**Significance of Good Governance for Local Economic Development: A Practical Assessment in Lideta Sub-City (Addis Ababa City Administration)**

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**CERTIFICATE OF APPROVAL**

Certified that the Dissertation entitled Significance of Good Governance for Local Economic Development: A Practical Assessment in Lideta Sub–City Administration submitted by Tegenegn Aymeku is his own work and has been done under my supervision. It is recommended that this Dissertation be placed before the examiner for evaluation.

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**ACRONYMS**

ANC African National Congress

CBO Community Based Organization

DAFF Department of Agriculture, Food and Forestry

EPRDF Ethiopian People’s Revolutionary Democratic Front

FDI Foreign Direct Investment

FDRE Federal Democratic Republic of Ethiopia

ICT Information and Communication Technology

LED Local Economic Development

NGO Non Governmental Organization

PA Peasant Association

SOWT Strengths, opportunities, Weaknesses and Threats

UDA Urban Dwellers Association

UNDP United Nations Development Programme

UN-HABITAT United Nations Settlements Programmme

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**ABSTRACT**

This study offers a critical review of significance of good governance on LED. It examines the relationship between good governance and LED, particularly by emphasizing on the principles of good governance and their impact on LED. By doing so, principles like participation, transparency, accountability and rule of law and their relation to and significance on LED is deeply analyzed and interpreted. The study disclosed that where and when these principles are practiced well, accepted and legitimized by the local community, then LED activities are to be vibrant. On the other hand, where and when these principles are not applied properly the reverse is true. This has been clearly identified in this study. The study has shown that there is a direct relationship between good governance and local economic development. It has come up with the conclusion that when and where principles of good governance are at work or applied; the local economic development activities are vibrant and acceptable by the local community. This in turn indicates LED is unthinkable without ensuring local good governance.

Given these scenario, the study argues for an urgent need for a reversal of the trend to see a fast and sustainable local economic development in Lideta Sub-City.

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