

# Good Governance Nexus Economic Development: The Case of Sodo Town Administration, Wolaita Zone, Ethiopia

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**Abstract:** The main objective of this study was to assess good governance nexus economic development: The case of Sodo Town Administration, Wolaita Zone, Ethiopia. In order to conduct this research both primary and secondary data like questionnaire, interviews, books and internet source were used and purposive sampling techniques have been applied. The state of good governance versus economic development the case Sodo town Administration has been identified and interpreted. The principal of good governance matter, as government based on the observance of equity, just equity, basic need provision, effectiveness and subsidiary. In the study are good governance enhances considerable participation of community equal without differentiation in their economic affairs. It facilities economic development of community in the study area contributed for peace full existence and coordination of the community for their common goal. The study found that the town provide both financial and technical support for vulnerable section of the society and change their economic status. Thus, good governance could promote economic development of the community by the enabling them to participate in economic activities and protect the properties all individuals and communities by initiating to work hard. Besides the study identified and considered the existence of lack of commitment of the employees, lack of standardized performance, lack of qualified man power and government officials are majority challenges of good governance. It can then be concluded that good governance in the study area was no alright. Thus, I recommended that the town administration should promote accountability, transparency rule of law to enhance economic development of community in particular and nation in general.

**Keywords:** Good Governance, Economic Development, Community, Sodo Town Administration

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## 1. Introduction

### 1.1. Background of the Study

Good governance is essential for effective and efficiency creating the necessary condition for resource mobilization. Good governance fostering accountability of those in the government to the allow for popular participation in the decision making process [3]. Similarly, good governance might be approximated with provision of public services in an efficient manner. It involves the higher participation given to certain groups of the population like the poor and the minorities and guarantee that citizens have the opportunity of checking and balancing of the government apparatus.

Good governance is conceptualized as the responsible use

of policy implementers authentic to manage national affairs. It requires professional competency, honesty, and accountability effective state institution for formulating and implemented rational development policies and just and predicable legal framework [8].

Therefore, good governance is comprehensive strategic planning process important policy components, such as; understanding political, social, economic, and institutional environments of local government. It is also a practical process in which the implication of public policy in responsible manners.

With regarding economic development good governance has been used regulatory reform open door in development economic growth, completeness and consumer welfare reforms economic (burdens) as regulation, distinctive and balancing market distortion and promotion of competition

entrepreneurship technological innovation productivity structural adjustment and other market issues [2].

So, good governance in economy offers a powerful impetus for promoting reforms in policies and programs for sustainable development. These include open to transparent opportunity for disadvantaged citizens to access to economic related information and secure their right over land in order to bring about better outcomes in his production.

Economic development is a development of economic wealth of the countries communities for the well being of their in habitants. From a policy perspective economic development can be defined as effort that seek to improve the economic well being and the quality of the life or community by creating of refraining job and supporting or grow things incomes and the tax based [13].

Good government is a precondition for economic development. The quality of governance plays a vital role in the economic development of the country. The need for good governance is mainly recognized in today's discourses of development. The exhortation for good governance for a live economic development is wide spread. Even among those how agree that there is a relationship between good governance and economic development, the nexus is not at all clear. Although it is said that good governance is a sine quo non for economic development of developing countries, the precise connection is clear [14].

Good Governance is non synonyms with development and the concept has won a global outlook. Governance has been internationalized and transcend local domain. One major issue regarding the application of governance concept of economic development. To promote economic development researchers are studied on the application of good governance principles in many developed and developing country. So, the many researchers indicate that the successful experience of newly industrialized countries is operation of active role of government in directing public and private resources change the structure of their economy [10].

Ethiopia, is also one of the developing countries of the world that experienced with three major regimes such as, imperial regime, military regime and EPRDF regime for all which of them have their own economic policies which contribute the current and future state of the country we have seen that the main economic development objective of the government of Ethiopia have been accelerating the role of economic growth with the final goal of improving living conditions and raising the standard of living of populations while there have been same encouragement of success in each of regime. So that none of them has achieved the final goal, and the all over development recorded of the country is disappeared.

## **1.2. Statement of the Problem**

Until now, Ethiopia is considered as one of the least developed states of the world. Even in sub Saharan standard. The main hindrance for economic development is lack of good governance. As we know, good governance has vital role in economic development of a country [18].

In Wolaita Zone Sodo town were lack of good governance is also persistent. Currently, administrative authority in Sodo town is struggling to apply good governance in the town due to this fact there is some economic improvement. When there is good governance in specific area there is also the possibility of economic efficiency and effective [5]. In addition, there is some improvement regarding area of justices, equality, education, health and other economic indications. In this town, the consequence of lack of good governance is lack of participation, coordination between community, civil society, private sector, and staff of little performance and product is low.

The other problems are regarding to the limitation of management capacity including lack of human and capital resource and information of the town level, low administrative skills, training and education among the town employees, and lack of legal framework. Therefore, government, civil society, community, and the private sector work together to solve the above listing problems to achieve fast economic development in Ethiopia in general and in Sodo town in particular [3].

However, no study was conducted on the same issue in the study area. Thus, the researcher motivated to conduct a study on the area to fill the existing gaps in the study area. For this reason, the researcher was conducted this study in Sodo town administration to know how the good governance improve economic development. Therefore, this researcher attempt to address the following objectives and research questions and some possible solutions for the problems.

## **1.3. Objectives of the Study**

### **1.3.1. General Objective**

The general objective of the study is to assess good governance nexus economic development: The case of Sodo Town Administration, Wolaita Zone, Ethiopia.

### **1.3.2. Specific Objectives**

The specific objectives that established to achieve the study are:

1. To examine the role of good governance in promoting economic development in Sodo town administration.
2. To evaluate the performance of good governance to improve economic development in Sodo town administration.
3. To examine the major challenges of good governance in promoting economic development in Sodo town administration.

## **1.4. Significance of the Study**

- 1) The study provides important insight through government is improving its performance in each sector of the economic by intervene the economic improvement of the sector.
- 2) There would be providing role to design a mechanism of institutionalizing good governance in effective manner and to realize the government policies that is promoting economic development at town level.

- 3) The study helps the administration of Sodo town administration to strengthen its functions that important for economic improvement of the country.
- 4) The result of this study gives information for researcher who wants to conduct further studies on the area.
- 5) The study is necessary in that it can motivate and raise both government and non-governmental organizations of employees as well as communities at large to overcome the major challenges of good governance those hinders economic development and ultimately it may help to rethink on how to go ahead up on the agenda of good governance.

### **1.5. Scope of the Study**

Geographically, this study was conducted in Sodo town administration. The study delimited only to studying good governance versus economic development in Sodo town administration. Hence, the result is not representative of the whole region and country at large. Because it is difficult to cover the vast areas and in all other sector at one time study. For this case the study to focused on the current good governance nexus economic development of Sodo town administration.

## **2. Literature Review**

### **2.1. Definition of Good Governance**

Good governance is essential for creating the necessary condition for resource mobilization. Good governance may include accountability of the government to the governed, fostering the rule of law and political system that allow popular portion in the decision making process [3].

Good governance implies a manner in which power is exercised in the management or resources for sustainable development. The term good governance refers to the away government cares our work. It is among things participatory, responsive, transparent, accountability, effective, equitable, and that promote rule of law [9].

Good governance assumes government ability to maintain in social guaranty and order or create a condition necessary for competency growth and development [9].

Good governance is conceptualized as the responsible use of political authority to manage national affairs. It requires that a professional competency, honesty, and accountability, effective institutions formulating implement rational development policies, just and predicable legal framework [8].

### **2.2. Components of Good Governance**

Good governance has eight major characteristics. It is a participatory census oriented accountability, transparency, responsive, effective and efficient, equitable and inclusive as well as rule of law. It assures the corruption minimizing the view of minorities are taken in to account and that the voices of the most vulnerable society are heard in decision making. It also the responsive to the voices of the present and future need society [4].

Among the above listed different elements of good governance the researcher would be only four.

#### **2.2.1. Accountability**

Accountability is defined as holding responsible elected or appointed individual and organization charged with the public from who drive their authorities. In narrow sense accountability focuses on the ability to count for allocation used and control. That means budgeting, accounting, and auditing. In broad sense it also concerned with establishment and informant of rules and regulation in corporate governance [15-17].

#### **2.2.2. Transparency**

Transparency is a broadly defined as public knowledge of the policies of government and confidence in its interiors. This require making public accountable providing for public participant in government policy making and implementation and allowing condensation over choices impacts on the lives of citizens. It also includes making available for public security.

#### **2.2.3. Accountability and Transparency in Economic Development**

Accountability and transparency is role in economic development are critical for the efficient function of modern economy and fostering social well being. In most societies, many powers are delegators that are society as large that transfer of power is not only effective, but also abused. Transparency ensures that information available that can be used to measure the authorities' performance and to guard against any possible measure of powers in that sense transparency services to achieve accountability. Trust will be lacking between governments and conducive to economic growth [14-16].

#### **2.2.4. Public Participation**

As united nation (UN) habitat inclusive decision making is at the heart of good governance a societies well being begging depends on the ensuring that all its members fell that they have the same in its and do not exclude from the main stream of society. This requires all groups but particularly the most vulnerable have opportunities to improve or maintain their well being [20].

### **2.3. Rule of Law and Measuring (Indicators) of Good Governance**

Good government requires fair legal frame works care enforced partiality and full protection of human rights particularly those of minority enforcements of law. Retires independents judiciary and impartial judiciary in corruptible forces predictability results primary from laws regulates that are clear and known in advance and unfound and be enforced lack of predictably makes it difficult for public principles to provision of most impartiality to be predict application of economic regulation must be founded fair and uniform [7].

According to the world wide government indicators of World Bank (WB) good governance is measured:-

- 1) Government effectiveness
- 2) Public voice and accountability
- 3) Political stability and lack of violence
- 4) Regulatory equity
- 5) Rule of equity
- 6) Control of corruption [21].

#### **2.4. Pre-requisites of Good Governance**

As analysis of the barriers to good governance reveals that there are several pre-requisites which be fulfilled in order to make governance citizen centric. Some pre-requisites are:-

- 1) Sound legal frame work,
- 2) Robust institutional mechanism for proper implementation of the laws and their effective functioning,
- 3) Right policies for decentralization, delegation and accountability.
- 4) Besides, a number of tools can be employed to make administrative citizen centric.

These are:-

- 1) Re-engineering process to make governance citizens centric
- 2) Adoption of appropriate modern technology
- 3) Right to information
- 4) Citizens characters
- 5) Independent evaluation of services
- 6) Grievance reversal mechanisms

Active citizens participation and public - private partnership [6].

#### **2.5. Definition of Economic Development**

Economic development was defined by different individuals and international organization from different dimension according to schema peter [17], economic development refers to sustainable increase in living standards. It implies the living standard economic development implies increase per capital income better education and health services as well as environmental protection. Economic development in the simplest form is her creation of economic wealth for all citizens with in diverse layer of society. So that all people have access to increase potential in taxable basis or the west common measurement tools.

According to Myrdal, quoted in the [16]. defines economic development is related to qualitative change in economic good incentive institutions productivity and knowledge of upward movement of the entire social system.

Economic development in the past has also been typically seen in terms of pained alternation of structure product on and employment, so that agriculture share of both manufacturing and service sector increases. Development strategy usually focused on rapid industrialization often at the expense of agriculture and rural development [6].

On another hand economic development should include material, especially for persons with the lowest incomes, the eradication of mass poverty with it correlates of illiteracy and disease. It implies a fundamental change in the structure of

the economy. That is a falling share of agriculture and a rising a share of population living in the urban areas. Furthermore, economic development implies that the country must participate in the process that brought the major structural change in income. Generally, economic development implies not only more output also different kinds of output than were previously produced as we as change in the technically and instructional arguments by which output in produced and distributed [22].

#### **2.6. Core Value and Objectives in Economic Development**

- 1) Sustainable the ability to meet basic needs that is food, shelter, and clothes
- 2) Self- esteem to be a person having a sense of worth and self-respect
- 3) Freedom from servitude to able to choose the range of choice of society with minimization of external constraints. It the emancipation from alternating material conditions [11].

Development is both physical reality and state of mind in which a society has secured the means for obtaining a better life through the combination of social, economic and institutional process. Some objective are:-

- 1) To raise or increase the ability and widen the distribution it basic life sustain
- 2) To raise level of living standards
- 3) To expand the range of economic and social choices available to individuals and nations by treating them from servitude and dependency [22].

#### **2.7. Basis Requirement of Economic Development**

There are so many basic requirements for the success economic development. This are:-

- 1) Removing market imperfection
- 2) Structural changes
- 3) Capital formation
- 4) Sustainable environment and investment
- 5) Existence of strong and competent administration [22].

#### **2.8. Good Governance Origin and Economic Development**

The concept of good governance has got and central attention in the world following the down fall of communism which dominants Eastern Europe in late 1980s [12]. In other words, the concepts and the sprite of good governance was genesis to the period of cold war era starting from that time the concept and practices of good governance are deal of acceptance among political, arcade, multilateral and bilateral economic development institutions.

According to [19], the concept of good governance have been on the agenda of development institutions in the last 20 years and it has become in dispensable in development cooperation the term instructed in development discussion by the world study which for used on the role of state in the development process. With this new on the state and its overall performance various new topics become important for the wave of development institutions.

It indicate that, the concept of good governance is contrary global issues sense it beginning after the end of cold war and with the establishment of different developmental institutional life to promote economic development in least developed country of the world and a state are the main actors to institutionalize good governance [18].

### **2.9. Poor Governance Effects on Growth Performance in Africa Economics Essay**

In Africa poor governance has led to poor economic growth and it is manifested through corruption, political instability, ineffective rule of laws and institutions. Some African countries through governance failures and corruption at some point in time but their governance capacity made them recover and insure the maintenance of rapid growth performance through constant demand to improve government and reduce corruption. However, this could not happen if governance capacity was poor and non sustainable. The challenge for Africa is to restructure the governance strategies that would be sustainable to their own conditions. Thus the actual governance system does not sustain good growth performance [9].

### **2.10. Economic Governance in Ethiopia**

The recent government (FDRE) adopts and implement wide variety of economic policies in the another hand some policies recent the key means as the disposal of the government in the effort to achieve under related economic objectives printing macroeconomic stability and promote economic development and growth in the other hand this policies and via which are elected constitute patterns of economic governance in country and such a key elements institutional environment with countries economy operates. Consequently government policies from an integrate part of a decoy, as well as critical determinate of its functioning and violation [1].

The ultimate goal of economic policy should be to improve the well being of the citizens either directly or indirectly by including economic actors (individuals, house holders, and business) modify the choices in desirable way, choice actors and thus effectiveness of government policies depends only on the explicit characteristics such policies depends on the actors reception about them. In short, good appropriate government policies chance the economic performance of the country and enhance a well being at citizens .

## **3. Research Methodology**

### **3.1. Description of the Study Area**

Sodo is a town in southern part of Ethiopia, located in Wolaita Zone of the SNNPR. It is 390km south west of the capital city of Addis Ababa. This town has a latitude and longitude of 74° N 37° E 42° W and an elevation of 1774 above sea level. It is the administrative center of Sodo town. It borders in the South by Sodo Zuriya, and Humbo Woreda; in the North Damot Gale Woreda; in the East Damot Pulassa;

in the West Sodo Zuriya and Bayra Koysha Woreda are the neighboring places. The total population of Sodo town administration is 310,660; from this 150,500 are males and 160,160 are females according the demographic statics of Wolaita Zone plan commission statics. The climatic condition of Sodo town administrative is Woyna Dega or subtropical savanna climate with average rainfall 1290 mm. It land configuration is level or plane. The socio-economic condition of this city; trading is the backbone of the society to live; some others by and additionally public work is other economic job of society.

### **3.2. Research Design**

The main objective of this study is to assess the nexus between good governance and economic development in Sodo town administration. To achieve this goal the researcher used descriptive research design with mixed research approach that are both qualitative and quantitative ones and explanatory design.

### **3.3. Data Sources**

The researcher would be used both primary and secondary data sources to accomplish the objective of this research. The primary data source would be collected from 20 selected employees of the government officials through questionnaires and from 6 respondent of government. Like primary data, secondary data are also important for the purpose of this research. Secondary data will collect through review of related literature such as books, websites, journal articles, magazine, internet and official report.

### **3.4. Instrument of Data Collection**

The researcher would be used various data gathering tools. There are many data collection techniques but questionnaire and interview would be selected as a method for the conduct of this research purpose.

#### **3.4.1. Questionnaires**

The questionnaires of this questionnaire are both open-ended and close-ended prepared in both Amharic and English language purposively selected respondent can the languages. The researcher would be distributed questionnaires for both males and females based on the knowledge of population and purpose of the study and who have the ability to provide the researcher with the relevant and information about the issue of by using judgment of sampling techniques.

#### **3.4.2. Interviews**

The researcher would interviews 6 persons from the officials of the town in order to get key information. Interview is a process of communication in which the interviewee gives the needed information orally in face to face situation with the interviewer. The advantage of this data collection instrument is that usually allowed face to face contact with the respondents, sampling techniques based on the knowledge of the respondent and experience of them.

### 3.5. Sampling Techniques and Sample Size

The researcher would selected 26 samples respondents from total employees of the Sodo town administration purposively and randomly. From these, 20 respondents for questionnaires and 6 respondents for interview selected. The rationale behind using non probability purposive sampling techniques is based up on the variety of criteria which may include experience, responsive, capacity, and who have the ability to assist with relevant information about the issues.

### 3.6. Methods of Data Analysis

The analysis of this study would be used both qualitative and quantitative approach. The qualitative data will analyze through description, interpretation and summarization. The quantitative data will be analyzed through classification, tabulation and percentage.

## 4. Data Analysis, Presentation and Interpretation

This chapter deals with data analysis, presentation and interpretation on the good governance versus economic development. In addition to this, the objective deal with the good governance versus economic development, to identify the challenges of good governance in promoting economic development, to explore the relations of good governance and awareness of governors and to suggest the performance of the performances good governance in promoting economic development in the study area.

*Table 1. Gender status of respondents.*

No	Item	Alternatives	Respondents	
			Number	Percentage
1	Sex	Male	11	55
		Female	9	45
		Total	20	100

Source: questionnaire survey, 2021.

As indicated in above table, the higher percentage of the respondents are 11 males which account 55% of the total sample and the remaining 9 respondents are females which account 45% from the total sample.

*Table 2. Age of group of respondents.*

No	Item	Alternative	Respondents	
			Numbers	Percentages
2		18-25	10	50%
		26-30	8	40%
		31-40	1	10%
		41-50	1	0%
		Total	20	100%

Source: questionnaire survey, 2021.

As presented in the above table, majority of the respondents are between the ages of 18-25 this means they cover 50% of the total respondents. The age-group between

26-30% covers 40% of the total respondents and remaining age-group between 31-40 and 41-50 which covers both 5% of the total respondents respectively.

*Table 3. Educational statuses of the respondents.*

No	Item	Alternatives	Respondents	
			Numbers	Percentages
3	Educational status	Certificate	-	-
		Diploma	2	10%
		Degree	15	75%
		MA degree	3	15%
		Total	20	100%

Source: questionnaire survey, 2021.

As shown in the above table, the majority of the respondents or the 75% are qualified degree 15% qualified MA degrees as well as 10% qualified diploma from the total respondents in the study area.

*Table 4. The years of services respondents.*

No	Item	Alternatives	Respondents	
			Numbers	Percentages
4	Years of service	0-5	3	15%
		3-5	5	25%
		6-10	10	50%
		>10	2	10%
		Total	20	100%

Source: questionnaire survey, 2021.

As shown in the above table the majority of the respondents are between 6-10 years of service which cover 50% from the total respondents, between 3-5 years of service which covers 25% from the total respondents, and the remaining between 0-5 and >10 years of services which cover 15% and 10% from the total respondents.

### 4.1. Analysis and Interpretation of Data Obtained from Sodo Town Administration Through Questionnaire and Interview

This part concerned with analysis and interpretation of data obtained from Sodo town administration through both close ended and open ended questionnaires' and structured interview.

*Table 5. The role of good governance in promoting economic development.*

No	Items	Alternatives	Respondents	
			Numbers	Percentages
1.	Is there good governance in Sodo town administration?	Yes	17	85%
		No	3	15%
		Total	20	100%
2.	If your answer for question no, 1 is yes how about the town economic development?	Very low	1	5%
		Low	2	10%
		High	14	75%
		Very high	3	15%
		Total	20	100%

Source: questionnaire survey, 2021.

According to the above table, the majority of the respondents are asserted that, there is good governance in

Sodo town administration. Therefore, the researcher conclude that most of the respondents know and aware the good governance. As indicated in the above table, in Sodo town administration have how about the economic development, the majority of the respondents are replied the economic development is high in the study area.

According to the interview, the respondents gave some

information about the FDRE government how they assure the good governance and self owned economic activities. In the past government there is no active participation of good governance in promoting economic development. But, today every members of the society participate in the good governance to promote economic development.

**Table 6.** *The role of good governance in promoting economic development.*

No	Items	Alternatives	Respondents	
			Numbers	Percentages
3.	Do you believe that good governance can promote economic development?	Yes	18	90%
		No	2	10%
		Total	20	100%
		Strong disagree	-	-
4.	If your answer question no, 3 is yes to what extent do you agree?	Disagree	2	10%
		Strong agree	4	20%
		Agree	14	70%
		Total	20	100%

Source: questionnaire survey, 2021.

As indicated in the above table, the majority of the respondents asserted that, good governance has a role in promoting economic development. The researcher also assured, based on the different system data and respondent's idea, that good governance has a contribution to economic development. Based on the different interview's ideas, good governance has a major role in promoting their individual as well as in community economic development.

Furthermore, the highest number of respondents agrees on this issue of good governance as base for economic development. The idea shows that in the Sodo town administration good governance have essential role to improve community and private economic performances.

The researcher would assure that good governance is first

and foremost intrinsic value of economy. Because, without good governance we cannot talk about economic development of society as well as living standard of community.

#### **4.2. Contribution of Good Governance in Promoting Economic Development**

The respondents said on the interview are that indicates and promoting the employees who increase the performance of their efforts to create awareness and participation of community, civil society, private self-profit or other valuing in economic development expending of community system among the town are the major role of good governance in promoting economic development.

**Table 7.** *The challenges of good governance in promoting economic development.*

No	Item	Alternatives	number	percentage
5.	What are the good governance related challenges in promoting economic development in Sodo town administration?	Lack of community participation	4	20%
		Government policy	1	5%
		Lack of human and capital resource	7	35%
		Lack of community and government officials involvement in the promotion of good governance	8	40%
		Total	20	100%

Source: questionnaire survey, 2021.

As we can see from the above table, the respondents had been enumerated a multitude of good governance related problems that can be an obstacle in attempt to promote economic development in the study area. Accordingly, lack of human and capital resource and, lack of community and government officials participating on good governance are the most important challenges that hinder the concerned body in its attempt to bring about sound and equitable economic development in Sodo town administration.

**Table 8.** *The relation between good governance and economic development.*

No	Item	Alternatives	Respondents	
			number	percentage
6	Do you think that, in Sodo town administration the government policy is explaining good governance in with economic development?	Yes	15	75%
		No	5	25%
		Total	20	100%
7	If your answer for question number 6 is yes or no, is there any reason that may hinder the relation	Lack of low interpret economic development	3	15%
		Lack of training of employees for economic development	7	35%

No	Item	Alternatives	Respondents	
			number	percentage
	between them?	The problems of human resources and capital managements	10	50%
		Total	20	100%

Source: questionnaire survey, 2021.

According to the above table, the majority respondents confirmed that in Sodo town administration, the government policies have a good governance is relation with economic development.

Based on the majority idea the researcher is also suggests that in the study area the government policies are related with economic development. According to the employees response that in the study area government policy to improve

economic development is very important because the town economic development like, progress of life styles of the community more developed than before. Nevertheless, as shown in the above table, the majority of respondents are replied the problems of human resources and capital management's are the main problem of the government policy and economic development in the study area.

**Table 9.** *Actors in promoting economic development.*

No	Item	Alternatives	Respondents	
			Number	Percentage
8	Which of the following organs have a higher role in promoting economic development in Sodo town administration?	Government	4	20%
		Civil society	3	15%
		The community	10	50%
		Private sector	3	15%
		Total	20	100%

Source: questionnaire survey, 2021.

According to the above table, the majority of the respondents are replied that, the communities of Sodo town administration have major roles in economic development. Based on the above table the researcher also understand that, in Sodo town administration community have their own role in promoting economic development rather than the government and the civil society. According to the

interviewers said that in the Sodo town administration the primary economic activities are technological improvement to increase the productivity of industrial sector. That means small scale industry and small business development and, small scale micro finance to provide credit for the town residents that may promote economic development of societies.

**Table 10.** *The community participation on economic development.*

No	Item	Alternatives	Respondents	
			Number	Percentage
9	Do you believe the communities have participated on economic development in Sodo town administration?	Yes	16	80%
		No	4	20%
		Total	20	100%
		High	10	50%
10	If your answer for question number 9 is yes how about level of participation in to economic development?	Low	4	20%
		Very low	3	15%
		Very high	3	15%
		Total	20	100%

Source: questionnaire survey, 2021.

As it is indicated in the above table, the majority of the respondents are agree on the community have participation on economic development. According to the above data the majority of the respondents are agree on high community participation on economic development.

#### **4.3. The Measurements That Taken by Government to Improve Economic Development as Well as Support Community to Participate on Development**

According to the respondents of the replied on the

interview, government supports the community participation in different sections, that can create awareness to the community to participate highly on economic development. It provides financial support for society and becomes accountable and transparency on what they doing in daily activities. The government and society are working together and create common activities. The town municipal finance provides loan to establishing small scale business to invest their capital in the town and to unemployed section of the community including females and disabilities persons and



youths. This implies that when the community participates and plays major role in good governance, the economic development is very high in year to year in the study area.

## 5. Conclusion and Recommendation

### 5.1. Conclusion

Based on the results and finds of this study, the researcher has forwarded concluding ideas. The main purpose of this study was to identify the relationship between good governance and economic development in Sodo town administration.

According to this research, good governance has played a major role in promoting economic development in the communities to work together for their common goals to eradicate poverty, enhance economic development, improve sustainability as well as healthily functioning of social structure.

In Sodo town administration, administrative structural reforms become increases from time to time to enabling communities participate in there development affairs. In the study area, there is considerable participation of private sector and communities at large.

The town administration was also provided different economic services. Unemployed youth organizing themselves to form association and provide technical assistance in collaboration with the town. The town governance has high role by doing and encouraging peoples participation in economic activities, protection of individual property and industrial sector. Nevertheless, in the study area some problems were persistent, these are:- lack of capital, lack of training human resources, absence of skilled manpower and modern technology, low level of infrastructure. These are the handicaps for economic development. These shows the result of weak governance.

### 5.2. Recommendation

Based on the outcomes of the study, the following recommendations have been established. The town administrations should develop and design several programs to enhance the small scale and industrial sector as in the study are in order to improve the performance of the sector to economic development. The administration should be organized, standardized in order to reveal accountability and transparency among society, and the personnel should also training to improve efficient and effective services to increase the town economic level. The administration should also play more attention and increase their role in attracting and initiating potential investor in the town to increase the investment. The communities also coordinate with the city administration and other developmental organizations to enhance the economic development of the town. The administration of the town should also strong thinking and improving informal sectors in the town by providing the various technical supports in order to improve the town revenues.

For better operation of good governance, essential facilities should be prepared by the government and private organizations. To develop and enhance economy, the cooperated effort of the town administration with federal concerned body is necessary. Town administrators should aware about the importance of good governance boasts economic development.

The tow administrators needed to expand communication network among the sector in order to promote economic development. In addition to this, the administration of the town should find different researchers and take experience to promote economic development in the study area.

## Acronyms

ADB (African Development Bank)  
CSA (Central Statistically Agency)  
FDRE (Federal Democratic Republic Ethiopia)  
IMF (International Monetary Fund)  
LDC (Least Developed Countries)  
SAP (Strategic Adjustment Programs)  
UN (United Nation)  
WB (World Bank)

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## Appendix

Dear respondent, these questionnaires are prepared to collect relevant information to conduct a research for the partial fulfillment of the bachelor of art in civics and ethical studies. The main objective of the study is to assess the good governance nexus economic development: the Sodo town administration, Wolaita Zone, Ethiopia.

Thus, you are kindly request to respond the questions and suggest possible additional answers the study. Give your response by putting (×) to the given box and write your answer to the open ended questions in the provided spaces.

Thank you for your unreserved time and effort!!!

### Part 1: personal information

1. Sex: male [ ], female [ ]
2. Age, 18-25 [ ], 26-30 [ ], 41-50 [ ]
3. Education status, Certificate [ ], Diploma [ ] C, Degree [ ] D, Master degree [ ]
4. Years of service, 0-2 [ ], 3-5 [ ] C 6-10 [ ], more than 10 [ ]

### Part 2: Questionnaires

1. Is there good governance in Sodo town administration?  
A, Yes [ ] B NO [ ]
2. If you answer for question number 1 is yes how about the town economic development A, High [ ] B, Low [ ] C, Very high [ ] D, Very low [ ]

3. Do you believe that good governance can promote economic development? A, yes [ ] B, No [ ]
4. If your answer number 3 is yes to what extent do you agree? A, Strong disagree [ ] B, Disagree [ ] C, Strong agree [ ] D, Agree [ ]
5. Which one is the issue of good governance that affects the promotion of economic development in Sodo town administration? You can choose more than one answer A, lack of community participation [ ] B, lack of motivation of administrative office [ ] C, shortage of human and capital resource D, if any other.....
6. Do you think that in Sodo town administration the government policy is explaining good governance in with economic development? A, Yes [ ] B No [ ]
7. If your answer the question number 6 is yes or no, is there any reason that may hinder the relation between them? About the economic development? A, Lack of low interpret economic development [ ] B, Lack of training of employees for economic development [ ] C, The problem of human resource and capital management [ ]
8. Which of the following oranges have a higher role in promoting economic development in Sodo town administration? A, Government [ ] B, Civil society C, The community [ ] D, Private sector
9. Do you believe the communities have participated on economic development in Sodo town administration? A, Yes [ ] B, No [ ]
10. If your answer question number 9 is yes how about the level of participation in to economic development? A, High [ ] B, Low [ ] C, Very low [ ] D, very high [ ]

*Part 3: Interview questions*

1. Elaborate some kind of measurement that taken to improve the good governance to promote economic development in Sodo town administration?
2. Describe in detail some elements of good governance like effectiveness, efficiency and so on those how to contribute for good governance to promote economic development in Sodo town administration?
3. Can you mention and explain the role of good governance in promoting economic development in Sodo town administration?
4. What are the challenges of good governance in promoting economic development in Sodo town administration?

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