

## **An Assessment of the Challenges of Good Governance in Gimbi town Micro and Small Enterprise Sector**

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**Abstract:** The main objective of this study was to assess the challenges of good governance in Gimbi town MSE sector. To investigate the status of good governance in MSE office a descriptive study had been used that enriched through open and closed ended questionnaire, semi-structured interview and FGDs. The researcher used primary and secondary sources in conducting this study. The researcher employed both quantitative and qualitative research approach to conduct this study. In this study, both purposive and stratified sampling techniques were also employed. Based on the analysis obtained through those above mentioned data gathering instruments, lack of capacity, lack of managerial and coordinative skills, rent seeking malpractices, lack of awareness on human rights, self-centeredness of officials and lack of follow-up were identified as the main challenges of good governance in MSE office in Gimbi town. Moreover, due to this above mentioned challenges in MSE office openness, accessibility of their institutions information on its rules and regulation, providing solutions for clients' complaint timely, taking the views of the enterprise operators, providing effective and efficient service, and providing equal treatment had been rarely practiced. Hence, the study concludes that good governance is not fully implemented in Gimbi town MSE office. Therefore, for the MSE sector to achieve its intended objectives the above challenges must be eliminated or at least minimized to ensure good governance and bring sustainable development in this sector. In this regard the paper has forwarded suggestions to all stakeholders to overcome the challenges.

**Key words:** Governance, Good Governance, Challenges of good governance, Pillars of Good Governance, Micro and Small Enterprise

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### **I. INTRODUCTION**

Good governance is an indeterminate term used by development literature to describe how public institutions conduct public affairs and manages public resource and guarantees the realization of human rights. It can be seen as the exercise of economic, political and administrative authority to manage the countries affairs at all levels. It comprises the process through which citizens and group articulate their interests, exercise their legal rights, meet their obligations and mediate their difference (UNDP, 1997). Good governance is participatory, transparent and accountable governing process. It is effective, equitable and promotes the rule of law fairly.

Moreover, Aktan (2008) contend that good governance bring results which raise human need to attain productive function in a fair way which sustain the marginalized ones or by making every one at least to have an equal opportunity.

Since the 1990s, development investigators and policy developers have given a due attention on good governance as both intrinsic and extrinsic values. It is essential to bring development. It is also an instrument to achieve sustainable development and or an end in itself (Thomas, 2008).

In Africa, NEPAD has made a significant effort to change bad governance, and to create a favorable governance environment (Kempe, 2003). In line with this, the African Peer Review Mechanism (APRM) is often described as Africa's unique and innovative approach to governance with the objective of improving governance dynamics at the local, national and continental levels (Odeh & Mailafia, 2013). Thus, the launching of APRM collectively and the commencement of national actions separately shows the commitments of African countries to strive for good governance.

Ethiopia is one among African countries that have made indispensable effort for the consolidation and promotion of good governance environment at the local, regional and national level especially after the current government came to power. The inauguration of the decentralization governance in Ethiopia since 1990s indicates one of the most improvements in the history of the nation, as it has shifted a highly centralized authority to the regional and local units to develop a decentralized system of governance (Helvetas Ethiopia, 2008). That means power is not only concentrated in the hands of the central governments. This shows changes that made by the current governments at that time; even if it is not proved empirically until today.

FDRE constitution (1995) stipulates that: “State governments shall be established at state and other administrative levels that they find necessary and adequate power shall be granted to the lowest units of government to enable the people to participate directly in the administration of such units” (FDRE constitution article 50:sub-article 4).The constitution has therefore allowed substantial autonomy and autonomous decision-making power to the regional and local governments.

In Ethiopia, the cornerstone for instituting good governance are already in place but still there is more to be desired. The focus area of this study was challenges of good governance in Gimbi town MSE sector. This sector was established in 1997 E.C. It is one of the public sectors which can serve as a vehicle of development and broadens employment opportunities at urban center. Due to this the Ethiopian government formulates strategies to develop this sector. The promotion of this sector is one of the strategic directions pursued by the government during the GTP implementation period (2010/11-2014/15), focusing on promoting the development and competitiveness of MSEs. The various business and public development programs have been used to promote the development of MSEs and generate employment opportunities. Of MSEs, the small scale and cottage manufacturing industries has grown, on average, by 4.8 percent during the first three GTP implementation years which is lower than the average growth (6.0 percent) registered during preceding plan (PASDEP) period despite heavy promotion activities(EEA,2015).

Moreover, MSEs engaged in manufacturing activities have been growing by rate slower than the growth by large and medium scale manufacturing industries over the last decade. The share of manufacturing MSEs in GDP has declined from about 1.6 percent in 2004/05 to 1.3 percent in 2012/13(EEA, 2015). Despite the significance of their number in the economy, their share in GDP is lower than the share of large and medium scale manufacturing industries throughout the period.Unfortunately, this wide reaching and internationally vital statement has not been sufficiently proved empirically in our country.However, where there is inequitable governance, there could be insufficient services, rough relations among the people and there might not be safe peace and security. Because of, lack of good governance the expansion of the sector is not as such. This results low success of the sector. For this reasons the researcher conducted this study on assessment of the challenges of good governance in Gimbi town MSE sector.

## **1.2 Statement of the problem**

People around the world are demanding good governance for the advancement of their life. Because, it is the result of interactions and relationships between or among the different sectors (public sector, private sector and civil society) and involves decisions, negotiation, and different power relations between stakeholders to determine who gets what, when and how (Alexandra,et al., 2009). According to Abdela(2010) cited in Gebreslassie (2012), recently there is an agreement that good governance is important to secure countries long term development and progress even though it is not sufficient in its own.

Even if good governance consists of well-groomed ideas that can give value to society at large, there is a difference between developing and developed countries to achieve it in practice. According to Werline (2003) cited in Kuotsai (2007) on the course towards development the main disparity between developing and developed countries is not a resource base rather the governance challenges.

In the view of the World Bank, the poor performance of SAPs is caused by lack of good governance. This implies that Africa’s development problem is resulted from the crisis of good governance. The state officials in many African countries have served their own interest without fear of being called to account.The environment cannot readily support a dynamic economy (World Bank, 1992). The World Bank therefore argues that adjustment alone cannot put Africa on a sustained poverty-reducing path; such must be complemented with institution building and good governance.

Ethiopia as one of the African countries trying to achieve development accepted the importance of good governance and striving to achieve it. However, Ethiopia like any other African country has faced a number of challenges in democratization and good governance building processes. In order to address the gaps identified the government developed a multi-sectoral national capacity building strategy which advocates the principles of decentralization, regional autonomy, and efficiency to enhance popular participation and to promote good governance, accountability and transparency (ECA,2005).

Most importantly when the policy of decentralization was proclaimed in 2000, according to Ministry of Work and Urban Development (2007), the main objectives has been to create and strengthen urban local government that will ensure the traits of good governance such as public participation, democratization, and enhance decentralized service delivery through institutional reforms, capacity building, systems development and training.

As clearly stated in the Ethiopia’s guiding strategic framework for the five year period 2005/06-2009/10 commonly known as a Plan for Accelerated and Sustained Development to End Poverty (PASDEP), programs aimed at strengthening the democratization processes are being taken step by step in the form of Civil

Service Reform, Justice system Reform, Improved Democratic Governance, and Decentralization which resulted significant achievements in the last few years (MoFED, 2006).

In general, though the government of Ethiopia has taken important measures to promote good governance, the process of building the latter is facing serious and complex challenges in different public sectors. MSE sector is one of the public sectors that is facing problem of lack of good governance. Even though the government has been taking series of policies and strategies, most interventionist policies are blanket recommendations regarding MSEs and hence are inappropriate and impractical for some situations. For instance, most Ethiopian government policies have a tendency to over regulate and limit the development and promotion of private sector enterprises and they are over bureaucratized and unfriendly to support small businesses.

There were different researchers who conducted study on issues of good governance on different sectors. For example Gebreslassie (2012) conducted a study on challenges of good governance at the local levels on different institutions like woreda courts, justice, police and land administration office. The other researcher like Gebrehiwot and Wolday (2003) also focused on financial constraints as a challenge for development of MSE sector. Even though there are many factors that contribute for the low success in the MSE, the issue of good governance in the sector should not be ignored. But those researchers doesn't give due attention on issues of good governance in development of this sector. Because of this, the researcher aimed to assess challenges of good governance in Gimbi town Micro and Small Enterprise office, and also seeks some solutions for the failures in the implementation of good governance. Therefore this research is different from the research done before.

### **1.3 Objectives of the study**

#### **1.3.1 General Objectives**

The general objective of the study was to assess the challenges of good governance in Gimbi town particularly in Micro and Small Enterprise sector.

#### **1.3.2 Specific Objectives**

The specific objectives of this study were to:

- Assess status or prevalence of good governance in Gimbi town Micro and Small Enterprise sector.
- Identify the factors affecting good governance in Gimbi town Micro and Small Enterprise sector.
- Identify the outcomes of lack of good governance on development of town particularly on MSE sector.

### **1.4 Research Questions**

In line with the objectives stated above answered the following questions:

- How does Gimbi town Micro and Small Enterprise sector is performing towards good governance?
- What are the factors affecting good governance in Gimbi town MSE office?
- What are the outcomes of lack of good governance on development of the town in general and MSE sector in particular?

### **1.5 Research Approach and Design**

To conduct this research, the researcher used both qualitative and quantitative research approaches. The researcher used qualitative research approach to have an understanding of underlying reasons, opinions and motivation of peoples regarding the indicators and challenges of good governance in Gimbi town MSEs office. The researcher used quantitative research approach to quantify attitudes, opinions, and perception of people and generalize results from a larger sample population on the focus of this study. In this study the researcher also used descriptive research design to provide an accurate and valid representation of the factors that affects good governance in Gimbi town MSE sector..

### **1.6 Data Type and Source**

Both qualitative and quantitative data could be given due attention for this study. The available source of data was grouped in to two categories. Primary source of data was collected through questionnaire, FGDs and interview. Secondary sources were also explored from respected secondary hand information, such as research papers, journal articles and books to support, compare and contrast ideas obtained from primary data.

### **1.7 Population and Sampling Techniques**

#### **1.7.1 Population**

The target populations of this study were enterprise operators, administrative and office workers of MSE in Gimbi town. The researcher has taken the four kebele of the town which are namely 01, 02, 03 and 04

purposely due to the fact that the study is confined to one office, which is MSE of the town as source of information. In the town there are 290 enterprises with 454 male and 324 females totally 778 members. To determine the sample size, the researcher used Yamane (1967:886) simplified sample size determination formula, to calculate sample of 778 total population, at 95 % confidence level and 0.05 precision levels/error of tolerance as follows:

, where

n - Number of samples

N - Total population

e - Error of tolerance =0.05 i.e., 95% confidence level.

Thus,  $n=778/ (1+778 \times (0.05)^2)$ ,  $n=264$ , which is the determined sample size of the study area. Therefore the sample sizes of the study are 264 with 95% confidence level. Besides this, ten (10) key informants were selected purposively for interview from office workers of MSE of Gimbi town with total population of 24 out of which 16 is male and 8 is female and leaders of enterprise operators. Besides, 28 members of FGDs were selected based on the researcher's judgment from the members of the established enterprises and grouped them into four places based on their lines of work i.e. construction, service, trade and manufacturing. Therefore, total sample equates to 302.

### **1.7.2 Sampling Techniques**

The researcher predominantly used both purposive and stratified sampling techniques. Accordingly, the researcher used purposive sampling technique to select Micro and Small Enterprise office of Gimbi town due to manageable size of the population and adequate information with respect to challenges of good governance. This office is also purposely selected for the study, because of the availability of complaints on the service rendered by them at this time, and also the problems which are being faced in this sector and to enhance the role of the sector for the development of the study area.

In order to obtain the representative sample from the sub divided groups of MSE enterprise operators', the researcher used stratified sampling technique to select  $n=264$  samples which fills the questionnaire. From the total populations 778, the following sectors like construction, service, trade and manufacturing has 150, 204, 230 and 194 members respectively. From these mentioned enterprises the researcher selected proportional sample by using formula  $n = \frac{Nn}{P}$ . Where n: sample, Nn (members of each Population (strata) and P (total populations).  $n_1 = \frac{264 \times 150}{778} = 51$ ,  $n_2 = \frac{264 \times 204}{778} = 69$ ,  $n_3 = \frac{264 \times 230}{778} = 78$  and  $n_4 = \frac{264 \times 194}{778} = 66$  respectively from construction, service, trade and manufacturing which equates 264 sample. Thus, using proportional allocation, the sample sizes for different strata are 51, 69, 78 and 66 respectively which is in proportion to the sizes of the four strata viz., 150: 204: 230 and 194. These samples were selected randomly.

To sum up respondents for interview and FGDs were purposely selected, and respondents of the questionnaire were selected through stratified sampling technique. Firstly, the researcher distributed a questionnaire to sample respondents. After that, FGDs and interviews were made in that order.

### **1.8 Instruments of Data Collection**

The researcher had undertaken this study by gathering primary and secondary data. The primary data were gathered by using open and closed ended questionnaire, semi-structured interview, and focus group discussions. Therefore, this technique is expected to supplement the validity of secondary data, which was obtained from different materials like books, research papers and journal articles pertaining to good governance in MSE of Gimbi town.

#### **1.8.1 Questionnaire**

The researcher predominantly used open and closed ended questions. By using this type of questionnaire respondents provided their perception, feelings and attitudes. In this case the researcher distributed this questionnaire to 264 selected respondents among the 778 enterprise operators and collected it after five days.

#### **1.8.2 Interview**

The researcher applied semi-structured interview which is in-depth in nature. In this type of interview, the researcher wanted to know specific information which can be compared and contrasted with information gained by other instruments of data collection. The researcher made interview with ten (10) key informants i.e., mainly made with six (6) key informants from Gimbi town MSE office workers and four (4) leaders of the established enterprises. It was mainly used to make the respondents free to provide their ideas as much as possible.

### 1.8.3 Focus Group Discussion

The focus group discussion were primarily arranged to get additional information on the data collected through questionnaire and interviews. That means, it can be used even to get sufficient answers for the questions included in questionnaire and interviews but that need further information. The focus group discussions were comprised individual members of homogeneous composition that are 28 in number, and arranged in to four groups which comprise 7 individual members from each established enterprises on the following lines of work like manufacturing, service, trade and construction which is determined by the researcher's judgment.

### 1.9 Data Processing and Analysis

In this study, the researcher used both qualitative and quantitative approaches of data analysis. After the collection of data; it was processed and analyzed by using of descriptive techniques such as frequency, percentage, mean and standard deviation. In analyzing data, the researcher was mainly used Microsoft excel, and Decision Analyst STATS™ 2.0 Software to calculate mean and standard deviation. Most of the collected data were quantified for simplicity and analyzed quantitatively, and others such as interview, and focus group discussions guiding questions were qualitatively analyzed through description.

The descriptive analysis method were used in the process of renovating the raw data in to a form that made them easy to understand, interpret, and manipulate the data to provide descriptive information. Tabulation was also widely used to analyze the quantitative data. Besides, to analyze the qualitative data, the researcher produced an interview summary form and a focus group summary form as soon as possible after each interview or focus group discussions had been taken place. The results of these interview and FGDs were analyzed through narration.

## II. RESULTS AND DISCUSSIONS

This chapter presents the major findings of the study entitled 'assessment of the challenges of good governance in Gimbi town the case of MSE sector'. As already explained in the third chapter of this research, the researcher collected the data using an open and closed-ended questionnaire, semi-structured interviews with key informants and through FGDs. The questionnaire of the study consisted of 29 questions which were distributed for MSE operators and fourteen (14) guiding questions for FGDs and interview i.e., seven (7) questions for each. The data collected via questionnaire were organized in a tabular form and analyzed quantitatively. The FGDs and interview data were transcribed and analyzed qualitatively.

### 2.1 General Demographic Characteristics of the Respondents

The demographic characteristics of the respondents consisted issues such as sex, age and educational level of respondents because these characteristics have direct or indirect relations with the way they understand of the challenges and enforcement of good governance in Gimbi town particularly in MSE office. This tried show that every individual who are found on different ages or educational levels have different understandings on the issues of good governance. Due to this, both sexes, and people found in different ages and educational levels should be included in the sample of the study to assess the challenges of good governance in this particular study area.

**Table 1 Summary of the Respondents Background**

Sex	Age			Educational Status				
	18-30 years	31-45 years	≥45 years	Primary education	Secondary education	Diploma	Degree	Total
Male	112 72.72%	30 19.48%	12 7.79%	10 6.49%	20 12.98%	84 54.54%	40 25.97%	154 58.3%
Female	82 74.5%	21 19.09%	7 6.46%	16 14.54%	28 25.45%	53 48.18%	13 11.81%	110 41.7%
Total	194 73.5%	51 19.32%	19 7.2%	26 9.85%	48 18.18%	137 51.89%	53 20.1%	264 100%

Source: Own Survey, 2018

The above table summarized sex, age and educational background of respondents. As shown on the above table, 154 (58.3%) of the respondents are male and 110 (41.7%) of them are female. From this, the researcher concluded that the number of male enterprise operators is more than that of females. The table also shows that 194(73.5%) and 51(19.3%) of the respondents are found in the age category of 18-30 and 31-45 years old respectively. The remaining 19(7.2%) of the respondents are above 45. This shows that most of MSE

operators are youths with the age below 30 years. Based on this data obtained from enterprise operators the researcher concluded that those people who were organized in MSE sector are youths.

Regarding the level of education, from the respondents sexes 26 (9.85%), 48 (18.18%), 137(51.89%) and 53(20.1%) have primary, secondary, diploma and degree level of education. From this result, we can understand that most enterprise operators are diploma holder.

## 2.2 Assessment of Good governance in MSE office of Gimbi town

The prevalence of good governance is essential instruments to bring sustainable development in every sectors of a given country in which MSE sector is inclusive. It can play a great role to bring economic, social and political development (Thomas, 2008).

Particularly in MSE sector, good governance can create conducive work environment for job seekers or jobless individuals as they come together and work collaboratively to change their lives and society by providing different services without discrimination and rent seeking malpractices. Due to this reason the researcher tried to assess the indicators of good governance focusing on different pillars of good governance like transparency, participatory, accountability, equity, rule of law, efficiency and effectiveness, responsiveness, consensus orientation and strategic plans in MSE office of Gimbi town.

Then in order to investigate the extent to which the above mentioned core elements of good governance is implemented or not in the office, the researcher distributed questionnaire for 264 sample enterprise operators containing the assessment on indicators of pillars of good governance designed on a likert scale to assess their level of agreement or disagreement with a particular statement regarding the practice in MSE office. The researcher also used FGDs and interview to assess status and challenges of good governance in the office. The findings and analysis of the study is presented as follows:

### 2.2.1 Transparency in Gimbi Town MSE office

**Table 2 Summary of Respondents Response on Transparency (n=264)**

**NB:**1(Strongly Disagree), 2(Disagree), 3(Uncertain), 4(Agree), 5(Strongly Agree), T (Transparency), Stdev (Standard deviation)

No	Indicators of transparency	Level of Agreement					Mean	Stdev
		1	2	3	4	5		
T 1	The work of MSE office officials is open to the enterprise operators	1 0 0 37.87%	9 1 34.47%	3 2 12.12%	2 1 7.95%	2 0 7.58 %	2.138	1.226
T 2	The decision of the MSEs officials are transparent	8 8 33.3%	8 3 31.43%	3 4 12.87%	4 1 15.5%	1 8 6.81 %	2.311	1.268
T 3	Easy to obtain information on laws and regulations of the MSEs office	1 0 2 38.63%	9 0 34.09%	1 8 6.81%	4 4 16.6%	1 0 3.78 %	2.122	1.204
	Transparency av. mean and standard deviation						<b>2.1903</b>	<b>1.2327</b>

Source: Own Survey, 2018

On the above table 2, the respondents were requested on a five (5) point likert scale to indicate their level of agreement or disagreement with a particular statement regarding transparency in MSE office. As the result of respondents view indicates on the above table, the overall mean of transparency in Gimbi MSE office was computed to be 2.1903 with a standard deviation of 1.2327. Based on this, the overall mean (i.e. 2.1903) of transparency as one pillars of good governance is evaluated unsatisfactory that means Gimbi MSE office lacks transparency which is one among the pillars of good governance. Therefore, it can be concluded that the office information is not easily accessible and their works were not open or transparent.

### 2.2.2 Responsiveness in Gimbi Town MSE office

**Table 3 Summary of Respondents Response on Responsiveness of MSE office (n=264)**

**NB:** 1(Strongly Disagree), 2(Disagree), 3(Uncertain), 4(Agree), 5(Strongly Agree),R (Responsiveness), Stdev (Standard deviation)

Indicators of Responsiveness	Level of Agreement					Mean	Stdev
	1	2	3	4	5		
R1. You may not face much process whenever you are engaged in the MSEs office to get services	9 6 36.36 %	1 1 7 44.3%	8 3%	3 1 11.74%	1 2 4.54 %	2.038	1.130

R2. The office solves enterprise operator's complaints on the specified time frame	87 32.95 %	142 53.7%	9 3.4 %	19 7.19%	7 2.65 %	1.932	0.943
<b>Responsiveness av. mean and stdev</b>						<b>1.1985</b>	<b>1.0365</b>

Source: Own Survey, 2018

With regard to responsiveness, the data from table 3 illustrated that the majority (80.67%) of the respondents disagreed with the opinion that there is no much process while they go to MSE office to get services. About 16.28% respondents agreed to the view that there is no much process or bureaucracy in this office. Based on the majority result obtained from respondents, it is possible to conclude that much process is prevailing within this office. The result of respondents view implies that customers of the office face problems of much process to get services.

Next the respondents were asked about the timely response of MSE office to enterprise operators' complaint on services that the office provided for them. Thus, about 87 (32.95%) of the respondents reported that enterprise operators' complaints never solved with in a given time frame. According to their rules and regulations the office has the duty to give services which are expected from them within a short period of time i.e. within seven days.

Similarly, around 142(53.78%) respondents disagreed on the view that enterprise operator's complaints were solved on the specified time frame. Whereas, about 26 (9.84%) respondents agreed on the idea that, enterprise operators' complaints solved with in a given time frame.

With the mean values (mean=1.1985, standard deviation=1.0365) which is a significant number of respondents said that the office practice their work with much process and fail to provide services for its customers within a given time. Based on this result, it can be concluded that Gimbitown MSE office lacks responsiveness which is one of the pillars of good governance.

### 2.2.3 Participatory in Gimbi Town MSE office

**Table 4 Summary of Respondents Response on Participatory (n=264)**

**NB:** 1 (Strongly Disagree), 2 (Disagree), 3 (Uncertain), 4 (Agree), 5 (Strongly Agree), P (Participatory)

Indicators of Participatory	Level of Agreement					Mean	Stdev
	1	2	3	4	5		
P1. The offices carry out an open discussion with the enterprise operators on problems of good governance	74 28.03 %	139 52.65 %	13 4.92%	27 10.23%	11 4.16%	2.095	1.033
P2. The institution prepare community forum in order to enable the community to discuss issues that matter them.	66 25%	145 54.92 %	27 10.2%	14 5.3%	22 4.54%	2.091	.984
P3. You have ever consulted by the institution before a policy is implemented that concerns you	75 28.4%	148 56.06 %	17 6.43%	20 7.57%	4 1.51%	1.977	.889
<b>Participatory average mean and standard deviation</b>						<b>2.05433</b>	<b>.96867</b>

Source: Own Survey, 2018

On the above table 4, the result obtained from majority of respondents with the average mean value (m= 2.05433) and standard deviation=0.96867 shows very low participatory in Gimbi town MSE office. Similarly the same table revealed that 74(28.03%) of the respondents strongly disagreed and 139(52.65%) disagreed on the view that the office made an open discussion to promote good governance. But 38 (14.39%) respondents agreed to the view that there was a discussion which made to prevail good governance in the office. These result shows as the office failed to made open discussion with communities on issues of good governance. Based on the result obtained from respondents the researcher concluded that the office has no democratic culture to discuss with its customers or the public.

The participants of FGDs also said that the discussion on good governance issue had been held one or two times per year. On these discussions; officials raise so many issues regarding good governance at their office level. On this case they were not freely forward their opinions because of different reasons. They relate peoples' ideas to politics and call that person as he/she have attitudinal problems. They said due to this they are unable to forward their ideas during meeting which were held on issues of good governance and such like issues. From this, one can understand that these discussions do not bring change without active participations of the public. This result revealed lack of community participation in MSE office. The officials of the office failed

to have democratic outlook which makes every individuals freely participate in development process. On this issue of discussions on good governance at MSE office levels; the researcher concluded that there is lack of democratic participations in which everyone can forward their ideas freely without restrictions for the development of the sector and prevalence of good governance.

Moreover the respondents put their ideas on the view that institution prepare community forum in order to make the community to discuss issues that matter them. In this case as indicated in the table 4 above, majority 54.92% of them disagreed to this view. But, some of them (9.8%) of respondents agreed to the idea that institution paves the way for community forum to discuss on their problems. This result clearly pointed out that institution does not provide the relevant community forum that enabled the community to discuss the issues which concern them.

Out of the total respondents' majority (56.06%) of respondents disagreed on the consultation of service users or the society by institutions before a program or a policy is implemented. But about 7.57% of the respondents agreed on this issue. The result indicated that institutions were not ready for pre-policy or program implementation consultation of the society or customer. Institutions simply implement their programs or policies having not asked the society to know about their interest regarding the new programs or policies.

This issue is further strengthened by the result obtained from institutions employee respondents and the majority of them said that the institutions did not make consultation of the society before the implementation of programs or policies.

Pertinent to this, interview was held with key informants and they also supported this view saying making consultation with office customers depends on condition. According to their views, they are unable to make consultation due to organization of enterprise operators at different time. This leads them to implement programs or policies before making consultation with all enterprise operators. Based on the result obtained from respondents', it is possible to conclude that MSE office lack participation which is one of the core elements of good governance.

#### 2.2.4 Efficiency and Effectiveness in Gimbi Town MSE office

**Table 5 Summary of Respondents Response on Efficiency and Effectiveness (n=264)**

**NB:** 1 (Strongly Disagree), 2 (Disagree), 3 (Uncertain), 4 (Agree), 5 (Strongly Agree), EE (Efficiency and Effectiveness)

Indicators of Efficiency and Effectiveness	Level of Agreement						
	1	2	3	4	5	Mean	Stdev
EE1.The offices give good training, creating market linkage, credit facility, consultancy service as well as financial support for enterprise operators'	7 0 26.51 %	1 3 7 51.89 %	7 2.65 %	3 9 14.8 %	1 1 4.2 %	2.182	1.109
EE2.The office give satisfactory services for the communities or to its customers	7 3 27.65 %	1 6 4 62.12 %	1 3 4.92 %	8 3.03 %	6 2.27 %	1 . 8 9 8	0 . 8 0 3
EE3.The offices give efficient services for the community	1 1 6 43.9%	1 1 4 43.18 %	1 1 4.16 %	1 3 4.92 %	1 0 3.78 %	1.817	0.997
<b>EE average mean and stdev</b>						<b>1.96567</b>	<b>0.96967</b>

Source (Own Survey, 2018)

With regard to efficiency and effectiveness, data from table 5 illustrated that majority (74.4%) of respondents disagreed on the government support i.e., giving good training, creating market linkage, credit facility, consultancy service as well as financial support for enterprise operators'. Around 19% of respondents agreed to the view that the office gives different support for enterprise operators. Based on the majority result obtained from respondents, it is possible to conclude that there is inadequacy of government support for its customers.

On the services that the service provider gives for service users, majority (89.8%) of respondents disagreed on its satisfaction. But around 5.3% of respondents agreed that the office provided satisfactory services for service users. Based on this result, it is possible to conclude that service users are greatly dissatisfied with the service rendered to them.

As shown on the same above table, 87.1% of respondents responded that there is no efficient service which is provided by MSE office for enterprise operators. Only 8.7% of respondents support that service provision system of the office is efficient.



As the result on the same table above reveal that, the overall mean of the efficiency and effectiveness principle was computed to be 1.96567 with a standard deviation of 0.96967. The standard deviation shows that how diverse are the responses of employees for a given item in proportion to the mean value. So, the deviations in this case are very low. Based on this we can conclude that the office does not provide efficient services for its clients. That means there is lack of efficiency and effectiveness in their functions.

The results obtained from interview also supported the view that there is lack of enough support from the government body. As a government organ service provider office gives services for enterprise operators through different means like awareness creation, giving license, giving full support MSEs Strategy which includes work place, loans and auditing services. But it cannot be said that the service provided for those enterprise operators are enough.

To identify the reality of service provided for enterprise operators, the participants of FGDs also put their ideas as such; even if they give services mentioned above for us; it has differences based on relative, positions and wealth. They do not provide services which can give value to equality of its customers. They lack capacity to provide efficient services for service users.

This coincides with the study conducted by Zemelak (2009) who stated that the most difficult challenge for Ethiopian local government is capacity. The local government institutions of the country have acute shortage of qualified man power, ineffectiveness of trainings, and lack of administrative and coordinative skills. This challenge makes this office fail to provide effective and efficient services for the public.

### 2.2.5 Rule of Law in Gimbi Town MSE office

**Table 6 Summary of Respondents Response on Rule of Law (n=264)**

**NB:** 1 (Strongly Disagree), 2(Disagree), 3 (Uncertain), 4 (Agree), 5(Strongly Agree), RL (Rule of Law)

Indicators of rule of law	L e v e l o f A g r e e m e n t					Mean	S t d e v
	1	2	3	4	5		
RL1.Civil servants are adhered to the rules and regulations of the government in their functions	6 8 25.75%	1 0 4 39.39%	2 7 10.23 %	3 5 (13.25%)	3 0 11.36 %	2.451	1.310
RL2. The officials of the office is working with the concerned body to reduce rent seeking behavior in the office.	9 6 36.36%	5 1 19.32%	6 6 25%	3 4 (12.87%)	1 7 6.4%	2.344	1.267
RL3.The existing rules and regulations of the offices minimizes rent seeking	9 3 35.2%	7 0 26.51%	6 7 25.37 %	1 9 7.19%	1 1 4.16 %	2.173	1.124
RL4.Public servants are independent from political interference to provide services	1 0 3 39.02%	8 9 32.57%	5 5 20.83 %	1 0 3.78%	7 2.65 %	1.973	0.996
<b>Rule of law average mean and stdev</b>						<b>2.23525</b>	<b>1.17425</b>

Source: Own Survey, 2018

The respondent's response on the above table 6 shows that 172(65.15%) of respondents disagreed to the view that officials are adhered to the rules and regulations of the government in their functions. But around 24.61% of respondents agreed that the rules and regulations of government are respected by the civil servants of the office. Only minority of respondents believed that the officials of the office are adhered to the rules and regulations of the office in their functions.

On the same table, respondents were asked by the researcher about how officials of the office works with the concerned body to reduce rent seeking behavior in the office. From this, as indicated in the table majority (52.68%) of the respondents disagreed on the way they works with the concerned body to reduce rent seeking collaboratively.

The rest minority (19.27%) of the respondents agreed with the view that officials tried to do with concerned body in reducing rent seeking behavior in the office.

The respondents were also asked to put their level of agreement on the view that the existing rules and regulations of the office minimize rent seeking. Around 35.2% and 26.51% of the total respondents disagreed on the contribution of existing rules and regulations of the MSE office in minimizing rent seeking. About 7.19% and 4.16% positively agreed on the contribution of existing rules and regulations of the office in minimizing

biases or discriminations. As far as the service users' independence from political interference concerned, out of the total respondents 41.6%, 28.3% and 17.7% of the respondents strongly disagreed, disagreed and agreed respectively. Thus from these observed result service users are dependent on political matter to get efficient services.

The results obtained from FGDs also further strengthen the idea that there is no service which can be gained free from politics. While they go to office they were asked by officials about political membership. They said that; to get efficient services everybody should be a member of the ruling political party. This shows there is discrimination between members and non-members of ruling political party. Based on this we can conclude that the service provision system of MSE office is based on politics.

Generally as shown on the above table, the average mean value of rule of law was computed to be 2.23525 with a standard deviation of 1.17425. The mean value of obeying rule of law and act according to the rule and regulation of the office is low. This result implies that MSE office workers and officials of the office have failures to work according to the rules and regulations of the office.

### 2.2.6 Accountability in Gimbi Town MSE office

Accountability is a willingness to get responsibilities for actions and outcome, deliver what you promise to deliver, accept good and bad outcomes, owing up to short comings/mistakes and taking responsibilities for one's action, honoring obligations, expectation and requirements implementation (www.peo.on.ca/governance). Accountability means governments and their employees should be held responsible for their actions.

**Table 7 Summary of Respondents Response on Accountability (n=264)**

**NB:** 1(Strongly Disagree), 2(Disagree), 3(Uncertain), 4(Agree), 5 (Strongly Agree), A (Accountability)

Indicators of accountability	L e v e l o f A g r e e m e n t						M e a n	S t d e v
	1	2	3	4	5			
A1.You have the right to review or ask the office management accountability and answers for your questions	11 43.6 %	97 36.74%	9 3.41%	25 9.47 %	18 6.82%	1.992	1.211	
A2.You have very high confidence or trust on the service what the offices provided for you	94 35.6 %	85 32.19%	12 4.54%	40 15.15 %	33 12.5%	2.369	1.419	
A3.The officials are responsible for their failures in their work	80 30.3 %	95 35.98%	43 16.28 %	24 9.09 %	22 8.3%	2.292	1.225	
<b>Accountability mean and stdev</b>						<b>2.21767</b>	<b>1.285</b>	

Source: Own Survey, 2018

As indicated in the above table 7, respondents put their ideas on accountability of MSE office. Majority (80.34%) of respondents disagreed on the view that the people have the right to review offices' management accountability. But the rest few (16.29%) of respondents agree to this view. This implies there is lack of accountability in the office. As displayed by the same table above the degree of trust or confidence that service users had on MSE office were asked, and majority (67.79%) of the respondents disagreed on this view. The rest (32.21%) of the respondents replied as they have confidence or trust on service provider office. Because, the officials as well as the workers does not give the services what customers expected from them and they are not impartial. Based on this result it can be concluded that customers of the office lack trust or confidence in MSE office. As can be seen from the same table, majority of respondents were disagreed on the view that officials are responsible for his/her failures in the work. On the other hand, the above table indicates the average mean and standard deviation score of three items of accountability in MSE office which is 2.21767 and 1.285 respectively. These score is below the average mean and it reveals that the office has lack of accountability to give rights of reviewing or asking officials' accountability for their service users, to get trust from service and maintain answerability of officials for his/her failure. This result shows the office has lack of accountability which is one of the core pillars of good governance.

Similar to this study World Bank (1992) identifies as Africa's development problem resulted from crisis of governance which is lack of good governance. Because, many African countries like Ethiopia's officials have served for their own interest without fear of being called to account. When we evaluate particular office of the study area Gimbi MSE office, the officials lack accountability.

### 2.2.7 Consensus Orientation in Gimbi Town MSE office

**Table 8 Summary of Respondents Response on Consensus Orientation (n=264)**

**NB:** 1 (Strongly Disagree), 2 (Disagree), 3 (Uncertain), 4 (Agree), 5 (Strongly Agree), Co (Consensus orientation)

Indicators of consensus orientation	Level of Agreement						
	1	2	3	4	5	Mean	Stdev
Co1. There is good interaction between enterprise operators, and MSE office workers and officials	9 3 35.23 %	9 8 37.12 %	3 6 13.63 %	2 0 7.57%	1 7 6.4 %	2.129	1.66
Co2. The offices maintain the interests of different enterprise operators as much as possible in providing services	9 8 37.12 %	1 0 2 38.63 %	1 8 6.81 %	2 5 9.46%	2 1 7.9 5%	2.118	1.226
Co3. The office takes ideas of enterprise operators and works with them for development of the sector and solves their problems.	7 6 28.78 %	8 2 31.06 %	3 8 14.39 %	4 4 16.7%	2 4 9.1 %	2.468	1.307
<b>Co. mean and standard deviation</b>						<b>2.23833</b>	<b>1.39767</b>

Source (Own Survey, 2018)

As indicated on the above table 8, majority of the respondents 93(35.23%) strongly disagreed and 98(37.12%) disagreed on the idea that there is good interaction between enterprise operators and MSE office. But some of respondents agreed to the idea of good interaction between enterprise operators and MSE office. On the same table, the respondents were asked to put their level of agreements on the view that MSE office maintain interests of enterprise operators and work with them to solve their problems. Out of respondents, majority (75.75%) of them disagreed on this view. From the rest 17.41% of respondents agreed that the office maintains the interests of service users and works with them to find solutions for their problems.

The descriptive statistics points of the average mean consensus orientation of MSE office computed to be 2.23833 with a standard deviation 1.39767. These score is below the average mean and it indicates that the office has lack of consensus orientation to take the views of its customers and works with them to solve their problems as well as the office problems. Based on the result obtained from respondents of the study, the office has a problem to work with its customers. They have no culture to take the views of service users as an input and work with them to have common sprit for the development of the sector through enhancing this pillar of good governance. So it is possible to conclude that the Gimbi MSE office have lack of consensus-orientation.

### 2. 2.8 Equity in Gimbi Town MSE office

**Table 9 Summary of Respondents' Response on Equity (n=264)**

**NB:** 1 (Strongly Disagree), 2 (Disagree), 3 (Uncertain), 4 (Agree), 5 (Strongly Agree), E (Equity)

Indicators of equity	Level of Agreement						
	1	2	3	4	5	Mean	Stdev
E1. The office give equal opportunities for male and female to engage in MSE	7 0 26.51%	7 2 27.2 7%	2 4 9.09%	6 0 22.72%	3 8 14.39%	2.702	1.437
E2. There is no discrimination in MSEs in providing services for the customers	1 1 2 42.42%	1 0 8 40.9 %	1 4 5.3%	1 8 6.81%	1 2 4.54%	1.902	1.074
<b>Equity mean and stdev</b>						<b>2.302</b>	<b>1.255</b>

Source: Own Survey, 2018

As can be seen from the above table 9, majority of respondents that accounts (53.78%), disagreed on the view that, MSE office give equal opportunities for both sex, and give equal treatment in providing services for its customers. On the same table the respondents asked to put their level of agreement on discrimination in service provisions of the office. On this ideas majority (89.32%) of them were disagreed to the idea that there is no discrimination in service provisions. The rest (11.35%) of respondents said there is no discrimination in service provisions of the office.

As shown in the above table, the overall mean of equity in MSE office was computed to be (2.302) with a standard deviation of (1.255). The deviations in this case are relatively low. The implication of this particular evaluation on equity, customers feel treated unequally and there is discrimination based on sex as well as other differences like position, wealth. So, when we consider the mean value (2.302) enterprise operators evaluate the MSE office has discrimination in service provision. Based on this result, the researcher concluded that there is discrimination or no equal treatment of customers in service provisions of the office.

On the question which said 'Can you easily provide your suggestions, questions, comments and complaints for MSE office?' Majority 246(93.2%) of respondents replied "No". Respondents were also asked the reasons why they fail to easily provide their suggestions, questions, comments and complaints for the service provider office and put their level of agreement. From this, most of the respondents 107(40.53%) were said because of strong bureaucratic delay. From the remaining respondents 51(19.32%) of them said because they didn't think that institutions could give solutions. About 76(28.78%) and 30(11.36%) of the respondents said because of absence of the mechanism and because it incurs them additional costs respectively.

The respondents of this study were asked about the status of good governance in MSE office. Majority (79.17%) of respondents replied that there is no good governance, while the rest (20.83 %) replied yes there is good governance. From the above data obtained through different tools of data collection on indicators of good governance, the researcher concluded that there is no good governance in MSE office in Gimbi town. The official of the office as well as the workers of the office lacks to be accountable and they work for their own benefits. Their works were not open to enterprise operators. There is corruption and discrimination in their activities. They are also failed to be ready to take views of their customers and to bring solutions for their complaints. Based on this result, the researcher made further investigation to identify the factors which results bad governance in MSE office of Gimbi town.

## **2.9 Factors Affecting Good Governance in MSE office in Gimbi town**

There are different factors that affect good governance in Gimbi town MSE office. The data obtained from the respondents of questionnaire indicated that causes of lack of good governance in this office were lack of capacities (knowledge and skills) and ineffectiveness of trainings, lack of administrative and coordinative skills, lack of institutional framework that follow-up implementation of good governance, lack of democratic tradition to discuss with community, having high amounts of responsibilities and tasks they should implement, lack of awareness on human rights, and weak access to quality capacity building programs and inexistent coordination and management or inefficient structures and procedures.

Similar study which is conducted by Serdar and Varsha (2008) also describe that many officials are simply overwhelmed by high amounts of responsibilities and tasks they should implement. These are topped by weak access to quality capacity building programs and a general lack of practical tools and procedures such as related to participatory planning, monitoring and evaluation.

The other causes of lack of good governance in MSE office which were identified by the respondents of the study was lack of having democratic culture of discussion which can bring consensus oriented solutions for different problems of the office as well as public problems.

In order to ascertain the above idea, the researcher held focus group discussions as they put their ideas on the status of good governance in MSE office. According to the views of participants of these discussions on the status of good governance in MSE office in Gimbi town, in actual sense one can hardly see the existence of good governance in MSE office. This is because of the fact that the operational system of MSE is largely prone to corruption (nepotism) by living aside the genuine plan for which it was primarily established.

The participants of the FGDs mentioned the following challenges of good governance at Gimbi town MSE sector level as follows: lack of capacity (lack of qualified or competent staff) which means lack of technical and management capacity, and insufficient qualified staff, inadequate of institutional capacity, lack of awareness on human rights, weak monitoring and evaluation which result from lack of follow-up, absence of self-confidence, inappropriate punishment for corruptors, discrimination, rent seeking malpractices and prevalence of corruption. Especially in this office the major areas of corruption is in selecting and organizing of enterprise operators, levying tax, in giving place of shade and giving loans. Discrimination in this office was also reflected based on wealth, race, position and politics. This result implies that there was lack of good governance in Gimbitown MSE office.

To strengthen the ideas obtained from the respondents further, questionnaire and FGDs; the researcher also made interview with the key informants on the issue that how Gimbi town MSE office performs good governance. They said the office lacks good governance because of different reasons. First MSE office works with different sectors or stake holders like kebele councilor's Office, youth and sport Office, Oromia Credit and Saving Share Company, Revenue Office, TVET and Finance Office. In this case our clients failed to get appropriate services within a given time frame, because they are unable to give all necessary services at their office level. Due to these reasons, the office fails to implement good governance.

The other factor is the process how kebeles' do on the selection of jobless persons is not fair. They take part in rent seeking malpractices such as giving services based on family relationship, organizing those individuals who have permanent job, and people who have top political positions in the town have more opportunities to be organized. These interviews respondents were also mentioned that lack of confidence and capacity at the kebele levels, self centeredness of officials/workers, lack of awareness on human rights, and lack of follow-up are the major causes of lack of good governance in MSE office in Gimbi town.

So based on the result obtained from respondents of the study, the researcher concluded that there are different factors which results lack of good governance in Gimbi town MSE office. The officials as well as office workers of the office do not have good democratic culture which can take people's ideas as an input to work effectively. They are not well aware about human rights like the right to equality. They don't provide equal treatment for their customers. They also lack capacity to implement the policies and strategies which are designed for the development of MSE.

Similar to this study Rahmato(2008) also identified in his findings different challenges of good governance in Ethiopia like lack of adequate awareness about human rights among the public, limited democratic culture and experience in the country, limited participation of citizens in governance, lack of adequate and appropriate laws and policies in some areas, and capacity limitations of law enforcement and governance organs of the government.

### **2.10 The Effect of Bad Governance on Performance of MSE in Gimbi town**

Lack of good governance has negative impacts on development of a country in general and MSE sector in particular. As far as these consequences of the absence of good governance, respondents of the questionnaire identified different effects like hindrance for institutional performances, strongly affects the community and retarded development, damage investment, trade and the development as well as expansion of MSEs.

According to the participants of FGDs view, in the long run (through the passage of time), absence of good governance results in emigration or loss of young, productive and skilled labor force and absolute poverty. Since there is lack of good governance in establishment of MSE operators, this does not benefit themselves as well as the societies. At the end of the day there is possibility of being out of competition or closing down.

Furthermore as indicated by members of FGDs the effects of bad governance on performance of MSE in Gimbi town were:

- complicated bureaucratic systems
- financial constraints(shortage of capital) due to inaccessibility of formal credit institution to the association
- accumulation of the same enterprises in the same location
- lack of customers/ lack of market due to restricted demand of their product and services
- poor management , and inadequate market research

Similar to study conducted by Belay (2012), this study identified Gimbi town MSE processes much bureaucracy in registering and giving license which affects the development of MSE sector.

Moreover, the study conducted by Ageba&Amha (2003) shows lack of access to credit is the major challenge to MSE growth and expansion in Ethiopia which results from bad governance. Based on this result obtained from participants of this study as well as relevant literature indicates; the researcher concluded that the above mentioned problems resulted from lack of good governance in MSE office.

The interviewee also pointed out consequences of lack of good governance at MSE office levels are things such as clients lack of confidence on the officials of MSE which results from their service giving system is nepotism and bribery. It also retards investment and development.

## **III. SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **3.1 Summary of the Findings**

The main objective of this study was to critically assess and explain the extent of implementation of principles of good governance in Gimbi town in the case of MSE office and to identify the critical challenges that may limit this office in providing efficient services to enterprise operators or the local people. Emphasis was given to different aspects of good governance such as participation, transparency, responsiveness, rule of law, efficiency and effectiveness, consensus-orientation, accountability, equity and strategic visions of MSE office officials in their public duties and responsibilities.

The respondents brought their views on pillars of good governance with respect to Gimbitown MSE office. The data collected from different sources revealed that there is violation of principles of good governance in Gimbi town MSE sector. As majority of the respondent's point of view; the working processes of MSE office is not open. This office does not provide timely response for enterprise operator's complaints. Furthermore, the data collected from respondents and the findings indicated that there is low level of the pillars of good governance in Gimbi town in the case of MSE office. The data obtained from participants of FGDs and interview also supports the views of questionnaire respondents. They put their ideas as there are low levels of

the pillars of good governance because of different reasons. The result obtained from these FGD participants indicates that there was lack of good governance in MSE office. Due to this there is prevalence of corruption, discrimination and rent seeking malpractices.

The other factors that block the progress of good governance in MSE office which are identified by participant of the study were: self-centeredness of officials/workers; lack of political skill; lack of commitment and willingness of leaders; lack of awareness about human and democratic rights ; lack of follow-up that means absence of strong controlling mechanism to the actions and decisions of the officials; lack of confidence and capacity at the kebele and office levels to work independently on their positions; prevalence of corruption and discrimination based on position, relatives and wealth; lack of administrative and coordinative skills and knowledge; weak interaction and relationship between people and officials and rent-seeking mal practices at kebeleand office levels.

Based on the result obtained from participants of the study, the researcher put the following solutions for problems and challenges of good governance in Gimbi town MSE office as follows:

- Building capacity through training and experience sharing;
- Building simplified bureaucratic systems to give one stop service provisions;
- Dispersing same enterprises from the same localities and attracting customers;
- Administrators must clear their minds from extreme selfishness and
- Establish the well-functioning office which has an ability to follow up the implementation of the pillars of good governance in this office.

### **3.2 Conclusion**

The data collected from respondents revealed that the demand of good governance by the service users is not answered well. In this office, official works were not open to its customers. They have failures to be accountable and answerable for their actions and decisions. They are also unable to provide equal treatment for all service users. This absence of good governance resulted poverty, illegal emigration of youths, productive and skilled labor forces. It also retards development of the country in general and MSE sector in particular. The researcher also believed that the breakdown of the principles of good governance may pose a threat to the survival of the nation if the situations reach to the point of no return.

Based on the result of this study obtained through different instruments of data collection like interview, FGDs and questionnaires, they indicated that corruption, lack of managerial and coordinative skills, lack of capacity (lack of qualified or competent staff) which means lack of technical and managerial capacity, and insufficient qualified staff, inadequacy of institutional capacity, lack of awareness on human rights, weak monitoring and evaluation which results from lack of follow-up, rent seeking malpractices and self-centeredness of officials were identified as the major challenges of good governance in MSE office in Gimbi town. For this challenges and problems of good governance, the MSE office as well as the other concerned bodies should strive to put solutions as much as possible to make MSE an engine for economic development of Gimbi town by implementing good governance.

### **3.3 Recommendations**

On the bases of the finding and conclusion the following solutions are recommended to minimize the problems of MSE in relation to good governance.

- ❖ The town administrators and officials of the office should establish the well-functioning institutional frame work for good governance implementation follow-up at the office levels;
- ❖ In principles of good governance, office management needs to be open for its customers in their functions. That means the officials should clarify information or services that the customers expected from them to get it.
- ❖ To ensure good governance in MSE office, the office should create awareness about good governance on the part of the public in order to enable them to challenge for prevalence of bad governance through different mechanisms like training, workshops and experience sharing on implantation of good governance and problem faces in its implementations as much as possible to simplify bureaucratic hardness in service provisions.
- ❖ The officials of the office were not accountable for their failures and they are benefit oriented. They engaged in illegal way of earning money like corruption. Therefore to ensure good governance at this office levels, the office administrators or political figures must clear their minds from extreme selfishness; and they should do for the welfare of the public as much as possible.
- ❖ At kebele levels, the kebele administrators were not fairly identified jobless youngsters in their kebeles. They give services based on relatives and positions. So, Gimbi town MSE office should create awareness in selecting jobless persons to make all jobless youngsters beneficiary;
- ❖ The office should have to make service standards to introduce customers and employees to enable them to exercise their rights and to discharge their duties as well service provisions. They should make customer

satisfaction survey to know the service users problems. The office should give sufficient services for its customers efficiently with other stake holders that the issues concerned.

- ❖ Informing citizens when changes are going to be made in service provisions at the office levels.
- ❖ The officials should have to do more with other concerned body to reduce rent seeking malpractices which might happen at the kebele and office levels.
- ❖ Building capacity of office workers, officials and kebele leaders through training and experience sharing to tackle challenges of good governance which results from lack of capacity and administrative skills.
- ❖ Finally, the researcher has provided a general recommendation. That is limited research had been conducted on areas of good governance. The researcher had made a little progress in assessing challenges of good governance in MSE office.

The researcher therefore, recommends as other interested researcher conduct a research on different institutions of local levels like MSE office. In this study the researcher identified different challenges of good governance in the office. But it needs further investigation to clearly identify and minimize the challenges of this office. Hence, this paper can be used for other researcher as a starting point for his or her study.

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