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The Role of Urban Municipality Decentralization in Reducing Urban Poverty in Ethiopian Somali Region: The Case of Jigjiga and Gode Towns

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Abstract:

In Ethiopia urban poverty has increased overtime. This has exerted pressure on many regional governments to reform their municipalities on the basis of the framework of the broad urban municipality decentralization strategy. However, little is known about the impacts of the reform on urban poverty reduction. The focus of this study was, therefore, to assess the urban municipality decentralization impact on poverty reduction. The study used mixed research method. The finding shows that decentralization has some imperative impact in creating job and increasing studied people income. After the reform, there is improvement in urban services delivery, such as education, health and transport. The vulnerability of poor to urban environment and economic context has also decreased following the reform. On the other side, the study found out that lack of safe water is a serious problem in both towns. The reform is faced with inadequate finance and shortage of skilled human power. Finally, the study suggests the importance of participating local people in development endeavors, working with NGOs, facilitating at least government provided public transport, public water taps and on job training.

Keywords: Ethiopia, Urban municipality, Decentralization, Urban poverty, Local people

1. Introduction

Ethiopia has indicated rapid increase in urban population and simultaneously urban poverty has been on the rise (Tegegne, 2011). According to the household Income, Consumption and expenditure Survey (HICES) of 2004/2005, urban poverty has increased from about 33 per cent in 1995/6 to about 35 per cent in 2004/05. Urban poverty shows a variation among urban centers. According to Muzzini (2008), 69 percent of the urban poor live in small/medium towns. The same source indicates that the incidence of urban poverty is also higher in small/medium towns (50 percent) than in major towns (41 percent). Urban poverty is multidimensional. It characterizes with lack of adequate urban services and infrastructures, unemployment, inability to meet basic needs, and vulnerability to economic and environmental shocks (Degefa, 2011).

The “well managed urban growth and development can contribute not just to economic advancement but also to reduce poverty and improved quality of life for all citizens, including the poor” (UN-Habitat, 2007). However, in urban centers of Ethiopia, obsolete urban administration system and lack of holistic and pro-poor urban development strategies were among the factors that contribute to the rise of urban poverty. The increasing trend of urban poverty and the inability of urban centers to address the problem merit a high place on the development agenda of the country. The urban management sub-programme in the context of National Capacity Building Programme (NCBP) was designed to establish a framework for urban administration (Tegegne, 2011).

According to Tegegne (2007), the programme focused on establishing appropriate framework for municipalities within each region, restructuring, and staffing of municipalities, mobilization of financial resources, strengthening of planning and management capacity and improvement in service delivery. In doing so, tackling poverty at a local level is one of the major objectives of the reform. Consequently, beginning from 2002 many regional governments have started to reform their municipalities by enacting municipal legislations that define the legislative system that clarifies the position of municipalities within the decentralized governance (Tegegne, 2007). Similarly, the Somali Regional State has reformed urban centers to enable urban administration system alleviate poverty and provide adequate service to residents. Regarding governance structure, the region has adopted the council-mayor system for Jigjiga and Gode towns.

The further deepening of decentralization has, therefore, expanded the power and responsibilities of the urban local government. It can play an important role not only in making the bureaucracy more effective and accessible to poor, but also in providing job opportunities and adequate urban services. In fact, little is known about the impacts of urban municipality decentralization on urban

poverty reduction. The area is in need of research that would fill knowledge gap and provide policy makers with adequate information. This study is, therefore, intended to investigate the role of urban municipality decentralization in reducing urban poverty in Jigjiga and Gode towns. The study has been done with the specific objectives of assessing the role of urban municipality decentralization in creating job opportunity for the poor, the accessibility of service to the urban poor and vulnerability of poor to the urban economic and poor environmental context compared to that of before the reform.

2. Study Area

Both Jigjiga and Gode towns are showing rapid urbanization. Jigjiga is one of Ethiopia's intermediate towns that are growing alarmingly. The town is increasing at a rate of 9.9 % per annum (Sumila & et al 2001). According to CSA (2007) with an estimated population of 125,584, Jigjiga is the largest urban area in Somali region. The same source indicated that with the total population of 43,134 Gode town is the second largest urban area in the region. Similar to other urban municipalities of Ethiopia, Jigjiga and Gode towns' municipalities did not decentralize its administrative structure to low level of government tier till up 2010 and 2011, respectively. This means that towns had a highly centralized administration system. The phenomenon has significantly contributed for high level of poverty to exist in towns. However, in 2010 and 2011, regional government reformed municipalities of Jigjiga and Gode towns by enacting municipal legislation that define the legislative system that clarifies the position of municipalities within the decentralized governance.

3. Concepts and Theoretical Framework

3.1. Poverty

The definition of the word poverty has varied over time. Conventionally, poverty has been understood from the point of view of absolute and relative poverty. The former comprises people who cannot afford to have access to a minimum level of basic needs, while the latter is concerned with position of the poor compared to that of the rest of the society (Devas, 2004 cited by Degefa, 2011). To date, various literatures have described poverty from different points of views. According to World Bank Development Report (2001), the households are regarded as poor when they are deprived of basic livelihood assets for meeting basic needs by engaging in viable activities, they have no capacity to cope up with shocks of various hazards and hence are highly vulnerable to life-affecting event, have no power to make decision on community based issues and have no say concerning government action This definition is distinct from the traditional one since it contains the monetary and non-monetary attributes of poverty. It bears the multidimensionality of poverty and, thus is quite comprehensive.

3.2. Why Urban Municipality Reform?

Urban areas, particularly in third world countries are not able to manage the rapid rate of urbanization in providing all necessary services and job opportunities for their citizens. Therefore, urban population is experiencing poverty not only due to urban explosion, rather it is mainly due to lack of modern urban government apparatus. The centralized urban government mode has severely constrained the ability of city governments to address the needs of the poor (Devas, 2004), and to work closely with the local people. Many believe that centralized modes of governance obstruct local government to take immediate intervention upon the causes of poverty before it makes people to become poor. Congruently, it disempowers urban populations to participate in economic, social and political decisions affecting their lives. It has, therefore, resulted in increasing urban poverty: unemployment, lack of capacity to access education, health and other services, vulnerability to urban economic, environment and political context, and inability to cope up with various shocks.

Thus, central governments, located far away and preoccupied mostly with national and regional issues, fall short of adequately and efficiently providing services essentially local in nature (United Nation, 2004). There is now widespread consensus that decentralization is needed to democratize Third World societies and to improve the standard of living of their citizens (Canel, 2001). Government structure, therefore, creates conditions either for development or poverty rise. Devas argues:

The city government can make matters worse for the poor, through inappropriate and repressive policies and interventions, or they can be supportive, for example, by ensuring access to essential infrastructure and services (Devas, 2004).

Therefore, decentralizing power and responsibility to local government, which is more conducive to good governance (United Nation, 2004), is a means to address poverty. Because, "*good governance is perhaps the single most important factors in eradicating poverty and promoting development*" (US-Secretary General-Kofi Annan, 1998). This necessitated reform through devolving power and responsibility to local governments. In other words, it called for urban municipalities' decentralization. The solution towards urban poverty has, therefore, mainly focused on improving urban government structure over the last decades. Urban municipality decentralization has yet become a central issue to promote development and address urban poverty. Thus, in the international literature, decentralization is receiving increased attention as a potential tool in the fight against poverty (Tegegne, 2011).

3.3. Urban Municipality Decentralization and Poverty

In fact, there is no consensus among scholars on the impacts of decentralization in reducing poverty thereby providing people, particularly the poor, with adequate services and job opportunity. There is, therefore, a debate over the impacts of urban municipality

decentralization in reducing poverty. Three perspectives could be seen in the studies of urban municipality decentralization roles to address poverty. They are proponents, opponents and skeptical.

The proponents argue that urban municipality decentralization is necessary in order to create the conditions for longer term development from which all can benefit, including the poor. They believe that decentralization is essential to improve the quality of government and/or the quality of service delivery (Burns et al., 1994). The same idea in different words Canel (2001) states that, decentralization contributed to establish a more democratic mode of municipal governance by facilitating local participation in municipal affairs and by creating spaces for the practice of democratic citizenship at the community level. The same idea in different word, Zemelak (2008) states that decentralization by augmenting democratization and good governance paves the way for poverty reduction and development. Small local administrations offer better services because they facilitate citizen input in defining the services to be provided (Stoker, 1996, Peterson, 1997).

Therefore, decentralization makes development projects more sustainable and cost effective because local people are more likely to be taken part in their design, execution, and monitoring (Canel, 2001). The efficiency argument is that productivity of health, education and other services will be maximized by allowing local governments to take decisions on the allocation of scarce resources, since they have a better sense of local priorities (Jha, 2007). In other words, decentralization will improve the situation of the poor people in accesses to services (Kassahun & Tegegne 2007). On the other side, decentralization makes urban poor not to easily vulnerable to various urban contexts, such as, economic, environmental and social context. According to (Canel, 2001), it provides bureaucrats with early warnings of potential disasters, enabling quick remedial action. Moreover, decentralization encourages communities to find solutions to their everyday problems, yielding innovative ideas, which are more attuned to local conditions (Adablah, 2003 & Mani, 2003).

Opponents of urban municipality reform argue that, decentralization has made things worse for the poor. They argue that, it is not a potential tool to fight poverty. Transfer of resources and responsibility to lower levels of government has neither improved service delivery nor reduced the costs of care (Burki et al., 1999). They believe that, devolving power and responsibility to the local government tier benefits the elite group instead of the poor. Thus, it is argued, inevitably create inequalities.

Differently, others are skeptical and to them, sustainable urban municipality decentralization could be attained through well developed course of action. The adverse impacts of urban municipality decentralization can be tackled by putting it on the ground in a full and careful manner especially targeting the poor and poorest of poor. Recognizing that such a state of perfection has not yet been achieved, the major problem, in their view, is that there is too less and partial decentralization, rather than fully and flawlessly realized decentralized system.

3.4. Challenges of Municipalities Decentralization

According to Kauzya (2005), the urgency in many developing states to reduce poverty and bring development is also major reason behind the growing interest in decentralization. However, decentralization efforts in many developing countries are faced with a number of major impediments. According to Devas (2005), lack of capacity at local levels can be a serious obstacle. In other words, institutional capacity constraints at the local government level were identified as major obstacle. On the other side, shortage of finance has significantly contributed for low performance in providing services and creating job opportunity (UN, 2004).

4. Research Methodology

A mixed method design which is useful to capture the best of both quantitative and qualitative approaches (Creswell, 2009) was employed in the study. The researchers have selected Jigjiga and Gode towns because of that they have made a visible urban government reform. Informants were selected using multi-stage sampling method. First, poor communities site was stratified based on their place of living. The stratification has been made with the help of each town administration. Second, six sites were randomly chosen from both towns, three from each. Third, households were randomly selected from a list of households in the selected poor communities. The list of households has been taken from *kebele* (the lowest administrative unit of government) offices. Equal sample size has been taken from each town due to that researchers wanted to make comparison between towns regarding to the impacts of the reform. In total, 300 informants were selected, 150 from each.

The data have been, therefore, gathered using different methods, such as, structured questionnaire, semi-structured interview, focus group discussion and key informant interview. Then, the collected data were first grouped into different categories based on their dimensions and characteristics. The researchers organized the data into different categories based on their characteristics and analyzed some of it in a percentage. The qualitative analysis was integrated where it was relevant to triangulate the finding. Additionally, the qualitative analysis has been done separately.

5. Finding and Discussion

5.1. Respondents' Characteristics

The sex distribution shows male dominance among respondents. Male constituted 56.7 per cent whereas the proportion of female is 43.3 per cent. Regarding age of respondents, it varied from below 19 to over 65, thus indicating all age categories of populations were included in the study. However, those respondents with age group between 20-49 years form 71.8 per cent, and meant that the majority are working age population.

The male-female gap in education is quite striking. Females form the majority of those who are illiterate. Of the total 130 female respondents, 76.2 per cent are illiterate while the figure is only 25.9 per cent out of 170 male respondents. The majority, 47.6 percent of male respondents have attended basic education whereas it is only 19.2 per cent for females. Only 4.6 per cent of females have attended primary education. Differently, 24.7 percent and 1.8 percent of male respondents have attended primary and secondary education, respectively.

Therefore, it implies that urban education is not accessible for the majority of females as compared to male population. Similarly, the study by Tegegne (2011) indicates that females' primary and secondary level of educational attainment is much lower than their male counterparts. On the other side, literatures identify that lack of education as one of the major factors contributing to poverty. For instance, Bigsten et al. (2003) argue that in urban Ethiopia, education of the household affects both probabilities of moving out of and falling into poverty. Tegegne's (2011) study found out that households who had completed primary education had higher chance of getting out of poverty.

5.2. Employment and Income

Majority of respondents, 76 per cent, were unemployed before the reform. After the reform, however, only 19 per cent of respondents are being without a job. This indicates that size of unemployed section of population highly decreased following decentralization. The micro-small enterprises are major source of employment for most of the poor in towns. The municipalities report indicates that Jigjiga and Gode towns' municipalities have so far created job opportunities for 7500 and 6200 poor organizing them under various enterprises, respectively.

Before the reform, the towns' government system was not in a condition to pay attention to the local people. As a result, they were not capable of providing them, particularly poor, with employment opportunities. According to key informants, after the reform, the condition is changed to the way that local demands and priorities are easily identified for intervention. They further stated that the reform gives mandate for municipality, which is the most neglected prior to reform, to identify grassroots level glitches and come up with solution. Therefore, decentralizing power and responsibility to local government tier is important in addressing unemployment problem. Because, it provides a forum to the local communities to deliberate on their common problems and devise mechanisms for addressing them that conform to local situations and realities (Jha, 2007).

To this end, the reform has a positive impact on income of households. The 20 per cent, 66 per cent and 14 per cent of respondents reported that their income is not increased, increased and decline, respectively. This means that majority of respondents' income is augmented following the reform. However, it is said to be inadequate to cover household expenses. The study found out that only 26 per cent of respondents indicated that their income is adequate to cover their expenses where as 74 percent of respondents reported that it is inadequate. In focus group discussion, it has been identified that commencement of tax collection in towns and banning of contraband than ever before are major factors associated with the phenomenon. Similarly, Fjeldstad (2001) argue that increased local revenue mobilization often involves coercive extraction from the poor.

5.3. Water Services

Water is found a serious problem in both Jigjiga and Gode towns. All most all respondents, 94 per cent, have reported that there is still un-improvement in access to safe water. There is no large disparities between towns having that 95 and 92 per cent of respondents in Jigjiga and Gode town , respectively, indicated that access to safe water between the period before and after the reform is not improved. This is an indication of that water service provision has remained highly inadequate in towns.

Thus, sources of water clearly indicate that how much the problem is still serious in towns. Most (65 per cent in Jigjiga and 71 per cent in Gode) of respondents have reverted to using unsafe water buying from vendors. Unlike Gode town, where respondents have no access to water from private taps, in Jigjiga town, 7 per cent and 20 per cent of respondents have collected safe water from piped water into the yard and purchasing it from private taps, respectively. Differently, 25 per cent of respondents in Gode rely on public taps while unprotected well is source of water for about 4 percent of respondents. One can generalize that respondents are not collecting water from improved source, and as a result, they are easily vulnerable to various water born diseases. UN-Habitat (2004) reveals that unsafe water contributes to the creation of unhealthy and unsafe living environments.

In focus group discussions, unavailability of water on regular bases and long period queue up by the time water comes are signposted as major challenges facing people who are purchasing water from vendors, public and private taps. It was also stated that purchasing water increased households' expenses. It became an expensive for the poorest of poor. Waiting for and fetching water consumes peoples' considerable times, which could otherwise is used for income earning or other purposes, according to informants in focus group discussion.

Moreover, women and children are in a burden to collect water from the source that is located far away from their place of residences. They are responsible for water collection in 95 per cent of respondents. Moreover, as it is expressed in focus group discussions, young children are the primary water collectors. They queue up for a long time and walk long distance with heavy load of water. This has implication on their ability to pursue education. If this is the case, there is still great gap in addressing problems associated with safe water provision in towns.

5.4. Education Services

Education service has shown some improvement due to the contributions of urban municipality decentralization. Most of respondents, 70.7 percent, indicated that availability of education is improved after the reform in towns whereas it is not improved according to

some respondents, 29.3 percent. The data received from education bureaus of the towns revealed that availability of education is improved following the reform. The number of junior school increased from 3 to 8 between the period before and after the reform in Gode town while it increased from 8 to 14 in Jigjiga town. At the same time, number of high school increased from 1 to 3 and from 2 to 6 in Gode and Jigjiga towns, respectively. Equally important, number of teachers has increased following the reform. For instance, between the points before and after the reform, number of degree holder teachers increased from 51 to 97 and 180 to 269 in Gode and Jigjiga towns, respectively.

In addition, student class and book ratios have shown significant improvement following the reform. For instance, currently, student-class ratio is attributed by 1 to 80 (Gode) and 1 to 60 (Jigjiga), but it was 1 to 120 (Gode) and 1 to 95 (Jigjiga) before the reform. Regarding to student-book ratio, the received data shows that, in high school, it was 1 to 9 before the reform and 1 to 1 after the reform in Gode town while it was 1 to 7 before the reform and 1 to 2 after the reform in Jigjiga town. In preparatory school, the ratio was attributable to 1 to 15 before the reform and 1 to 5 after the reform in Gode town whereas it was 1 to 10 before the reform and 1 to 6 after the reform in Jigjiga town. Though the preparatory school book-ratio is showed greater improvement, it is still below the standard level. Nonetheless, the availability of education does not, however, indicate that people are able to use it, because people may not use it due to economic and other factors.

According to FGDs and interviewee, in addition to shortage in availability of education, before the reform, there were many costs that made education access difficult and beyond the reach of the poor households. These include expenses for of school uniform and educational materials, such as exercise books, stationeries, etc. which are borne by households. They stated that the aforementioned problems are currently mitigated as of each *kebeles* are covering cost of uniform and other educational materials for children of destitute households following the reform. The increment of students' number after the reform may imply that there is improvement in access to education in towns.

For instance, total number of students increased from 10,068 before the reform to 15,774 after the reform in Gode while it increased from 24,150 to 59,177 in Jigjiga town. In urban area, education is so crucial for destitute in making their subsistence. Rakodi (2002), argue that, lack of human capital in the form of education affects the ability to secure a livelihood more directly in urban labor markets than in rural areas. Therefore, the aforementioned improvement occurred in both towns contribute better to lessen poverty.

5.5. Health Services

Prior to the reform, there were problems in health service delivery in towns. Shortage of health service facilities, uneven distribution of health services and shortage of trained manpower were problems explained by respondents. The reform has, however, brought to some extent progress in health service delivery. Only 15.3 per cent of respondents indicated that health service provision is not improved in towns after the reform.

Thus, more than half of respondents, 52.7% percent, explained that health service delivery is improved, though it is still inadequate, followed by improved (32 per cent). This has implication that the health units are serving below the standard level. The data shows that there is no great disparity between Jigjiga and Gode towns regarding to improvement in health services delivery following the reform. In fact, after the reform, performance in health service delivery is better in Jigjiga as compared to Gode town.

The statistics from the Health Bureau on the improvement of health service provision support that the reform has better impact in improving access to health service in Jigjiga than Gode town. For example, between the points before and after the reform health posts increased from 2 to 10 (by 80 per cent) in Jigjiga town while it increased from zilch to 6 in Gode town. Similarly, health center increased from 1 to 3 (by 66.7 per cent) in Jigjiga town, whereas it is still unavailable in Gode town.

Health professionals also increased by a difference of 103 (83.3 per cent) and 7 (100 per cent) in Jigjiga and Gode towns, respectively. During the focus group discussions, dwellers explained that the increment in health care institutions in towns has made access to health services easy and well-timed as compared to before the reform. Moreover, one of the things that satisfy these respondents is that low income earners receive free health care after the reform. On the other side, all the key informants interviewed talked about the reduction in maternal mortality rate following the reform. Hence, the role of urban oriented extension health workers is of paramount. Moreover, community based organization involvement was found to be greater in encouraging and teaching people to deliver birth at health care institutions. The improvement achieved in health service provision has undeniable contribution toward having healthy citizens and thus reduce poverty thereby making them more productive. Healthy individuals can actively engage in production activities and contribute to sustainability of own households livelihood (Degefa, 2010). Good health status is, therefore, needed for production, reproduction, learning, participation and citizenship (Harpham & Grant, 2002).

5.6. Urban Transport

The study found out that in both towns urban transportation was inaccessible for the majority of respondents before the reform. The 72.7 and 22.6 percent of respondents in Jigjiga and Gode, respectively, reported that access to transportation was difficult prior to reform. On the other hand, 21.3 percent of respondents in Jigjiga and majority, 77.4 per cent in Gode town indicated as the access was very difficult. Only 6 per cent of respondents in Jigjiga town had easy access to transportation before the reform. Therefore, transportation problem was a typical attribute in both towns before the reform, though it was so dire in Gode town.

Differently, 67.3 percent and 36 percent of respondents in Jigjiga and Gode, respectively, feel that access to transportation has become easy following the reform. On the other side, about 24.7 per cent of respondents in Jigjiga town believe that access to transportation is very easy following the reform while only 8 percent reported difficult. However, inaccessible transport is still a major problem in

Gode town where more than half, 58 per cent, and 6 percent of respondents indicated that access is difficult and very difficult, respectively.

In focus group discussion, it was noted that, though the reform has resulted in three-wheel taxis to be available, high transport cost and unavailability of urban-buses are the serious problems currently witnessed in Gode town. Differently, focus group discussions as well as key informants explained that, after the reform, municipality has worked hard and provided Jigjiga town's residents with accessible transportation. Various mini, maxi and big-buses have been delivered by the municipality and endeavored to make urban transportation accessible both in terms of distance and cost.

In Jigjiga town, therefore, the reform promotes relatively efficient transport system that meets the need of people as compared to Gode town. In Jigjiga town, the improved transportation enables destitute use their knowledge and skill appropriately in their effort to attain secure livelihood and lock themselves out of poverty. The scenario is different in Gode town, because, as Brown and Lloyd-Jones (2002) argue lack of transport can have a profound effect on the livelihoods of people.

5.7. Vulnerability to Urban Poor Environment

Poor are commonly concentrated at poor location where they can afford to live -either area with low rent or on urban land which is lying vacant and unreachable, which generally reflect the poverty of the environments (Elliot, 1994). Many believed that the phenomenon occurs mainly where un-participatory and centralized government system is practiced. Similarly, poor in Jigjiga and Gode towns live in areas with poor and insanitary environment: waste is uncollected, vulnerable to flood, and feeder road, drainage and sewerage systems are unavailable. However, the reform has resulted in change in waste collection, reducing vulnerability of poor to flood thereby establishing drainage system and feeder road expansions in towns.

Respondents explained that following the reform cobble stone paved roads including pedestrians path are highly increasing in towns. With the paved-roads various vehicles, such as, three wheel-taxis and mini, maxi and big-buses now access the formerly unreachable areas. The sidewalks that have increased greatly with the implementation of decentralized urban municipality, led to an improvement in pedestrians movement and safety, especially during rainy seasons. On the other hand, dwellers were highly susceptible to poor environment caused diseases. According to informants, after the reform, the phenomenon has declined because waste is to some extent properly collected and roads are paved. Though not yet fully reached, cobble-stone paved roads emphatically reduce the amount of dust and flooding. This, in turn, reduces poor environment-caused diseases, particularly, respiratory and waterborne diseases such as malaria.

5.8. Vulnerability to Urban Economic Context

Farrington & et al (2002) argue that urban economies are characterized by a greater degree of commercialization, and most basic goods such as food and accommodation must be bought or rented through the market. Urban poor, therefore, need higher cash incomes to survive, unlike their rural counterparts who may rely more heavily on subsistence agriculture or payment in kind and who are more likely to have access to free or common property resources (Wratten, 1995; Satterthwaite 1997). In fact, the poor face difficulty to pursue innocuous livelihood in urban areas owing to that they often engage in activities that have meager return.

Similarly, poor in Jigjiga and Gode towns are vulnerable to urban cash oriented life. The rise of food price has threatened more the life of poor in towns. They rarely afford to pay for foodstuffs. Moreover, global oil price rise, which in turn, make transportation, food and other commodities' price to liftoff, has aggravated the vulnerability of poor to the urban monetized life in towns. This is because of that urban economies are part of a wider economic system and are affected by international macro policy (Douglass, 1998). The vulnerability was dire before the reform because urban government has done nothing to manage the phenomenon. Differently, after the reform, municipalities have regulated price of food, and also facilitated for the poor to get accessible food and other basic necessities.

5.9. Challenges of Urban Municipality Decentralization

Jigjiga and Gode towns' governments were locked into a historical model in which decision making concentrated in the hands of small group of officials. Thus, there is yet change regarding to government system in towns. In fact, the extent to which towns governments can benefit the poor depends on their financial and human resources capacity. Practically, the ability of Jigjiga and Gode municipalities to provide adequate services and employment opportunity, that affect the poor, is constrained by inadequate financial resources and limited skilled human power.

Lack of adequate financial capital constraint has significantly contributed to the provisions of inadequate services and job opportunity. Moreover, key informants indicated that the problem has had a paramount contribution to the low performance in health service provision. Lack of skilled human capital, adequate infrastructures and sufficient pharmaceuticals are problems resulted from lack of adequate financial resources. In addition, lack of adequate and capable municipality staffs are serious problems that both towns are facing. Staffs frequently move to elsewhere, particularly to NGOs where earning is many times higher than of municipality, according to key informants.

6. Conclusion and Recommendation

The Jigjiga and Gode towns' government system reform objective to promote decentralized urban municipality and participatory government to serve as a vehicle for creating employment and reducing poverty is in the right direction. The reform is found to have some positive impact on poverty reduction. The study has shown that the reform has some positive impacts in creating employment

and improving income of studied people. The study, therefore, showed that unemployment rate is highly reduced among respondents after the reform. Though their income is consequently improved, it is, however, insufficient to cover households' expenses.

In addition, the contribution of the reform seems to be better in towns in improving urban services delivery. Basic urban services provision, such as education, health and transport, are improved after the reform. Improvement in health and transportation services delivery is found out better in Jigjiga as compared to Gode town. Differently, in both towns, the major problem is water shortage. Thus, the problem highly affects women and children who are responsible for collecting water from distant. When it comes to vulnerability to urban environment and economic context, the study has shown that the reform has scored achievement in reducing the susceptibility of poor to the situations.

After the reform, municipalities have taken measure to entail reasonable price of food and other basic necessities in towns. In spite of some positive impacts of the reform on job creation and basic service provision, it is faced with various constraints. Lack of adequate finance and capable staff are among the major problems that impede the reform to achieve poverty reduction objective in a sustainable and holistic manner.

The municipalities have to work intensively with inhabitants and NGOs to solve water provision problem. Moreover, it is necessary to establish public taps in towns at accessible locations till up the problem is solved in a sustainable manner. Accessible health centers should be established in towns, particularly in Gode town where problem is serious. At least, government provided public transport ought to be made accessible in Gode town. The municipalities should increase its revenue by mobilizing resources. Such activities must be undertaken within the framework of the broad participatory development strategy. On job training must be facilitated for municipalities' staff.

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