas except a few zonal capitals (Assosa and Kamash cities) and there is budget limitation to publish magazines and brochures at their level.

Among the interviewees as a road users, majority (80 percent) of them responded that they have never heard anything about resources allocated for the road agencies, the planning, bid processes and capacity of road agencies. On the other hand, the respondents from private contracting and consulting firms indicated that, the road agencies especially the BGRRA is publicizing the activities of the road sector not as much it was supposed to be. Additionally, bids are publicized at large just for the sake of getting bidders and sometimes for the sake of formality, but the other processes like the bid evaluation, the award, amount awarded and the project life time are hidden from the public.

As it can be seen from the result of the assessment, the level of the transparency is higher in the agencies at higher levels and as far as we move to the lower levels agencies which were supposed to be more transparent, the extent of transparency is lower, and in some cases non-transparent at all. Additionally, the understanding on which topics to be transparent is limited only to publicizing the plans and accomplishments to a very limited stakeholders, especially to the budget providers and the regional councils as well as the announcement of bid to get competitive bidders. This implies, the governance capacity of the road agencies in the region is not proven in a transparent manner; it is difficult to judge their capacity and this shows their service is not demand driven; and the principals are hidden from accessing some critical information like that of the information on the whole bid process including selection and awarding the bid to potential bidders, budget, human resource, machineries as well as challenges and opportunities in the road agencies. The transparency that the agents were supposed to provide for the principals is loose as we move from top to the bottom level agencies.

4.2. Responsiveness

Responsiveness refers to the ability of public organizations to satisfy the demands of the citizens as per their preference (Ostrom 1975). On the other hand, responsiveness can work as a main toll of interlinking the demand and supply side strategies proposed by Birner (1997) by making the service suppliers to react and work as per the preferences of the service users (the demand side). With respect to the service the road agencies render, responsiveness imply the extent at which the agencies answer the questions the public raise on demanding either of new roads and related infrastructure or maintaining or upgrading the existing ones with a best quality. The followings are the results on the assessment on the responsiveness of the road agencies in the BGRS.

All the respondents as road users have indicated that the road agencies are very late to respond. Accordingly, the time that it takes them to respond may vary from a year to 6 years accordingly. However, at the time the agency reply to the questions of the community (construct new roads, maintain or rehabilitate the existing roads), the quality of the deliverables were as per the demand of the society. All the responses from the road agencies, ERA and the BGRRA have indicated, the slow response for the questions of the community is not a matter of financial limitation, rather it is due to the huge demand for road service that have been boosted due to the fact that the BGRS was one of the backward regions in the country which had the lowest road density; scattered settlement pattern and the huge investment flow to the region which puzzled the service delivery with the limited manpower and its technical capability. On the other hand, the responses of Zone road maintenance offices and Woreda road desks have indicated that the reason for the slower response is finance unlike the road agencies at the top of their structure and stated similar reasons of limitation in man power. Accordingly, it has been found indispensable to prioritize the public requests on road service delivery with the following criteria according to their order of importance: 1) road access questions from the kebeles of of the Woredas 2) to kebeles which has no access road at all; 3) where resettlement programs are undertaking; 4) investment areas which has either no access or roads at bad condition; 4) where the society by themselves mobilizes their own resource and can cover the operation cost and demand only machinery support from the road agencies.

On the other hand, the respondents from BGRRA and maintenance office indicated that political interference in the prioritization, lack of awareness among the staff with regards to sense of serving the public associated with hanging up work processes with internal bureaucracy, delay by the side of BoFED in releasing the approved budget by the state council (it may take 2 months to reach the road agencies) are some factors that creates hindrance not to implement the planned works as per the prioritized order and time frame. Lack of awareness by the community regarding the prioritization is another major problem. For instance, communities which are living in areas where there are low standard roads always blame road agencies for not upgrading the standard of the roads. However, road upgrading needs mainly technical knowledge and decisions like socio-economic studies, traffic count and in some instances political importance as well. These kinds of misperceptions have been explained by Stewart and Walsh (1992) and Stivers (1994) as responsiveness may result in addressing the questions of the public, but may redirect professionalism in the service delivery agencies since they work to satisfy the public needs. For the sake of democracy, professionals are derived to satisfy the broad public needs in unprofessional manner. Only hot issues and short-run cases are getting more attention than strategic and long-run sustaining cases. The risk of strong minority

voices can pretend to represent the voices of the majority which may lead to the decisions of the agencies to be undemocratic for not representing the majority.

To avoid the above related problems, since 2008, the BGRRA was submitting a proposal for budget request to conduct a road network study of the region which can be used as a guiding a master plan and could avoid problems associated with prioritization and unnecessary interferences of public officials in a technical manner plus. The proposal has assumed to involve the community in different ways in planning, monitoring and evaluation of the network study and implementation. However, both the state and non-state financiers have rejected the proposal for unknown reasons.

4.3. Voicing and Compliant handling mechanisms

Hirschman (1970) has introduced the concept ‘voice’ as the mechanism for consumers dealing with the poor performances of the private sector in the production of goods and services. Later on, Paul (1992) has adopted the concept to the arena of public sector with an argument that ‘Voice’ of the public is mandatory factor in making public service providing entities efficient, accountable and responsive. Accordingly, he has defined *Voicing* as, the extent of which the public (the principals) can determine or influence the institutional outcomes of the deliverables through different ways including participation, articulation of feedback or protest.

Andrews and Sahah identified the followings as the various possible voicing mechanisms experienced in different developing countries: “decentralization and the formation of local governments, local elections and locally elected councils, other (non-elected or partially elected) councils, laws and legally created entities/ programs for voice expression, regional and local public meetings, hearings and workshops, help desks, participatory planning, forums and/or committees, participatory budgeting mechanisms, social evaluation, monitoring and audit mechanisms, participatory poverty assessments and community-based issue analysis and media-related voice mechanisms” (Andrews and Shah 2002: 8). When identifying these, they have explained as the mechanisms may vary from one country to another. Therefore, every country or region may adopt either some or the whole mechanisms contextually.

Following the implementation of GoE’s reform program, BPR, in 2004 at national level and in 2010 to the context of the BGRS, voicing and compliant handling mechanisms have been considered to be installed in public organizations as mandatory to improve public service delivery as a demand side strategy. Accordingly, Road agencies from the federal to zone level have opened a post of civil service reform officer and additionally established a help desk, a compliant handling committee and arranged suggestion boxes. Therefore, in principle clients can submit their compliance either in formal letters or orally to these committees or suggestion boxes. Along with these institutional mechanisms, there are possibilities to voice their concerns through different means like Kebele and Woreda public meetings, different media like newspapers, TV programs, press conferences and so on. However, the responses from road agencies indicated that except the ERFA’s annual press conference with stakeholders and the representatives of the public at different levels, even the help desk and committees established in road agencies of all levels have been found inactive in processing the compliant and voices of the public. On the other hand, mechanisms haven’t been installed in maintenance offices and Woreda road desks to serve the complaints, listen the voice and assess the level of satisfaction of road users.

The responses from the private consultant and contractors side indicated that they know the road agencies' BPR document which is a guiding document for their work processes has clearly indicated the mechanism that should have been in place for voicing and compliant handling in the agencies, especially at regional level, but not active. Similarly, the responses of all the interviewed road users indicated that they are submitting their compliant either formally through their Kebele and Woreda leaders or informally by the group of local people to the road agencies. On the other hand, at the time there is delay on answering like on the delay of constructions of access roads, the community raise its complain on public meetings with a cabinet members in their locality where the general manager of the BGRRA attend as a cabinet member. If the complaints were not answered as per their demand, they would submit the issue to the administrative councils at Woreda and regional levels and there were instances of demonstrations. The demonstration by the people in 'Famatsere' Kebele in prehending the construction machinery of the BGRRA that was going back after accomplishing its road clearing plan before reaching their village. To avoid such a misunderstandings and disagreements, BGRRA is initiating annual meeting with the Woreda road desks to hear the voice of the people since they are closer to the community.

Of course, the decentralization and the formation of local governments have been playing a significant role in making the tiers of the government very close to the public and had a positive impact on the expansion of the road network of the region, even if the road users considered it as unsatisfactory; the local elections are also assumed to make the public to voice by evaluating the performance of the public organizations and officials indirectly; different local meetings at Kebele and Woreda level meetings are the only mechanisms in place for the people of the region to voice, while the other mechanisms, "hearings and workshops, Help desks, Participatory planning, forums and/or committees, Participatory budgeting mechanisms, Social evaluation, monitoring and audit mechanisms, Participatory poverty assessments and community-based issue analysis" (Andrews and Sahah 2002: 8-9) are still inapplicable in the road agencies of the region. On the other hand, the public have very few access of voicing through public media, but it has got a limitations in presenting voices of the public continuously and reaching the majority of the population since the media coverage of the region is mainly limited only to very few zonal cities. Generally, the existing voicing mechanisms in the region are indirect so that the public is not voicing in a direct and timely manner.

4.4. Accountability

Armstrong (2005) defines 'Accountability' as an obligation and answerability of public institutions or officials to report on the utilization of resources of the public and failures to serve the public as per the standard and amount set in the objectives.

Contextually, the accountability of the BGRRA can be seen from two different perspectives. These are, its formal accountability to the BoD and the regional administrative council; and the indirect accountability to the public since the GM is a cabinet member in the administrative council as well as the organization is established to serve to the best interest of the public. In both cases, since the public is a constituency to the council through election, the BGRRA is accountable to the public for its decisions and performance in the public road service delivery.

The top level administrators, the regional administrative council and the BoD's common way of insuring accountability includes periodic reports on the physical and financial accomplishment. In principle, based up on the physical progress of the road network expansion, financial utilization and public opinion and audit reports, the BoD

have the responsibility to evaluate the performance of the GM and have the right that may go to the extent of dismissing him/her and proposing a new candidate to be appointed by the administrative council. But, the BoD is not meeting at all and the accountability line is missing it. However, the cabinet members are performing the duty of the board. Since the cabinet is meeting to see all the administrative issues of many sectors, they fail to communicate compliant and questions of the road users giving a special emphasis. Respondents of the road agencies have indicated that the board used to work for the first five years since the establishment of BGRRA in 2000, but ceased for unknown reasons. Similarly, all the actors in the region, except the respondent from BGRRA and agencies at the federal level, have no information about the board.

Even if the main aim of assuring accountability in the public sector is to reduce corruption, informalities, and poor performances, Bashuna (2012) has argued it should be a compulsory aspect in any public service delivery system even where the level of corruption is lower. Opposite to this idea, even if the assessment result has indicated the awareness among the road users to hold the agencies accountable is not an issue, the accountability mechanism in the BGRRA has two major gaps that should be revisited. First, the existed formal accountability line between the agency and higher officials is missing (BoD is not operating). Second, there is no direct mechanism to hold the agencies in the region gets directly accountable to the public. Having these as a general understanding, the followings are the details of the findings.

All the respondents have an understanding that they have a role as a principal in the road service delivery and the road agencies are agents to serve their interest. Additionally, they have an understanding of making the road agencies accountable by submitting their complaint. And there is also an understanding among the road users who made the road agencies accountable by accusing them to administrative councils which brought a good response. For instance as per the response from respondents from Menge Woreda, 43 percent of the responses indicated they are accusing the late responses of the road agencies to the administrative council and the council is acting as per the interest of the community.

As it has been said before, the BGRRA is accountable to the regional administrative council for its mandate to expand the road network in the region and budget being allocated for roads construction and purchase of machineries. On the other hand, the agency is also accountable to the ERFA with respect to the budget being allocated for the road maintenance.

Having this as a raw fact, in the case of the BGRS, there is no mechanism in which the road agencies become directly accountable to the road users (the public). Here, it must be understood that the importance of accountability is not just to draw an organizational structure in which one institution has its own top level administrative and subordinate sections. Rather it involves various points of importance. Andreas Schedler explained its general importance as it is to protect the public from misuse of political power. Further it is for "subjecting power to the threat of sanctions; obliging it to be exercised in transparent ways; and forcing it to justify its acts" (Schedler 1999: 14). In absence or direct accountability mechanisms among the public and the road agencies of the region at different levels, it is difficult to put sanctions for informalities and malfunctioning in the agencies; make the agencies to perform their duties and responsibilities in a transparent manner; and forcing them to inform the public and justify to what extent the objectives of the public are undergone.

Chapter 5

Conclusion and Policy Implications

5.1. Conclusion

Even if the poor performance of the road sector in Ethiopia before 1991 reflected in minimum figure of road network might have different factors, it is mainly attributed to the inefficiency of the only existed road agency at national level which couldn't reach all the corners of the country. The whole administrative style of the central government at that time was a type of Weber's TPA model which mainly adopts 'a hierarchical model of bureaucracy'. The main theme of this model is all about making the staff in the public sector to serves the interest of the public and only implement public policy which is designed by politicians. Moreover, production of public goods is only attributed to public organizations (Mukanyajena 2012). Here, the government's (Derg regime) administrative style before 1991 has got criticism for not fitting with the context of Ethiopia. Since the inefficiency was mainly because its administration was only mandated to the centrally organized national level organization, ERA, which made the development of infrastructure difficult to reach all the corners of the country. Specifically, the public road service delivery was under the monopoly of the central government. i.e. it was not decentralized further to the lower administrative divisions and the role of the community and the private sector in the service provision was completely neglected in the existed governance system.

There is no doubt that inadequacy in infrastructure both in amount and distribution in any country has a direct implication on its development. The structure of the road agencies of Ethiopia before 1991 might have a negative implication on the performance of the sector among the other reasons like civil war, inappropriate development policies, lack of skilled man power and so on. Duly, infrastructures like road were mainly concentrated around the center and the incapacity to cover the whole country have disadvantaged the regions located at the peripheries like the Benishangul Gumuz, Gambela, Somali, and Afar Regional States. Even if the road network of these regions has grown by more than three and four folds in the last two decades, their road network is still lagging behind compared to the national average. For instance, while these regions constituted about 42 percent of the total land area of Ethiopia, since the year 2013 only about 13.3 percent of the road asset of the country has been constructed in these regions. The Benishangul Gumuz Regional State is one of these regions which had only 560 km of road with the road density only 11 km per 1000 sq.km in 1991 and improved its figure to about 40 km per 1000 sq.km in 2013/14, which is still by far behind the national average 78.2 km/ 1000 sq.km.

Therefore, in order to improve the economic performance of the country in general and the most marginalized regional states like the BGRS, the GoE have made successive reforms and significant change both in political and administrative setup after the year 1991 by decentralizing the proportions of the tasks of the formerly centrally administered ERA to regional states by establishing their own regional road agencies (RRAs), zonal maintenance offices and Woreda road desks; and facilitated a platform to involve private firms, donor agencies, NGOs and the community to work with government for an improvement in the service delivery. The time after 1991 can be considered as a period

of major governance shift in the road sector from the state monopoly to a new inclusive of multiple-actors specific to the road sector and generally for the poverty alleviation initiatives in the country. The governance shift was not only from the traditional hierarchical model of bureaucracy which signified the only role of the state, but assumed and incorporated the critical role of other non-state actors in the public service delivery and in context to the road sector. The shift of the country from command to market led economy as well as the formation of autonomous regional states which made the centralized power to be devolved in general and specific conditions like the reestablishment of ERA and ERFA in 1997, the formulation of the Country Governance Profile in 2009, the implementation of BPR Program in 2010 and so on created a platform to engage non state actors to involve in the development arena forming partnership with local governments.

Specific to the study made on BGRRA, it has been assessed in addition to the road agency and other state actors, the non-state actors such as private firms, the community, NGOs and donor agencies have been participating in the public road service delivery to different extent with their own distinctive role. Private contractors and consulting firms are playing a critical role by totally handling the whole process of construction of gravel roads planned by BGRRA. Though, there existed a strong partnership between the agency and private firms. The NGOs and Donor agencies are involving by financing road projects and technically supporting the the road sector. Nevertheless, the role of the community as a mechanism to improve the service delivery by the demand side strategy is still weak such that the service delivery is not demand driven.

The implemented BPR program in the road sector assumes the road agencies to develop a more participatory and transparent institution. This would help the plans and implementation of the road agencies to be demand driven through the involvement of the community by the appropriate mechanisms to uphold their voice and the agencies to be responsive. The BPR document of the public organizations of different administrative levels both at national and specific to the BGRRA are consistent with the Ostrom's thoughts which argue, capacitating only the supply side agencies do not bring an intended result. Rather, improving the voicing, responsiveness, accountability and transparency of the public organization should be the way to address the problems (Birner 2007, Ostrom 1996). However, even if the BPR documents had been prepared for all agencies in the organizational hierarchy of the road sector, there is still a problem of bringing the demand side strategy to the ground.

The study revealed that only the road agencies at the higher level (ERA, ERFA and BGRRA) have been found more transparent than those at the lower level. Even if these agencies are more transparent, the information to be transparent are limited and only transparent to very few stakeholders. For instance, while reports on the performances and bids announcements are mainly open to the public others like the bid evaluation, award, schedule, budget and human resources and internal challenges are hidden from the public.

Albeit there are many voicing mechanisms proposed by the BPR documents and some are putted in place, except the road agencies at national level, there is no room for the public to directly voice their issues at regional, zonal and Woreda level. Participatory planning, social evaluation, participating in monitoring and auditing and participatory budgeting mechanisms would be the best ways to do so. The only mechanisms in pace are the more indirect ones like through the kebele and woreda public meetings, and through public media which are limited in access and frequency.

The accountability mechanism that would enable the public to make the agencies perform better by holding them accountable, forcing them to inform the public and justify to what extent the objectives of the public are undergone with the counter placing of sanctions for informalities and malfunctioning is completely indirect. And some critical bodies in the formal accountability line are missing (for instance the BoD of the BGRRA is nonfunctional).

In the last two decades, the road network expansion in the region has shown a remarkable positive change. It has grown by more than two folds, from 560 k.m in 19991 to 2036 km in 2013/14. But, this doesn't means it was the most possible optimum scenario. Rather, the comparison with other regional states and the country average in terms of road density shows the region is still lagging behind. While the national average is about 78.2 Km per 1000 sq.km, the BGRS's road density is only 40 km per 1000 sq.km. In addition, this research has come up with some indications explaining the road network is expanded in a non-demand driven way since the role of the community was neglected in the governance system. The other indication for the existence of the scenario of performing by far below the national average is the issue of human resource limitation. Duly, the road sector in the region has a huge number of human resource but a significant proportion of the employees and the managers are not well qualified as per the requirements of the position they hold.

5.2. Policy Implications

The followings are the policy implications based on the findings of the research:

The transparency in the road agencies of the region is minimal and limited only to publicizing limited information to very few stakeholders. Therefore, the flow of information from the regional (BGRRA) to Zonal (Zone Maintenance offices) and Woreda (Road desks) must insure a two-dimensional information flow. First, they should internally develop a timely information flow between the road agencies of different levels themselves. Secondly, they should confirm an information flow to their stakeholders and external users either based on the demand for the information from outside or in regular bases. Information Technology should be intensively used as a tool to develop the two-dimensional flow of information.

Accountability can be uphold by involving the public in different management aspects like planning, decision making through participatory budgeting, monitoring and performance evaluations which may handle the thoughts and views of the users.

In opposite to the higher budget being allocated to network expansion, the gap seen on the budget unbalance and limitation for the maintenance of the road sector calls for two options:

- i) The first one is concerned with advising the ERFA, the major financier for road maintenance activities, to diversify and improve its user's fee strategy as a mechanism to boost its income. For instance levying more service fee on the traffic (heavy tracks) which mainly deteriorate the roads to the main natural resource locations like the main road located between Guba and Bulen where heavy tracks transporting marble resource from the resource location in Bulen Woreda of the BGRS.
- ii) Second, the BGRS Administrative Council has never been allocated budget for road maintenance in the region. The only source of budget for maintenance is from the ERFA. Therefore, the regional government should cover some proportion of the budget for the road agencies like in other regions/administrations. For instance,

Addis Ababa City Administration covers up to 40 percent of its maintenance cost from its own sources of budget.

Even if there is a strong partnership between the private firms and BGRRA, still there is a risk of agency problem due to the following problems:

- iii) The qualification of some key experts and managerial positions like the GM, RSDSCP core process owner, and heads of the two Zone maintenance offices are in social sciences while they were supposed to be filled with appointees or employees with engineering or Construction Management qualifications and experiences. Therefore, there should be a strict manpower appointment and recruitment criteria in the organization.
- iv) There is a gap in organizational accountability of Woreda Road Desks. Currently, they are operating under the organizational structure of Woreda Administratives. This problem has emanated from the misunderstanding on the role of the desks as a resource mobilizers (mobilization of free labor in Kebeles) which needs political works and on the other hand their activity of road construction is purely technical that seems they should have to be accountable to BGRRA. Therefore, the regional government should manage to put them under the organizational structure of the BGRRA so that the technical knowhow to administer them is there and a platform to mobilize the community's free labor should be created with each woreda administratives as stakeholders.

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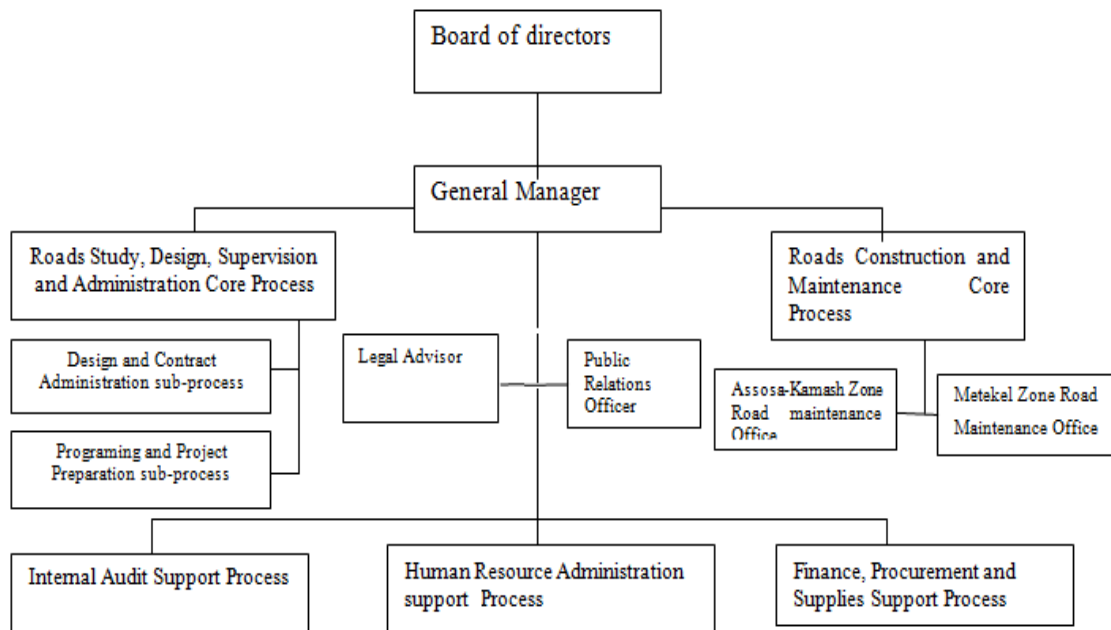
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Appendices

Appendix 1: Organizational Structure of the BGRS Rural Roads Authority



Source: Organizational Structure of BGRRA adapted from (BGRRA 2011: 10)

Appendix 2: Location of the Benishangul Gumuz Regional State in Ethiopia



Source: Map and location of Benishangul region in Ethiopia adapted from Mihrete et al. (2014: 3)